

ORANGE WATER AND SEWER AUTHORITY

MEETING OF THE BOARD OF DIRECTORS

NOVEMBER 9, 2006

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in regular session on Thursday, November 9, 2006, at 7:00 P.M., in the OWASA Community Room.

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

OWASA staff: Ed Kerwin, Mason Crum, Patrick Davis, Mary Darr, Greg Feller, John Greene, Walter Gottschalk, Ed Holland, Ken Loflin, and Andrea Orbich; and Robert Epting, Esquire, Epting and Hackney.

Others present: Meg Holton, Water, Wastewater, and Stormwater Manager, UNC; Ken Bruce, Brown and Caldwell; Jeff Saplp and Sarah Whitmarsh, UNC Daily Tar Heel; Peg Parker, Gary Richman, and Reed Johnson of Highland Woods; Mark Witcher, Hunts' Reserve; and Randy Foulke, Black & Veatch.

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

MOTIONS ACTED UPON

1. Milton Heath moved to adopt the minutes of the September 28, 2006, Annual Meeting of the Board of Directors. The motion was seconded by Gordon Merklein, and carried by unanimous vote.

2. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt *Resolution to Award a Construction Contract for the Bolin Creek Basin Manhole Rehabilitation Project*. (Resolution so titled attached hereto and made a part of these minutes. Motion made by Penny Rich, seconded by Gordon Merklein, and carried by unanimous vote.)

3. Penny Rich made a motion that the Board authorize General Counsel to institute an action to acquire an easement by Eminent Domain across the property of St. Joseph's Church located at the corner of Bynum Street and Craig Street in Chapel Hill, North Carolina. The motion was seconded by Gordon Merklein and carried by unanimous vote.

4. Penny Rich moved that the Board go into a Closed Session for the purpose of discussing a human resource matter with the possibility of retuning to open session. The motion was seconded by Marge Anders Limbert and carried by unanimous vote.

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 the Work Session scheduled for Wednesday, November 15, 2006 has been cancelled. Instead the Board's Budget and Financial Planning Committee will meet at 6:00 P.M. in the OWASA Boardroom to continue its discussion of rate design. Mr. Clarke noted that the Rate Study is now scheduled to be completed in the first quarter of 2007.

AD HOC ART COMMITTEE

Gordon Merklein said the Committee has completed their interviews with local artists and will make a recommendation to the full Board at the Board's December 14, 2006 meeting.

KEN LOFLIN

John Greene introduced Ken Loflin, OWASA's new Water Supply and Treatment Manager.

AMENDMENT TO THE AGENDA

Mac Clarke said the Eminent Domain closed session item no longer needs to be discussed in closed session and is on the agenda as a Discussion item.

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

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

ITEM THREE: QUARTERLY REPORT ON CONSUMPTION, EXTENSIONS AND CONNECTIONS

Ed Kerwin noted a correction in the report on page 3 with regarding to the July through September percentage billed number. The correct number is 98.2 percent.

The Board received the quarterly report on consumption, extensions and connections as an information item.

ITEM FOUR: SEMIANNUAL STATUS REPORT FOR VARIOUS CAPITAL IMPROVEMENT PROJECTS, INCLUDING QUARTERLY REPORT ON COMMUNICATIONS PLANS FOR CAPITAL PROJECTS

The Board received the semiannual status report for various capital improvement projects, including quarterly report on communication plans for capital projects as an information item.

ITEM FIVE: MINUTES

Milton Heath moved to adopt the minutes of the September 28, 2006, Annual Meeting of the Board of Directors. The motion was seconded by Gordon Merklein, and carried by unanimous vote. Please see Motion No. 1 above.

ITEM SIX: REPORT AND RECOMMENDATIONS REGARDING ODOR ELIMINATION PROGRAM AT THE MASON FARM WASTEWATER TREATMENT PLANT (WWTP)

Mary Darr provided a brief presentation to the Board regarding the report on Odor Elimination Program at the Mason Farm WWTP as well as noting the upcoming Chapel Hill Town Council Public Forum on December 4, 2006.

