

ORANGE WATER AND SEWER AUTHORITY

MEETING OF THE BOARD OF DIRECTORS

JULY 9, 2007

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in regular session on Monday, July 9, 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; Fred Battle; Marge Anders Limbert; Gene Pease; Alan Rimer; and William R. Stott. Directors absent: Gordon Merklein, Secretary; and Braxton Foushee.

OWASA staff: Ed Kerwin; John Greene; Mason Crum; Jan Bryant-Berry; Gwen Burston; Patrick Davis; Greg Feller; Ed Holland; Lisa Johnson; Andrea Orbich; Dan Przybyl; Kevin Ray; Paula Thomas; and Robert Epting, Epting and Hackney.

Others present: Ray DuBose, Director of Energy Services and Meg Holton, Water, Wastewater, and Stormwater Manager, University of North Carolina at Chapel Hill; Patty Martin, UnitedHealthcare; Lori and Michael Przybyl.

Andrea Orbich, Notary Public, administered the Oath of Office to Mr. Alan Rimer, Town of Chapel Hill 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. Fred Battle made a motion to approve the Minutes of the May 10, 2007 Board meeting; the motion was seconded by Gene Pease and unanimously approved.
2. Fred Battle made a motion to approve the Minutes of the May 24, 2007 Board meeting; the motion was seconded by Gene Pease and unanimously approved.
3. Fred Battle made a motion to approve the Minutes of the June 14, 2007 Closed Session of the Board of Directors to discuss a personnel issue; the motion was seconded by Gene Pease and unanimously approved.

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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.

CHAPEL HILL REAPPOINTMENTS

Mac Clarke reported that both Randy Kabrick and Gordon Merklein were reappointed as Town of Chapel Hill Appointees to the OWASA Board of Directors.

CANCELATION OF THE JULY 26, 2007 BOARD MEETING

Mac Clarke said the July 26, 2007 OWASA Board of Directors meeting has been canceled. Mr. Clarke also noted that there is a possibility of canceling the August 9, 2007 Board meeting but that will be determined near the end of July.

WATER TREATMENT PLANT OPERATORS

Mac Clarke announced, and extended on behalf of the Board, congratulations to the Jones Ferry Road Water Treatment Plant Operators, who all now have a Class "A" Certifications from the State.

COMMITTEE MEETINGS

Mac Clarke noted that the appointment of the Nominating Committee will be announced in August; Board members will receive a memorandum this month.

Mr. Clarke said the July 9, 2007 Budget and Financial Planning Committee meeting scheduled for tonight was canceled and will be rescheduled for a later date.

DANIEL PRZYBYL

Ed Kerwin introduced Dan Przybyl, OWASA's new Director of Business Information Services.

ITEM TWO: 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 THREE: SEMI-ANNUAL CONTRACTOR AND CONSULTANT PERFORMANCE REPORT

The Board received the report on semi-annual contractor and consultant performance as an information item.

ITEM FOUR: FISCAL YEAR 2006-07 REPORT ON DISPOSAL OF SURPLUS PERSONAL PROPERTY

The Board received the fiscal year 2006-07 report on disposal of surplus personal property as an information item.

ITEM FIVE: INTERIM REPORT ON CHAPEL HILL'S ROGERS ROAD SMALL AREA PLAN TASK FORCE

Fred Battle said he understands OWASA has a water line on Rogers Road but that there are a number of residents not connected. He would like an update from staff about the number of homes not connected to OWASA water service.

Ed Holland said staff will follow-up.

ITEM SIX: MINUTES

Fred Battle made a motion to approve the Minutes of the May 10, 2007 Board meeting; the motion was seconded by Gene Pease and unanimously approved. Please see Motion No. 1 above.

Fred Battle made a motion to approve the Minutes of the May 24, 2007 Board meeting; the motion was seconded by Gene Pease and unanimously approved. Please see Motion No. 2 above.

