

ORANGE WATER AND SEWER AUTHORITY

MEETING OF THE BOARD OF DIRECTORS

JANUARY 12, 2006

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in regular session on Thursday, January 12, 2006, in the OWASA Community Room.

Directors present: Michael A. (Mac) Clarke, Chair; Penny Rich, Vice Chair; Randy Kabrick, P.E., Secretary; Terri Buckner; Milton S. Heath, Jr.; Marge Anders Limbert; Mark Marcoplos; Gordon Merklein; and Laura Sandvik.

Others present: Ed Kerwin, Intiaz Ahmad, Stuart Carson, Patrick Davis, Greg Feller, John Greene, Ed Holland, Alexandra Jones, Andrea Orbich, and Kevin Ray of the OWASA staff; Robert Epting, Esquire, Epting and Hackney; Ken Bruce, Brown and Caldwell; Jim Struve, Hazen and Sawyer; Ray DuBose, Meg Holton, Kevin Robinson and Willie Scroggs of the University of North Carolina at Chapel Hill; Jim Ward, North Carolina Botanical Garden; Cam Hill, Patti Hucks, Elizabeth Collins and Stacy Glass of the Cane Creek Rowing Association; H. R. Malpass; Rob and Carol David; Marcella Grendler; Paul Grendler; and Stan Kwa.

There being a quorum present, Chair Mac Clarke called the meeting to order.

MOTIONS ACTED UPON

1. Laura Sandvik made a motion to adopt the minutes of the October 13, 2005, Meeting of the Board of Directors. The motion was seconded by Milton Heath, and carried by unanimous vote.

2. Laura Sandvik made a motion to adopt the minutes of the October 27, 2005, Meeting of the Board of Directors. The motion was seconded by Milton Heath, and carried by unanimous vote.

3. Laura Sandvik made a motion to adopt the minutes of the December 15, 2005, Closed Session of the Board of Directors for the purpose of conferring with Counsel and staff regarding potential litigation. The motion was seconded by Milton Heath, and carried by unanimous vote.

4. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Resolution Approving the Route for a Portion of the Meeting of the Waters Sewer Replacement and Water Reuse Pipeline Projects" with an added remark that states OWASA's commitment to effectiveness of mitigation measures and adding the

N.C. Botanical Garden to the third Whereas of the resolution. (Resolution so titled attached hereto and made a part of these minutes. Motion by Milton Heath, it was seconded by Laura Sandvik, and carried by unanimous vote.)

5. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Resolution of Appreciation for Judy Weseman, P.E., Former Member of the Board of Directors of Orange Water and Sewer Authority." (Resolution so titled attached hereto and made a part of these minutes. Motion by Milton Heath, it was seconded by Terri Buckner, and carried by unanimous vote.)

6. Laura Sandvik made a motion for the Board to go into a Closed Session for the purpose of discussing pending litigation. It was seconded by Marge Anders Limbert, and carried by unanimous vote.

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ITEM ONE: ANNOUNCEMENTS

CONFLICT OF INTEREST

Mac Clarke 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.

DR. HAROLD LANDENDERFER

Mac Clarke said that Dr. Harold Landenderfer, who served on the OWASA Board of Directors from 1980 until 1989, passed away on Saturday, January 6, 2006.

Robert Epting and Milton Heath expressed their condolences as well as their appreciation of Dr. Landenderfer's service to OWASA and the community.

COMMUNITY LEADERSHIP COUNCIL

Mac Clarke said he accepted an invitation to join the Community Leadership Council (CLC), a subset of the Foundation for a Sustainable Community and the Chapel Hill and Carrboro Chamber of Commerce, as a representative for OWASA; Mark Marcoplos has also been asked to join as a prominent member of the community. CLC's mission is to convene business, university, civic and community leaders to discuss and address current cross-cutting community issues and anticipate future needs, trends and challenges. One of the proposed activities for this the Council is to visit towns such as Madison, Wisconsin, where partnership arrangements have been formed. Prior to incurring such expenses Mr. Clarke will consult with the Board.

