

ORANGE WATER AND SEWER AUTHORITY

MEETING OF THE BOARD OF DIRECTORS

APRIL 12, 2007

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in regular session on Thursday, April 12, 2007, at 7:00 P.M., in OWASA's Community Room.

Directors present: Michael A. (Mac) Clarke, Chair; Randolph M. Kabrick, P.E., Vice Chair; Gordon Merklein, Secretary; Fred Battle; Braxton Foushee; Milton Heath, Jr.; Penny Rich. Directors absent: Marge Anders Limbert and William R. Stott.

OWASA staff: Ed Kerwin; John Greene; Mason Crum; Mary Darr; Patrick Davis; Ed Holland; Andrea Orbich; and Kevin Ray; Robert Epting, Esquire, Epting and Hackney.

Others present: Meg Holton, UNC Water, Wastewater, and Stormwater Manager; Randy Foulke, Black & Veatch; and Gary Richman and Rex Bartles, Highland Woods Recreation Association.

Andrea Orbich, Notary Public, administered the Oath of Office to Mr. Braxton Foushee, Town of Carrboro appointee to the OWASA Board, at the beginning of the Board meeting.

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

MOTIONS ACTED UPON

1. Penny Rich made a motion to approve the Minutes of the February 22, 2007 Board meeting; the motion was seconded by Fred Battle and unanimously approved.

2. Penny Rich made a motion to approve the Minutes of the March 8, 2007 Board meeting; the motion was seconded by Fred Battle and unanimously approved.

3. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the Resolution Endorsing Regulations Governing In-Lake Activities and Uses of University Lake and Cane Creek Reservoir. (Resolution so titled attached hereto and made a part of these minutes. Motion by Milton Heath, seconded by Penny Rich, and carried by unanimous vote.)

4. Milton Heath made a motion that the Board convene in a Closed Session for the purpose of conferring with Counsel and staff to discuss pending litigation; the motion was seconded by Penny Rich and unanimously approved.

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.

AMENDMENT TO THE AGENDA

Mac Clarke said a Closed Session has been added to the agenda for the purpose of conferring with Counsel and staff to discuss pending litigation.

TOWN OF CHAPEL HILL APPOINTEE

Mac Clarke said the Chapel Hill Town Council appointed Mr. Gene Pease to replace Milton Heath. Mr. Pease's first meeting will be May 10, 2007.

COMMUNITY OUTREACH AT CAROL WOODS

Mac Clarke said that he and Ed Kerwin gave a presentation on OWASA to Carol Woods residents on March 15, 2007. This meeting was well attended, the participants had good questions, and Mr. Clarke noted to the Board's Ad Hoc Outreach Committee that OWASA should go out to the community instead of inviting the community to OWASA.

CARRBORO BOARD OF ALDERMEN MEETING ON APRIL 10, 2007

Mac Clarke updated the Board on the presentation to the Carrboro Board of Aldermen on April 10, 2007 regarding proposed increases in water and sewer availability fees. The discussion with Carrboro focused primarily on how availability fees are calculated, and the Board of Aldermen suggested that OWASA and Carrboro explore the feasibility of charging additional fees when the size of a home is subsequently increased.

BUDGET AND FINANCIAL PLANNING COMMITTEE MEETING

Gordon Merklein said the Board's Budget and Financial Planning Committee met on April 5, 2007 and discussed the Draft Capital Improvements Program Budget.

ITEM TWO: PETITIONS AND REQUESTS

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

ITEM THREE: BIMONTHLY STATUS REPORT ON THE MASON FARM
WASTEWATER TREATMENT PLANT (WWTP) 14.5 UPGRADE AND
EXPANSION PROJECT

The Board received the staff's bimonthly status report on the upgrade and expansion of the Mason Farm WWTP as an information item.

ITEM FOUR: MINUTES

Penny Rich made a motion to approve the February 22, 2007 Minutes of the Board of Directors meeting; the motion was seconded by Fred Battle and unanimously approved. See Motion No.1 above.

Penny Rich made a motion to approve the March 8, 2007 Minutes of the Board of Directors meeting; the motion was seconded by Fred Battle and unanimously approved. See Motion No. 2 above.

ITEM FIVE: RESOLUTION ENDORSING REGULATIONS GOVERNING IN-LAKE
ACTIVITIES AND USES OF UNIVERSITY LAKE AND CANE CREEK
RESERVOIR

Braxton Foushee requested that the words "*or under effective voice*" in Section V, M. of the proposed Regulations Governing In-Lake Activities and Uses of University Lake and Cane Creek Reservoir be deleted and read as follows:

"No horses, cattle or domestic animals are permitted to water, wash or wallow in the reservoirs. Additionally, no domestic animals are permitted to be within 50 feet of the normal pool elevation. At Cane Creek, an area is designated as a dog exercise/run area below the dam for dogs under leash ~~or under effective voice~~ control. Animal owners are responsible for the removal and appropriate disposal of feces."

