

ORANGE WATER AND SEWER AUTHORITY

MEETING OF THE BOARD OF DIRECTORS

OCTOBER 26, 2006

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in regular session on Thursday, October 26, 2006, at 7:00 P.M., in Council Chambers at the Chapel Hill Town Hall.

Directors present: Michael A. (Mac) Clarke, Chair; Randy Kabrick, P.E., Vice Chair; Gordon Merklein, Secretary; Fred Battle; Milton S. Heath, Jr.; Marge Anders Limbert; Penny Rich; Laura Sandvik; and William R. Stott, III.

OWASA staff: Ed Kerwin, John Greene, Mason Crum, Elonnie Alston, Denise Battle, Donald Boggs, Hal Crawford, Mary Darr, Patrick Davis, Walter Gottschalk, Greg Feller, Ed Holland, Oscar Holman, Dale Lovely, Jerry McNair, Andrea Orbich, Eric Roberson, and D. Douglas Terry; and Robert Epting, Esquire, Epting and Hackney.

Others present: Terry Battle; Braxton Foushee; Barbara Terry; and Meg Holton, Water, Wastewater, and Stormwater Manager, UNC.

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

MOTIONS ACTED UPON

1. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt a *Resolution of Appreciation for D. Douglas Terry*. (Resolution so titled attached hereto and made a part of these minutes. Motion made by Penny Rich, seconded by Milton Heath, 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.

BOARD WORK SESSION

Mac Clarke said that a Board Work Session will be held on Wednesday, November 15, 2006, at 7:00 P.M. in the OWASA Community Room to discuss water and sewer rate design.

COMMITTEE MEETINGS

Milton Heath said the Budget and Financial Planning Committee will meet on Thursday, November 9, 2006, at 8:30 A.M. in the OWASA Boardroom to discuss the rate design.

Gordon Merklein said the Ad Hoc Art Committee began their review of presentations by artists for the OWASA atrium art project prior to the Board meeting. The Committee will meet again on Thursday, November 9, 2006, at 5:00 P.M. in the OWASA Boardroom to complete their review and will report back to the Board at a future meeting.

LEADERSHIP ADVISORY COMMITTEE

Randy Kabrick said at the last UNC Leadership Advisory Committee meeting it was proposed to accelerate the work of the Committee to match the internal work groups currently being formed by UNC, Town and County Committees. This should be the week of November 8th. Extended meetings will continue through the end of the year to complete the core principles.

EMPLOYEE SERVICE AWARDS

Ed Kerwin said that it is always rewarding to acknowledge OWASA's employees that have served for 10, 15, 20, 25 and 30+ years at OWASA. The following employees received service awards:

10-Year: *Donald Boggs**, *Denise Battle** and *Ed Kerwin**

15-Year: Maxine Rich

20-Year: *Eric Roberson**, *Oscar Holman** and *Jerry McNair**

25-Year: Walter Champion, *Hal "Doc" Crawford**, Eric Barnhardt, Clay Davis and *John Greene**

30+ Years: *Elonnie Alston**

*These employees attended the Board of Directors' meeting and were recognized by their supervisors and the Board.

On behalf of the entire Board of Directors, Mac Clarke thanked all employees for their service and hard work to OWASA.

LAKE RECREATION SEASON ENDS

John Greene announced that the OWASA 2006 recreation season at University Lake and Cane Creek Reservoir will end on Sunday, November 12, 2006. The 2007 recreation season will begin on Saturday, March 24, 2007.

ASSOCIATION OF METROPOLITAN WATER AGENCIES' 2006 GOLD AWARD
FOR COMPETITIVENESS ACHIEVEMENT

John Greene announced that OWASA has received the Association of Metropolitan Water Agencies 2006 Gold Award for Competitiveness Achievement along with 15 other water agencies in the United States. Mr. Greene recognized Mary Darr who wrote and submitted the application for the award. Finally, Mr. Greene thanked the Board for their support.

Mac Clarke and the Board commended staff on their achievement.

SERIES 2006 BOND CLOSING

Patrick Davis reported that a successful closing of OWASA's Series 2006 Bonds occurred this morning. The Bond Issue of \$22.3 million was successfully marketed at an All-in interest rate 4.53% over a 25 year debt issue.

N.C. WILDLIFE RESOURCE COMMISSION (WRC)

Ed Kerwin announced that OWASA and WRC have reached an agreement to continue OWASA's ban on hunting at the Cane Creek Reservoir, but to allow limited hunting on 500 acres of OWASA land known as the "Mitigation Tract" north of the reservoir.