JANUARY 3, 2006 MEETING WITH THE ORANGE COUNTY
COMMISSIONERS

Marge Anders Limbert said that she and Mark Marcoplos attended a meeting with the Orange County Commissioners as the County's representatives on the OWASA Board, and with staff members Ed Kerwin, John Greene and Ed Holland, to discuss the following ongoing issues: OWASA's pending Excess Capacity Credit policy; hunting at the Cane Creek Reservoir; possible collaboration with OWASA on water resources; and land acquisitions.

COMMITTEE MEETINGS

Ed Kerwin announced a Budget and Financial Planning Committee meeting on Wednesday, January 18, 2006 at 8:30 A.M. in the OWASA Boardroom to review the draft scope of work for the rate study.

Ed Kerwin announced an Ad Hoc Art Committee meeting on Thursday, January 26, 2006 at 5:30 P.M. in the First Floor Conference Room at Chapel Hill Town Hall to discuss public art consistent with OWASA's mission.

ITEM TWO: PETITIONS AND REQUESTS FROM THE PUBLIC

Mac Clarke asked for petitions and requests from the public.

Cam Hill of the Cane Creek Rowing Association petitioned the Board to allow a rowing program at the Cane Creek Reservoir. Mr. Hill said his association believes there is a demand for additional rowing activities at University Lake and Cane Creek Reservoir. The objectives are to establish a rowing program at Cane Creek Reservoir and University Lake open to members of the local community; establish opportunities for rowers of all ages and skill levels to row recreationally and competitively; and to create a facility on Cane Creek Reservoir for storage of boats and equipment.

Randy Kabrick asked staff what is the contractual relationship between the current Rowing Club and University Lake.

Robert Epting said that as a part of the Lease Agreement OWASA has with the University, the University reserves the right to conduct its sports programs on University Lake, which are entirely funded and supported by the University. The Rowing Club is a University-related activity run by the University. The University is responsible for the club and OWASA is not; the club has operating protocols with OWASA, but OWASA does not have responsibility for the club.

Ms. Patti Hucks said that she and the Cane Creek Rowing Association are not part of the University group.

The Board referred the petition to staff.

ITEM THREE: PETITIONS AND REQUESTS FROM THE BOARD

Mac Clarke asked for petitions and requests from the Board. There were none.

ITEM FOUR: PETITIONS AND REQUESTS FROM THE STAFF

Mac Clarke asked for petitions and requests from the staff. There were none.

ITEM FIVE: BIMONTHLY STATUS REPORT ON THE MASON FARM
WASTEWATER TREATMENT PLANT UPGRADE AND
EXPANSION PROJECT

Ed Kerwin said a community meeting will be held on January 31, 2006, at 7:00 P.M. in the OWASA's Community Room with the neighbors of Mason Farm Wastewater Treatment Plant and OWASA's odor consultant, Black and Veatch, to begin discussion of the process for the odor assessment with the neighbors. Mr. Kerwin updated the Board on plans to replace the existing gas piping system for the solids digesters which has proven to be unreliable. OWASA is working with the design engineer, Brown and Caldwell, to make this improvement at the plant.

ITEM SIX: Minutes

Laura Sandvik made a motion to adopt the minutes of the October 13, 2005, Meeting of the Board of Directors. The motion was seconded by Milton Heath, and carried by unanimous vote. Please see Motion No. 1 above.

Laura Sandvik made a motion to adopt the minutes of the October 27, 2005, Meeting of the Board of Directors. The motion was seconded by Milton Heath, and carried by unanimous vote. Please see Motion No. 2 above.

Laura Sandvik made a motion to adopt the minutes of the December 15, 2005, Closed Session of the Board of Directors for the purpose of conferring with Counsel and staff regarding potential litigation. The motion was seconded by Milton Heath, and carried by unanimous vote. Please see Motion No. 3 above.