Milton Heath made a motion to adopt the resolution with the above noted change; the motion was seconded by Penny Rich and unanimously approved. See Motion No. 3 above.

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

John Greene provided an overview of staff's report on odor elimination at the Mason Farm WWTP.

Gary Richman indicated that the information detailed in the odor report by staff was mostly good news and met the expectations of the neighborhood. Mr. Richman stated that if the recommended actions from the model evaluation were undertaken it would be a wonderful step forward. Regarding the Odor Elimination Definition, Mr. Richman said Ed Kerwin shared a draft of the definition with him which was discussed by the Highland Woods neighbors. He stated that discussions with OWASA have gone from "odor complaints" to "odor events". His

area of concern centered on the definition of an “odor event”. He applauded OWASA for picking a low number of events (not to exceed 3 per year) but did not want to penalize OWASA if two people called in about the same situation. However, if the calls were 4, 8 or 12 hours apart he thought the calls should be treated as separate events.

Mr. Richman further noted that the odor work should not be a “goal line” that is crossed, the work is over and success is declared but more of an ongoing standard to be met. He asked that OWASA develop a plan to meet the Dilution-to-Threshold (D/T) ratio standard (5 D/T at the property line). He thought OWASA had a good plan for meeting the hydrogen sulfide standard (0.0 mg/l at the property line) but was not sure of the D/T goal or if the equipment being considered is the right equipment for evaluating whether the standard is met. He requested that a operational measure/standard be worked out and folded into the odor elimination definition.

Mac Clarke said OWASA representatives will make a presentation to the Chapel Hill Town Council in May regarding these issues as well as the proposed rates. OWASA representatives will also meet with the Town of Carrboro and Orange County governing officials regarding the proposed rate study. Following the meetings with the local governments and taking into consideration their feedback from the local governments and customers, staff will make a further report and recommendations to the Board.

Ed Kerwin added that the Budget and Financial Planning Committee has reviewed the Draft Capital Improvement Program (CIP), which includes the additional odor elimination improvements recommended by staff, and that the Board will act on the CIP in June, 2007.

Gordon Merklein requested a list of the CIP projects that would be deferred to accommodate the recommended additional odor elimination improvements.

ITEM SEVEN: PROPOSED NUTRIENT MANAGEMENT RULES FOR JORDAN LAKE – IMPLICATIONS FOR OWASA

Ed Holland summarized the N. C. Environmental Management Commission’s (EMC’s) comprehensive package of proposed nutrient management rules intended to reduce water quality violations in Jordan Lake.

The Board agreed to refer this item to the Board’s Natural Resources and Technical Systems (NRTS) Committee. Staff will draft an OWASA position statement that the NRTS Committee and full Board will review and modify before its submittal to the EMC’s public hearing record, which will likely be open through July 2007.

ITEM EIGHT: DISCUSSION OF PRELIMINARY OPERATIONS AND MAINTENANCE BUDGET FOR FISCAL YEAR 2008

Kevin Ray said that he and Ed Kerwin met with each department manager to discuss departmental budget requests for the new fiscal year, and that the Board’s Budget and Financial Planning Committee also reviewed appropriation requests. The proposed operating budget variances will be included in the proposed Preliminary Budget for fiscal year (FY) 2007-2008 to

be presented at the Board for consideration on April 26, 2007. Mr. Ray said that the initial appropriation requests represent a 2.6 percent increase over the FY 2006-07 budget and an 11.6 percent increase over FY 2006 actual spending.

ITEM NINE: DISCUSSION OF NEW COMPENSATION STRATEGIES FOR EMPLOYEES

The Board supported and agreed with the content of the Human Resources (HR) Committee's and staff's recommendations regarding the following proposed new employee compensation strategies:

- Bonus Pay for Additional Education
- Skill-Based Pay
- Spot Bonus Program
- Bonus Pay for Professional Certification
- New Required Professional Certifications for Certain Positions
- Reclassification of Certain Positions

The Board directed staff to provide additional information on implementation of the new employee compensation strategies at the Board's May 24, 2007 meeting.

ITEM TEN: CLOSED SESSION

Milton Heath made a motion that the Board convene in a Closed Session for the purpose of conferring with Counsel and staff to discuss pending litigation; the motion was seconded by Penny Rich and unanimously approved. See Motion No. 4 above.

There being no further business to come before the Board, the meeting was adjourned at 9:10 P.M.