Fred Battle made a motion to approve the Minutes of the June 14, 2007 Closed Session of the Board of Directors to discuss a personnel issue; the motion was seconded by Gene Pease and unanimously approved. Please see Motion No. 3 above.

ITEM SEVEN: EVALUATION OF THE OWASA POLICY THAT ALLOWS PREPAYMENT OF WATER AND SEWER SERVICE AVAILABILITY (CONNECTION) FEES

Mason Crum stated that OWASA's current policy allows developers and other customers to prepay water and sewer service availability fees six months in advance, and that staff's recommendation to the Board is that this policy remains in place until October 1, 2008 when the policy would be abolished by a Board adopted resolution.

Ray DuBose, the University's Director of Energy Services, requested a one-time extension of the existing prepayment period to allow prepayment periods of greater than six months for all projects already under construction by Oct 1, 2007.

The Board requested that staff provide additional information regarding potential revenue loss from the current and proposed policy at a future meeting.

ITEM EIGHT: OWASA POSITION ON JORDAN LAKE NUTRIENT MANAGEMENT STRATEGY

Randy Kabrick and Ed Holland provided an overview of this item and briefly discussed the draft letter the NC Environmental Management Commission (EMC) regarding the proposed Jordan Lake Nutrient Management Strategy and Rules.

The Board approved the letter for submittal to the EMC at the Commission's public hearing on July 12, 2007 in Carrboro.

ITEM NINE: RAINWATER HARVESTING SYSTEMS AND OTHER NON-POTABLE WATER USES WITH POTENTIAL TO DISCHARGE TO THE OWASA SANITARY SEWER SYSTEM

Paula Thomas outlined the proposal for an administratively simple method of recovering costs for sewer service when customers use harvested rainwater or other non-potable water to flush toilets or for other purposes that involve sewer use.

Alan Rimer asked how OWASA is notified or made aware when a rainwater harvesting system is discharging into OWASA's system.

Ms. Thomas said that several proposals have been submitted with descriptions and drawings to the OWASA Engineering Department for approval. Specific plumbing air gaps as required by the State plumbing code are shown on those drawings.

Patrick Davis said that the Engineering Department requires nonresidential developers to submit plans with enough details for the interior plumbing systems to indicate whether there is another alternative water supply source that could result in a wastewater discharge.

Mac Clarke asked if residents would realistically consider a rainwater collection tank as shown in the report.

Mr. Davis said that such systems are not economical; however, customers may decide to use them because they are interested in conservation and sustainability.

William Stott said he is inspired by this idea and OWASA should promote it; he also wondered how a program like this may impact revenue and how other utilities are implementing their programs.

Marge Anders Limbert asked whether the proposal would impact polluted runoff on a large scale.

Gene Pease supported staff's recommendation and suggested that the basis for computing sewer charges for discharges from such systems should be simple.

The Board generally supported the staff recommendation, but before implementation, the Board would like to see how other utilities charge for a program like this, as well as the basis for sewer charges.

Staff will provide additional information on policies from other utilities/localities as well as potential revenue effects of rainwater harvesting at the Board's August 23, 2007 meeting.

ITEM TEN: SIX MONTH CHECK-IN REPORT ON TRANSITION TO UNITEDHEALTHCARE (UHC)

The Board received a six-month check-in report on OWASA's experience with UHC, OWASA's health and dental insurance carrier, as an informational report. Patty Martin, Strategic Account Executive with United Healthcare introduced herself and said that UHC would continue to work to meet OWASA's needs.

ITEM ELEVEN: DISCUSSION OF ISSUES RELATED TO RECREATIONAL ATTENDANCE AND REVENUES AT UNIVERSITY LAKE AND CANE CREEK RESERVOIR

The Board and staff reviewed the public use, promotion of, revenues and costs of recreation at University Lake and the Cane Creek Reservoir.

The Board agreed to have further discussion at a future meeting about the possibility of changing lake recreational hours and to reduce operating costs.

There being no further business to come before the Board, the meeting was adjourned at 9:03 P.M.

Enclosures