ITEM SEVEN: RESOLUTION APPROVING THE ROUTE FOR A PORTION OF
THE MEETING OF THE WATERS SEWER REPLACEMENT AND
WATER REUSE PIPELINE PROJECTS

Alexandra Jones gave a presentation on the evaluation of alternative routes for the Meeting of the Waters Sewer Replacement and Water Reuse Pipeline installations. Ms. Jones said staff recommends the Board select Alternative 1 [construct both a new Meeting of the Waters Interceptor (MWI) and the Water Reuse Pipeline in approximately

the same corridor as the two existing MWI pipelines] as the preferred route for the portion of the projects in the Coker Pinetum/Fern Lane area.

Jim Ward of the Botanical Gardens said he appreciated the hard work of the OWASA staff and Board as well as the neighbors' continued support. Mr. Ward said some details still need to be worked out and that he hoped the Board and staff would take all concerns to heart. He also stated the process OWASA used for public participation, evaluation and selection should be shared with local utilities in the region as a "best practice." He said the tree survey that Dr. Gregory completed could be used in a long-term study with students at University of North Carolina at Chapel Hill or N.C. State University.

Rob Denver questioned the financing of the project and wondered if the project would be concluded on time.

Mac Clarke said that funding for the sewer line improvements will be provided by OWASA and the reuse pipeline project will be funded by the University.

Ray DuBose, Director of Energy Services with the University, said that the University is committed to the reuse pipeline project and obtained special legislation from the State to fund the reuse project.

Randy Kabrick requested that the attachment to the proposed resolution include an additional item stating OWASA's commitment to a long-term evaluation of mitigation effectiveness measures.

Terri Buckner suggested that the third "Whereas" paragraph of the resolution include "...and received valuable participation by many neighbors, *the N. C. Botanical Garden*, and other citizens..." for clarity.

Milton Heath made a motion to adopt the Resolution Approving the Route for a Portion of the Meeting of the Waters Sewer Replacement and Water Reuse Pipeline Projects with an added remark that states OWASA's commitment to a long-term evaluation of effectiveness of mitigation measures and adding the N.C. Botanical Garden to the third Whereas paragraph of the resolution. It was seconded by Laura Sandvik, and carried by a unanimous vote. Please see Motion No. 4 above.

**ITEM EIGHT: RESOLUTION OF APPRECIATION FOR JUDY WESEMAN, P.E.,
FORMER MEMBER OF THE BOARD OF DIRECTORS OF
ORANGE WATER AND SEWER AUTHORITY**

Milton Heath made a motion to adopt the Resolution of Appreciation for Judy Weseman, P.E., Former Member of the Board of Directors of Orange Water and Sewer Authority. The motion was seconded by Terri Buckner, and carried by unanimous vote. See Motion No. 5 above.

ITEM NINE: DISCUSSION OF HOLDING A COMMUNITY OUTREACH MEETING 2006

Mac Clarke suggested the Board alternate between Carrboro and Chapel Hill for the location of the Community Outreach meeting and that the next meeting be held at Chapel Hill since the 2005 meeting was held in Carrboro. Mr. Clarke suggested the Board create an Ad Hoc Committee to develop the specifics for the next Community Outreach meeting and the Board agreed.

The Ad Hoc Community Outreach Committee will consist of Mac Clarke, Randy Kabrick, Gordon Merklein and Mark Marcoplos.

ITEM TEN: VERBAL UPDATE ON STATUS OF STREAMFLOW AND RESERVOIR STORAGE

Ed Holland gave a presentation to the Board regarding streamflows into University Lake and the Cane Creek Reservoir. Mr. Holland informed the Board that staff is continuing to monitor lake levels and that if the lakes are not refilled by March or April, a water conservation advisory to customers may be needed to help ensure water supplies remain adequate in the next 18 months.

Mac Clarke suggested putting a comment on OWASA's website of the water supply situation and when restrictions may be needed.