Gary Richman said he was grateful for all the activity and effort from OWASA but remains fixed on the elimination of off-site odor. Mr. Richmond said he wants a measurable commitment from OWASA on when will off-site odor will be eliminated, as well as the Board's reassurance of its initial commitment to eliminating off-site odor. He said OWAS should do modeling to get answers sooner rather than by evaluating odor, fixing it, reevaluating, etc.

Milton Heath asked Ed Kerwin to define the goal and to explain where OWASA is now and what can be expected in eliminating off-site odors.

Ed Kerwin said that Mr. Richman correctly stated that OWASA's goal is to eliminate off-site odors.

Randy Kabrick said he would like to see the resolution approved by the OWASA Board on March 1, 2004.

Mr. Kerwin said OWASA has not achieved the odor elimination goal, but that when new covered headworks facility is completed by next summer OWASA will be much closer to the goal.

Mr. Heath asked how much OWASA has expended to date for odor.

Mr. Kerwin said he was unsure of the total cost, but would report back to the Board on an exact number at a later date so that all expenditures can be reported correctly.

Reed Johnson voiced concern regarding the loss of value of their homes in Highland Woods due to odor events from the WWTP.

Mr. Heath said he would like to hear from Counsel on the issues stated.

Robert Epting said OWASA is trying to make odor conditions at the WWTP better than they have been for the last 20 - 25 years. While the community is doubtless affected by these conditions, OWASA's recent expenditures of millions of dollars to relieve these conditions reflect a good faith commitment to the community to resolve this problem.

Mr. Kabrick asked for staff's response regarding modeling.

Ms. Darr said staff is in consultation with Black and Veatch for basic modeling work and staff will update the Board at a future meeting.

Marge Anders Limbert inquired what staff's response is to "not only what the goal is but what happens upon violation."

Ms. Darr said that this request would also be addressed in future updates.

ITEM SEVEN: RESOLUTION TO AWARD A CONSTRUCTION CONTRACT FOR THE BOLIN CREEK BASIN MANHOLE REHABILITATION PROJECT

Penny Rich moved to adopt the resolution; it was seconded by Gordon Merklein and carried by unanimous vote. Please see Motion No. 2 above.

ITEM EIGHT: QUARTERLY FINANCIAL REPORT AND ANALYSIS

The Board received the quarterly financial report and analysis as an information item.

ITEM NINE: EMINENT DOMAIN

Mason Crum briefly updated the Board on a sewer easement needed on property at St. Joseph Christian Methodist Episcopal Church at the corner of Bynum Street and Craig Street in Chapel Hill (Orange County Property Identification Number of Index as PIN 9778 97 9579). OWASA Counsel and staff have worked for over a year and are unable to obtain the easement document even though local representatives of the Church are willing to provide the easement. Church "discipline" requires that the paperwork be approved by a Bishop who resides in Houston, Texas. Staff has obtained 12 of the 13 required easements and all required permits for this critical project that will decommission and remove the existing pump stations on Lloyd Street and Starlite Drive. Staff began discussions with the church to obtain the easement in March 2005, and despite discussions with the church's representative, Reverend Troy Harrison, that the church is not opposed to granting the easement, staff has still been unable to obtain the easement because of the difficulties getting the paperwork processed through the office of the Church's Bishop that is located in Houston, Texas.

Robert Epting said the Board could acquire the easement by an Eminent Domain action filed in the office of the Clerk of Superior Court. Title to the property will vested in OWASA as soon as the action is filed, and the Church will be able to accept the amount deposited with the Clerk as fair value, or to contest that value at trial.

Penny Rich made a motion that the Board authorize General Counsel to institute an action to acquire an easement by Eminent Domain across the property of St. Joseph's Church located at the corner of Bynum Street and Craig Street in Chapel Hill, North Carolina. The motion was seconded by Gordon Merklein and carried by unanimous vote. Please see Motion No. 3 above.