**RESOLUTION ENDORSING REGULATIONS GOVERNING IN-LAKE ACTIVITIES
AND USE OF UNIVERSITY LAKE AND CANE CREEK RESERVOIR**

WHEREAS, it is necessary to revise the regulations governing in-lake activities and use of University Lake and Cane Creek Reservoir by the general public and other organized groups in order to incorporate the changes discussed by the Board of Directors on January 11, 2007.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Orange Water and Sewer Authority Board of Directors endorse the attached regulations governing in-lake activities and use of University Lake and Cane Creek Reservoir dated April 12, 2007.

2. That the Executive Director be, and hereby is, authorized and directed to administer, implement, and revise the regulations as necessary to respond to actual recreational and operational experiences of University Lake and Cane Creek Reservoir facilities in accordance with the Policy on In-Lake Activities adopted June 28, 1990.

Adopted this 12th day of April 2007.

**ORANGE WATER AND SEWER AUTHORITY
REGULATIONS GOVERNING IN-LAKE ACTIVITIES AND
USES OF UNIVERSITY LAKE AND CANE CREEK RESERVOIR**

I. PURPOSE

The purpose of this regulation is to set forth for the Orange Water and Sewer Authority (OWASA) the conditions to regulate activities and recreational use of University Lake and Cane Creek Reservoir by the general public and organized groups and to protect the water in these reservoirs as a high quality drinking water supply.

II. FACILITY OPERATING SCHEDULE

- A. Any person using any of the impoundment premises of OWASA during the hours in which the premises are officially open to the public is deemed to be a visitor to the premises subject to established regulations and applicable law, and shall in no event be deemed an invitee.
- B. The recreation facilities will be open only during daylight hours from the first Saturday after the first day of Spring until the second Sunday in November. The exact schedule for days and hours that the facilities are open to the public will be determined by OWASA's Executive Director.
- C. At the discretion of OWASA's Lake Warden, the facilities may be closed for public use during inclement weather.

III. FEES AND RATES FOR USE OF THE FACILITIES

- A. Rates and Fees for fishing, boating or other activities will be as established by the Board of Directors of OWASA and shall be posted in the Lake Warden's office at these recreational facilities.

IV. ENFORCEMENT OF REGULATIONS

- A. A copy of these regulations shall be posted in the Lake Warden's office and shall be available for every person to read before using the premises.
- B. OWASA's Lake Warden and his/her staff shall be the official custodians in charge of the reservoirs and surrounding premises. The Lake Warden and his/her staff shall maintain and enforce all regulations and policies which have been adopted by OWASA.
- C. Appropriate State and local law enforcement authorities will be called upon for assistance as required.

- D. Permission for the use of the premises may be denied or voided for any person, group, or activity which is considered in any way threatening to the security and safety of any person or damaging to the facilities, equipment, or water quality.
- E. The Lake Warden and his/her staff are authorized on behalf of OWASA to direct persons whose presence and/or use of the facilities are in violation of law or regulations to leave OWASA's premises.

V. ACTIVITIES AND USES

- A. Public boating shall be permitted only for fishing, sailing, and/or rowing. Boating shall be restricted as to locations designated by OWASA but in no case within 150 feet of the water supply intake facilities.
- B. The total number of boats on the lakes should not exceed one boat per ten acres of reservoir surface area and subject to the following limitations:
 - a. Cane Creek – 50 boat maximum including not more than one (1) eight oar rowing sweep and five (5) single rowing sculls
 - b. University Lake – 21 boat maximum- Rowing sweeps and single sculls allowed only by Agreement between OWASA and the University of North Carolina at Chapel Hill.
- C. Persons may not enter or leave a boat at any place except from the dock or other designated location controlled by OWASA. Each user shall observe safety rules and boating courtesy.
- D. Fishing is allowed on the lakes only in approved areas as follows:
 - 1. From a boat.
 - 2. Designated area on the docks.
 - 3. Designated areas around the shore of the reservoirs.
- E. Users shall confine activities to those areas which are designated for public use and shall in no instance enter other surrounding lands of the lakes.
- F. Swimming or any body contact with the water is strictly prohibited. Any user observed swimming, rolling a kayak, or in any other way, showing disregard for any of the stated regulations or otherwise contributing to degradation of water quality or abuse of these facilities may be restricted from using the lakes for a period of time as designated by the Lake Warden.
- G. Picnicking will be permitted only in designated areas.
- H. Hunting or trapping of wildlife will not be permitted on the premises of OWASA's impoundments except as may be approved on occasion in advance by OWASA's Executive Director for conservation or preservation purposes.