ITEM ELEVEN: CLOSED SESSION

Laura Sandvik made a motion for the Board to go into a Closed Session for the purpose of discussing potential litigation. It was seconded by Marge Anders Limbert, and carried by unanimous vote. See Motion No. 6 above.

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

**RESOLUTION APPROVING THE ROUTE FOR A PORTION OF THE
MEETING OF THE WATERS SEWER REPLACEMENT
AND WATER REUSE PIPELINE PROJECTS**

WHEREAS, in order to meet its service responsibilities to the community and to protect the environment, OWASA must increase the carrying capacity and structural reliability of the Meeting of the Waters sewer outfall; and

WHEREAS, to implement the water reuse system now in the planning stage, which will significantly reduce the short- and long-term drinking water demand in the community and thereby reduce the risks and impacts of future water shortages, OWASA plans to install a new water reuse pipeline from the Mason Farm Wastewater Treatment Plant to a point near the intersection of Skipper Bowles Drive and Manning Drive, near the Meeting of the Waters sewer improvements; and

WHEREAS, OWASA has evaluated the advantages and disadvantages of the alternative routes for these projects, and has sought and received valuable participation by many neighbors, the North Carolina Botanical Garden and other citizens interested in the potential routes and construction methods for these projects; and

WHEREAS, during the evaluation process, OWASA staff and consultants have provided extensive information to interested citizens and parties about the environmental, service reliability, cost and construction-related aspects of the project alternatives, including a detailed survey of significant trees in the Coker Pinetum area; and have analyzed various means for minimizing and otherwise limiting the effects of the overall projects (including but not limited to the construction and post-construction phases) on the natural environment and resources, and on the nearby neighborhoods; and

WHEREAS, on July 12, 2005, September 28, 2005 and December 13, 2005 OWASA officials held neighborhood meetings to provide information, answer questions, and receive feedback from citizens, the North Carolina Botanical Garden, and other stakeholders who may be interested in or affected by the projects; and

WHEREAS, the Board of Directors visited the Coker Pinetum/Fern Lane area on September 28, 2005, and has subsequently reviewed and discussed the project, and the Board has received extensive questions and feedback from citizens at Board meetings held on September 28, 2005, October 13, 2005, and January 12, 2006; and

WHEREAS, the Board of Directors has fully considered the questions, comments, and feedback from citizens and stakeholders, as well as information from OWASA staff and consultants; and

WHEREAS, OWASA has also invited and received written comments, recommendations and suggestions from other interested parties; and

WHEREAS, in light of these deliberations, the OWASA Board of Directors has determined to proceed with these projects along the routes and otherwise as described herein.

NOW, THEREFORE, BE IT RESOLVED:

1. That, having compared the likely effects, costs, and short- and long-term results of the various alternatives, the OWASA Board of Directors has determined and hereby concurs that co-locating the northern portion of the Meeting of the Waters Sewer Replacement with the Water Reuse Pipeline generally within the existing gravity sewer corridor through the Coker Pinetum and Fern Lane area is the most feasible alternative for these projects.

2. That the OWASA Board of Directors sincerely appreciates the constructive information, questions, comments, concerns and feedback received from neighbors, citizens, and other interested parties regarding the various alternative routes for the proposed projects, as well as their suggestions as to how the environmental and special neighborhood impacts of these projects might be minimized.

3. That OWASA intends, in so far as may be feasible and practical, to minimize the adverse effects of the projects on the environment, nearby property owners, and the neighborhood.

4. That where practical and feasible, OWASA intends to incorporate effective mitigation measures, such as those identified in Attachment #1, throughout all phases of the projects, including design, contracting, site preparation, construction, and site restoration.

5. That those mitigation measures found to be practical and feasible will be incorporated into all bid solicitation, bid, construction, project management, and other contract documents as legally enforceable conditions of the bid and contract documents.

6. That consistent with the above provisions, the Executive Director is directed to have OWASA's engineering consultants proceed with final planning and design for these two projects.