ITEM TEN: CLOSED SESSION

Penny Rich moved that the Board go into a Closed Session for the purpose of discussing a human resource matter with the possibility of retuning to open session. The motion was seconded by Marge Anders Limbert and carried by unanimous vote. Please see Motion No. 4 above.

There being no further business to come before the Board, the meeting was adjourned at 8:15 P.M.

**RESOLUTION AWARDING A CONSTRUCTION CONTRACT FOR THE
BOLIN CREEK BASIN MANHOLE REHABILITATION PROJECT**

WHEREAS, there is a need for improvements to Orange Water and Sewer Authority's (OWASA) sewer collection system; and

WHEREAS, plans and specifications for the construction of this project have been prepared by the Hazen and Sawyer, Inc.; and

WHEREAS, advertisement for bids was published in the News and Observer on September 17, 2006, and six (6) General Construction bids were received and opened on October 12, 2006; and

WHEREAS, on June 8, 2006, the Board approved a resolution authorizing funds for Capital Projects for Wastewater Collection Lines, including adequate funds for this project;

**NOW, THEREFORE, BE IT RESOLVED BY THE OWASA BOARD OF
DIRECTORS:**

1. That the OWASA Board of Directors award the general construction contract to AM-Liner East, Inc., the low bidder for the Bolin Creek Basin Manhole Rehabilitation, in accordance with the approved plans and specifications, in the amount of \$540,239 for the base bid, subject to such change orders as may apply.

2. That the Executive Director be, and hereby is, authorized to execute said contract, subject to prior approval of legal counsel, and to approve and execute change orders and such documents as may be required in connection with the construction contract.

3. That the Executive Director be, and hereby is, directed to furnish copies of said contract to the appropriate State and Federal regulatory agencies for required approval.

Adopted this 9th day of November, 2006.

**RESOLUTION AUTHORIZING GENERAL COUNSEL TO INSTITUTE AN
ACTION BY EMINENT DOMAIN TO ACQUIRE AN EASEMENT**

WHEREAS, the Orange Water and Sewer Authority (OWASA) Board of Directors' has found that it is necessary and appropriate to acquire a sewer easement across the property of St. Joseph's Church, said property being located at corner of Bynum Street and Craig Street in Carrboro (PIN Number 9778979579), and that the owner has agreed to sell and convey the same to OWASA, but is unable to complete the required paperwork because of difficulties with its oversight office;

**NOW, THEREFORE, BE IT RESOLVED BY THE OWASA BOARD OF
DIRECTORS:**

1. That General Counsel is authorized to institute an action to acquire an easement in the name of OWASA by Eminent Domain across the said property of St. Joseph's Church, of the dimensions and at the original cost to be deposited of \$500.

Adopted this 9th day of November, 2006.

**RESOLUTION RECLASSIFYING THE VACANT GROUNDSKEEPER POSITION
TO THE NEW POSITION OF WASTEWATER SPECIALIST**

WHEREAS, the Executive Director has determined that the currently vacant Groundskeeper position is no longer needed; and

WHEREAS, the Executive Director has determined there is a need for additional technical support for the safe, efficient and effective operation of the Mason Farm Wastewater Treatment Plant and related programs; and

WHEREAS, the Executive Director recommends that the vacant Groundskeeper position be reclassified to the new position of Wastewater Specialist;

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

1. That the Board of Directors' of Orange Water and Sewer Authority (OWASA) approves the reclassification of the vacant Groundskeeper position to the new position of Wastewater Specialist Grade 20 (\$41,840 – 60,668).
2. That the Executive Director is authorized to increase the maximum pay range of this position up to 15 percent if the Executive Director determines such action to be appropriate based on the unique qualifications of the individual.
3. That this reclassification shall become effective upon adoption of this resolution.
4. That the Schedule of Employee Classification and Authorized Compensation adopted on June 8, 2006 be amended to reflect this new job classification.
5. That the Executive Director is authorized to establish a detailed job description for this new position.

Adopted this the 9th day of November, 2006.