- I. Regulations of the North Carolina Wildlife Commission shall apply for fishing and boating activities.
- J. Acts of degradation to water quality or desecration of trees or plant life will not be tolerated.
- K. Use of alcohol or drugs on the premises of OWASA's impoundments is prohibited.
- L. Discourteous or abusive language or acts of violence or intimidation are not acceptable.
- M. No horses, cattle or domestic animals are permitted to water, wash or wallow in the reservoirs. Additionally, no domestic animals are permitted to be within 50 feet of the normal pool elevation. At Cane Creek, an area is designated as a dog exercise/run area below the dam for dogs under leash or under effective voice control. Animal owners are responsible for the removal and appropriate disposal of feces.

VI. WATERCRAFT STANDARDS

- A. Private non-trailerred boats, canoes, or kayaks which can be carried by hand from the shore to the lakes for launching will be allowed for use on the reservoirs after inspection to determine if they are free of aquatic weeds. In addition, OWASA owned craft will be allowed and must be launched from docking facilities provided by OWASA. All applicable fees must be paid prior to recreational use of any boat on these water supply reservoirs.
- B. Private gasoline motors shall not be allowed for use on the reservoirs except as provided for under Section VI.F. Electric trolling motors owned by OWASA may be rented and used to power boats. Privately owned trolling motors are also allowed provided the motor is inspected by the Lake Staff prior to its use on the lake. Batteries must be housed in battery boxes tightly secured to the boat.
- C. Watercraft should be constructed to United States Coast Guard standards and comply with the following length restrictions:
 - 1. Jon-boats and sailboats – not to exceed 14 feet in length
 - 2. Canoes and kayaks – not to exceed 17 feet in length
 - 3. Single rowing sculls– not to exceed 26 feet in length
 - 4. Eight oar rowing sweeps – not to exceed 60 feet in length
 - 5. All gasoline motors on public craft should be of 4-stroke design and must operate from portable gasoline tanks.
 - 6. Rental boats are to be returned in clean condition. All trash and debris shall be placed into trash receptacles located at the boat dock.
 - 7. Persons with special needs as a result of physical handicaps may be allowed to use privately owned boats not exceeding 14 feet in length and 4 stroke

gasoline powered motors not to exceed 9.9 horsepower at the Cane Creek or University Lake Reservoirs upon approval of an application for an exemption to these regulations. Such application must include medical documentation of the handicap and be submitted to OWASA's Executive Director for approval. If the special use privilege is approved by the Executive Director, it will be for a period of twelve months. Renewals will require submittal of current medical documentation that the applicant continues to have special needs based on a physical handicap. All boats and motors must be inspected by the Lake Staff prior to its use on the lake.

VII. USER SAFETY

- A. To ensure safety, each person using the lake must sign their name in the Lake Wardens' register. The user responsible for small children shall be required to list the names for each child after his or her name on the register.
- B. Not more than four adults, and fewer depending upon the weight rating of the boats, may occupy a boat at any time. Each boat must have an appropriate water safety device for each person in the boat.
- C. Persons under 16 years of age shall be permitted on the lake by permission of an adult who will assume full responsibility. These individuals are required to wear U.S. Coast Guard approved floatation devices.
- D. OWASA's Executive Director or his/her designee is authorized to deny, suspend, or restrict the use of OWASA's impoundment premises or parts thereof to persons or groups who fail to comply with applicable laws or any regulations adopted hereunder including those for personal safety.

VIII. SANITATION

- A. Adequate sanitary sewage facilities are available at the recreational areas.
- B. Sufficient containers are provided by OWASA at convenient locations for deposit of refuse and garbage. In no instance shall trash or refuse of any kind be thrown into the water.
- C. No person shall do any act to impair or degrade water of the reservoirs.

IX. EFFECTIVE DATE

These regulations shall be effective on and after May, 2007.

X. POLICY REFERENCE

Policy On In-Lake Activities and Uses adopted June 28, 1990.

ORANGE WATER AND SEWER AUTHORITY
CLOSED SESSION OF THE BOARD OF DIRECTORS

APRIL 12, 2007

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in closed session following the Board meeting on Thursday, April 12, 2007, in OWASA's Community Room.

Directors present: Michael A. (Mac) Clarke, Chair; Randolph M. Kabrick, P.E., Vice Chair; Gordon Merklein, Secretary; Fred Battle; Braxton Foushee; Milton Heath, Jr.; and Penny Rich. Directors absent: Marge Anders Limbert and William R. Stott.

OWASA staff: Ed Kerwin; Mason Crum; and Robert Epting, General Counsel.

ITEM ONE

The Board of Directors met in a closed session for the purpose of conferring with counsel and staff to discuss pending litigation.

No action was taken.