7. That OWASA staff shall provide the Board of Directors and interested citizens with periodic reports and opportunities to give feedback concerning development of the final design work and plans including the routing of pipes through other areas such as the area along Old Mason Farm Road and part of Fordham Boulevard, and shall make available for public inspection at OWASA offices copies of project plans, contract specifications, and related documents.

Adopted this 12th day of January, 2006.

MITIGATION OF PROJECT IMPACTS FOR
MEETING OF THE WATERS SEWER REPLACEMENT AND
WATER REUSE PIPELINE

Mitigation of Project Impacts

OWASA recognizes that Meeting of the Waters Sewer Replacement and the Water Reuse Pipeline projects will result in environmental impacts, construction noise and disturbance, temporary restrictions on traffic and access, and other impacts.

Strategies to minimize the impacts of these projects are being explored and have been discussed with affected stakeholders. Mitigation measures found to be practical and feasible will be implemented as an essential part of these projects. Measures under consideration generally fall into four major categories:

- ✓ Inclusion of mitigation measures in the design;
- ✓ Measures relating to the preparation of the project area prior to construction;
- ✓ Measures to mitigate the effects of project construction; and
- ✓ Measures to restore the project area at least to pre-construction conditions to the extent that is practical and feasible.

The following list suggests some of the specific mitigation measures being considered for incorporation in the project. The measures are not listed in any particular order of importance, nor are they intended to preclude the inclusion of others suggested and later determined by OWASA to be practical and feasible in minimizing adverse effects of the projects on the natural and neighborhood environments where the projects will be constructed.

Design Measures

- ✓ Environmental construction information and requirements must be clear on the drawings and in the scope of work. This information and the related requirements will be presented at a pre-bid meeting. The requirements will be monitored and enforced throughout construction.
- ✓ Work requirements will be made clear in drawings and specifications for safety when working in areas that may have children or other pedestrians.
- ✓ A thorough Erosion and Sediment Control (ESC) Plan, consistent with suggested Best Management Practices and with redundant measures for very sensitive areas, will be developed and used to protect against erosion and sedimentation to the extent possible.
- ✓ The number of manholes will be minimized, and over-size manholes will be used to facilitate cleaning and inspection of the sewer line.
- ✓ Odor reducing designs should be implemented to the extent practical and feasible, including eliminating drop manholes and installing non-venting manhole covers.

- ✓ To the extent practical and feasible, pipelines should be designed for installation under roadway/compacted shoulder as much as possible in areas of extensive tree roots. This will assist in tree protection, since tree roots will be less dense under the road.
- ✓ Efforts should be made to locate underground utilities prior to construction to reduce the possibility of temporary loss of utility services (e.g., electric, telephone, water, etc.).
- ✓ Contractors should be pre-qualified, if possible, based upon positive recommendations from prior clients on projects of a similar nature, or based upon other familiarity with the protective measures OWASA is committed to providing in these projects.
- ✓ Maintaining access to residential and other property should be an important priority as part of the design.
- ✓ To the extent practical, schedule the project construction and activities during seasons that are more favorable for protection of the tree root zones.

Site Preparation Measures

- ✓ Invite the participation of neighbors and other interested persons and agencies to identify and protect flora of particular interest or value. If removal and replanting are practical and feasible, plans should be developed to identify the number of plants to be moved, as well as provisions made for replacement with new plantings where necessary, practical and feasible.
- ✓ Document existing significant trees within the construction corridor and identify trees that could be removed and those requiring specific protection.
- ✓ Develop a separate initial phase of construction to prepare the site and vegetation for construction and to implement, monitor and maintain the Erosion and Sediment Control Plan. This phase could physically define/confine the limits of the construction contract work area.
- ✓ Clearly delineate areas that can be disturbed and areas that can't. Install temporary fencing along the construction corridor to provide effective tree and root protection where feasible.
- ✓ Employ a licensed arborist to identify setbacks from major tree specimens to protect roots where practical and feasible. As tree roots will be encountered and impacted throughout the OWASA easement, a licensed arborist should be available to advise OWASA concerning root pruning and tree protection.

