

ORANGE WATER AND SEWER AUTHORITY

MEETING OF THE BOARD OF DIRECTORS

JANUARY 10, 2008

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in regular session on Thursday, January 10, 2008, at 7:00 PM, in OWASA's Community Room.

Directors present: Randolph M. Kabrick, P.E., Chair; Gordon Merklein, Vice Chair; Braxton Foushee, Secretary; Michael A. (Mac) Clarke; Marge Anders Limbert; Gene Pease; and William R. Stott. Directors absent: Fred Battle and Alan Rimer.

OWASA staff: Ed Kerwin; John Greene; Mason Crum; Jan Bryant-Berry; Stuart Carson; Patrick Davis; Greg Feller; Ed Holland; Andrea Orbich; Paula Thomas; and Robert Epting, Esq., Epting and Hackney.

Others present: Meg Holton, Water, Wastewater, and Stormwater Manager, University of North Carolina at Chapel Hill; Lauren Hills, NBC 17; Beth Velliquette, Chapel Hill Herald; Merit M. McMannis, OWASA customer; Paul Thames, Orange County Engineer; and Elizabeth Arrieo, Daily Tar Heel.

There being a quorum present, Chair Randy Kabrick called the meeting to order.

MOTIONS ACTED UPON

1. Braxton Foushee made a motion to adopt the Resolution of Appreciation for Anthony Jones; the motion was seconded by William Stott, and carried by unanimous vote.
2. Braxton Foushee made a motion to remove the Fiscal Year 2008-2009 Draft Budget calendar from the agenda; the motion was seconded by William Stott and unanimously approved.
3. Alan Rimer made a motion to approve the Minutes of the September 27, 2007 Board Meeting; the motion was seconded by Braxton Foushee and unanimously approved.
4. Alan Rimer made a motion to approve the Minutes of the October 18, 2007 Special Meeting of the Board; the motion was seconded by Braxton Foushee and unanimously approved.
5. Gene Pease moved to cancel the public hearing scheduled for January 24, 2008 and hold a public forum on "The State of our Local Water Supply"; the motion was seconded by Marge Anders Limbert and unanimously approved.

6. Gene Pease moved that the Board approve staff's recommendations regarding lake recreation but to continue the Free Fridays program through June 30, 2009; the motion was seconded by Braxton Foushee and unanimously approved.

7. Gene Pease made a motion to approve the amendment to the Bylaws to be effective in June 2008 regarding the date of the Election of Officers; the motion was seconded by William Stott, and the motion passed with a vote of six to one with Braxton Foushee voting against the change.

8. Mac Clarke made a motion that the Board convene in a closed session to discuss pending litigation; the motion was seconded by Braxton Foushee, and carried by unanimous vote.

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ITEM ONE: ANNOUNCEMENTS

CONFLICT OF INTEREST

Randy Kabrick 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.

RESOLUTION OF APPRECIATION FOR ANTHONY JONES

Randy Kabrick read aloud the Resolution of Appreciation honoring the 33 years of service of OWASA employee Anthony Jones, Wastewater Treatment Plant Operator.

The Board and staff expressed sincere appreciation to Mr. Jones for his dedicated service to OWASA.

Braxton Foushee made a motion to adopt the Resolution of Appreciation for Anthony Jones; the motion was seconded by William Stott, and carried by unanimous vote. Please see Motion No. 1 above.

COMMITTEE MEETING

Gene Pease announced that on Tuesday, January 15, 2008 at 5:00 PM the Ad Hoc Planning Committee will meet in the OWASA Boardroom to prepare an agenda for the Board Retreat planned for Saturday, March 1, 2008 from 10:30 AM until 4:30 PM.

CARRBORO BOARD OF ALDERMEN MEETING

William Stott announced that OWASA staff will present OWASA's Master Plan Update to the Carrboro Board of Aldermen on Tuesday, January 15, 2008, at 7:30 PM in the Carrboro Town Hall.

COMMUNITY MEETING

Stuart Carson said that on Wednesday, January 16, 2008 at 7:00 PM in the OWASA Community Room, OWASA will hold a Community Meeting regarding the Meeting of the Waters Sewer Interceptor and Reclaimed Water Pipeline projects to discuss the upcoming construction.