ITEM TWO: OATH OF OFFICE

Andrea Orbich administered the Oath of Office to William R. Stott, III, Town of Carrboro appointee.

ITEM THREE: PETITIONS AND REQUESTS FROM THE PUBLIC, THE BOARD AND
STAFF

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

ITEM FOUR: RESOLUTION OF APPRECIATION FOR D. DOUGLAS TERRY

Mac Clarke read a resolution of appreciation honoring the service of D. Douglas Terry, OWASA Water Supply and Treatment Manager.

Board Members, staff, and Braxton Foushee expressed their sincere appreciation to Mr. Terry for his dedicated service to OWASA

Penny Rich moved to adopt the resolution; it was seconded by Milton Heath and carried by unanimous vote. (Please see Motion No. 1 above.)

ITEM FIVE: ANNUAL REVIEW AND UPDATE OF STRATEGIC TRENDS AND MASTER PLAN ISSUES

The Board received a presentation from Ed Holland on the annual update of OWASA's 50-Year Water and Sewer Master Plan. The following information was highlighted:

- ✓ OWASA customers continue to use less water than expected based on 2001 projections from historical data.
- ✓ Because of this reduction, OWASA expects to be able to defer future expansions of the Jones Ferry Road Water Treatment Plant and the Mason Farm Wastewater Treatment Plant by 10 years or more.
- ✓ With the planned use of reclaimed water at University facilities, OWASA's current water supplies should be adequate to meet projected long-term demand unless there is a severe drought in the 2020s prior the Expanded Stone Quarry Reservoir becomes available. However, the OWASA Board has adopted water conservation targets for future years and staff is evaluating additional conservation initiatives to help ensure that future supply will be sufficient.
- ✓ OWASA will develop a long-term biosolids management plan in 2007.

ITEM SIX: REPORT ON THE PINEY MOUNTAIN PUMP STATION REPLACEMENT PROJECT

The Board received the report on the Piney Mountain Pump Station replacement project.

ITEM SEVEN: ANNUAL PERFORMANCE MEASURES

After discussion, the Board agreed that some of the performance measures will be addressed by various Board Committees and directed staff to propose further basis for discussion.

There being no further business to come before the Board, the meeting was adjourned at 8:35 P.M.

RESOLUTION OF APPRECIATION FOR D. DOUGLAS TERRY

Whereas, Doug Terry began serving as the Superintendent of the Jones Ferry Road Water Treatment Plant on January 28, 1974, when the University of North Carolina at Chapel Hill owned and operated the public water system for the Chapel Hill-Carrboro community; and

Whereas, Doug Terry has been responsible for the operation of the Jones Ferry Road Water Treatment Plant since the Orange Water and Sewer Authority (OWASA) began serving the community in February, 1977; and

Whereas, Doug Terry's responsibilities included oversight and protection of our raw water supplies, University Lake and the Cane Creek and Stone Quarry Reservoirs; and supervision of lake recreation and involvement in developing and managing an in-house spill response team; and

Whereas, Doug Terry will retire on Friday, October 27, 2006 from his position as OWASA's Manager of Water Supply and Treatment; and

Whereas, Doug Terry's career in the water resource field spans 40 years, including his service for the City of Raleigh as a wastewater treatment plant operator and water treatment laboratory supervisor; and

Whereas, during the entirety of Doug Terry's tenure at the Jones Ferry Road Water Treatment Plant, there were no violations of State or Federal drinking water quality standards; and

Whereas, during Doug Terry's career, OWASA won awards for Best Tasting Water in North Carolina in 1988, 1989 and 2003; and

Whereas, in June, 2005 OWASA's drinking water treatment program received a national award, the "Director's Certificate of Recognition," from the Partnership for Safe Water; and

Whereas, Doug Terry received the North Carolina Waterworks Operator Association's awards for Class A Operator of the Year in 1990, Piedmont Region Operator of the Year in 1995 and State-wide Operator of the Year in 2000; and

Whereas, Doug is well loved by OWASA employees and he is well known for his quick sense of humor;

NOW, THEREFORE, BE IT RESOLVED BY THE DIRECTORS OF ORANGE WATER AND SEWER AUTHORITY:

October 26, 2006

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1. That OWASA Board of Directors does hereby formally recognize, honor and praise D. Douglas Terry for his many achievements with the Orange Water and Sewer Authority and expresses its appreciation for his dedicated and loyal service in providing high quality drinking water to people in the Chapel Hill-Carrboro community.

Adopted this the 26th day of October, 2006.