Construction Measures

- ✓ The environmental measures applicable to construction should be monitored and enforced throughout construction. A full-time Resident Project Representative shall be used to observe and serve as a liaison to OWASA for stakeholders' questions and concerns.
- ✓ Access for emergency vehicles along roads and to residences shall be maintained at all times during construction.

- ✓ To the extent practical and feasible, soil stockpiles will be carefully monitored and allowed only in areas and by means not destructive to existing important flora. Specifications will be written to clearly emphasize where and how long excavated material can be placed. Unsuitable spoil material will be removed from the site as frequently as may be practical and feasible, and shall not be stockpiled or left in the corridor for extended periods.
- ✓ Project materials should be stored only in designated areas and brought to the actual construction site only when ready for installation, with consideration given to the need to balance this measure with traffic, safety and other considerations.
- ✓ Prevent exotic and invasive species introduction. This would be particularly important if backfill is imported. Remove invasive plant “hot spots” from within the construction corridor.
- ✓ Implement stream protection measures in addition to the ESC Plan, particularly when working within the stream banks.
- ✓ Daily contractor operations should include site stabilization and protection.
- ✓ Construction methods should incorporate innovative ideas to minimize disturbance.
- ✓ Use bypass sewage pumping with redundancy to protect against sanitary sewer overflows.
- ✓ Provide protection against oil leaks and fuel spills from equipment.
- ✓ Cover construction area at the end of each day and at the time of precipitation with appropriate materials to minimize the transport of silt and sediment.

Site Restoration

- ✓ Minimize the time and extent of soil disturbance, and restore disturbed areas to pre-construction conditions or better when done.
- ✓ Till compacted surface soils as part of restoration.
- ✓ Promptly repave roads disturbed by construction activities.
- ✓ To the extent practical and feasible, temporarily store and replant priority plantings located within the construction perimeter (e.g., NCBG plantings along Fordham Boulevard).
- ✓ Warranty inspections/post-construction obligations for a set period of time.

Evaluation of Mitigation Measures

- ✓ In partnership with others, evaluate the effectiveness of the environmental mitigation measures used in this project.

**RESOLUTION OF APPRECIATION FOR JUDY WESEMAN, P.E., FOR HER
SERVICE AS A MEMBER OF THE BOARD OF DIRECTORS OF THE
ORANGE WATER AND SEWER AUTHORITY**

WHEREAS, Judy Weseman, P.E., was appointed by the Town Council of Chapel Hill in 2001 to serve as a member of the Board of Directors of the Orange Water and Sewer Authority; and

WHEREAS, from July 26, 2001 to December 15, 2005, Ms. Weseman diligently served as a member of the Board of Directors of Orange Water and Sewer Authority; and from October 10, 2002 to October 9, 2003 she served as Secretary-Treasurer of the Board; and

WHEREAS, Judy Weseman, P.E., has given freely of her time, energy, and talents with unselfish dedication of her abilities, practical leadership, responsive stewardship, and compassionate concern while serving the citizens of the community and the customers of the Orange Water and Sewer Authority.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Board of Directors of the Orange Water and Sewer Authority, acting through its members Terri Buckner; Michael A. Clarke; Milton Heath, Jr.; Randolph M. Kabrick, P.E.; Marge Anders Limbert; Mark Marcoplos; Gordon Merklein; Penny Rich; and Laura Sandvik now takes this means of expressing to Judy Weseman, P.E., its sincere appreciation and deep gratitude for her faithful service, able leadership, and stewardship; and the Board wishes for her the rewards of personal happiness in the years ahead.

2. Let this resolution be spread on the Minutes of this meeting, the 12th day of January, 2006; a copy of this resolution shall be transmitted to the Town of Chapel Hill, and with proper exposition a copy of this resolution shall be presented to Ms. Weseman.

Adopted by the Board of Directors of Orange Water and Sewer Authority, this 12th day of January, 2006.