COMMUNITY MEETINGS

Ed Kerwin announced that OWASA staff has been and will be attending several meetings to provide information to customers about water conservation, including:

- Paula Thomas: Rain Barrel Workshops in December 2007 and January 2008.
- Greg Feller: the Kiwanis Club on January 7th; the Carrboro Recreation and Parks Department's Breakfast with the Experts on January 8th; the Water Symposium at the Carrboro Branch Library on January 13th.
- Ed Holland: presentation to the Carrboro Board of Aldermen on January 15th regarding OWASA's Master Plan and the current drought situation; and Water Conservation Meeting sponsored by the Orange Grove "Super Precinct" citizens' organization on January 31st.
- Ed Kerwin: presentation on increasing block water rates at the Emergency Water Shortage Response Planning Workshop sponsored by the NC Department of Crime Control and Public Safety and the NC Department of Environment and Natural Resources on January 14th; Chapel Hill-Carrboro Chamber of Commerce's Annual Meeting on January 29th; and the Durham-Orange Homebuilders' Association on February 5th.

CRANE AND DENBO

Robert Epting said that mediation with a contractor, Crane and Denbo, was unsuccessful and to discuss this topic more it was suggested that the Board convene in a Closed Session following the Board meeting tonight. The Board agreed.

AGENDA CHANGE

A Closed Session was added to the agenda following the Board meeting for the purpose of discussing pending litigation.

ITEM TWO: PETITIONS AND REQUESTS FROM THE PUBLIC

Mr. Merit M. McMannis, of 114 Daffodil Lane in Carrboro, petitioned the Board to consider household size in the tiered water rates for individual residences.

The Board did not agree with Mr. McMannis' petition but urged him to participate in public hearings on OWASA's rates, fees and charges.

ITEM THREE: PETITIONS AND REQUESTS FROM THE BOARD

Randy Kabrick asked for petitions and requests from the Board. There were none.

ITEM FOUR: PETITIONS AND REQUESTS FROM THE STAFF

Randy Kabrick asked for petitions and requests from the staff. There were none.

ITEM FIVE: FISCAL YEAR 2008-2009 DRAFT BUDGET CALENDAR

Braxton Foushee made a motion to remove the Fiscal Year 2008-2009 Draft Budget calendar from the agenda; the motion was seconded by William Stott and unanimously approved. See Motion No. 2 above.

ITEM SIX: QUARTERLY REPORT ON ATTENDANCE AT BOARD OF DIRECTORS' MEETING

The Board received this report as an information item.

ITEM SEVEN: MINUTES

Braxton Foushee made a motion to approve the Minutes of the October 25, 2007 Board Meeting; the motion was seconded by William Stott and unanimously approved. See Motion No. 3 above.

Braxton Foushee made a motion to approve the Minutes of the December 13, 2007 Board Meeting; the motion was seconded by William Stott and unanimously approved. See Motion No. 4 above.

ITEM EIGHT: VERBAL REPORT ON THE STATUS OF A DRAFT REPORT ON COLLABORATIVE WATER CONSERVATION STRATEGIES FOR JOINT CONSIDERATION BY CARRBORO, CHAPEL HILL AND ORANGE COUNTY

Paula Thomas said OWASA staff has met with local government staffs to finalize comments on the draft report. OWASA staff will present the revised report and recommendations to the Board's Natural Resources and Technical Systems (NRTS) Committee on January 28. After the NRTS Committee reviews this draft report, this matter will return to the full Board for discussion.

ITEM NINE: WATER SUPPLY AND DEMAND UPDATE

The Board received this update as an information item.

ITEM TEN: SUMMARY OF BUDGET AND FINANCIAL PLANNING COMMITTEE'S RECOMMENDATIONS REGARDING FINANCIAL IMPLICATIONS OF THE DROUGHT

Gordon Merklein summarized the Budget and Financial Planning Committee's meetings on December 6, 2007 and January 3, 2008. Mr. Merklein said that the Committee recommends canceling the public hearing scheduled for January 24, 2008 and holding a public forum on "The State of our Local Water Supply" to provide information to customers, seek customers' comments and questions regarding drought-related items, and proposed changes in OWASA's water conservation standards. Staff will continue to carefully monitor costs, revenues, demand, etc. and provide brief monthly financial reports to the Board.

Gene Pease moved to cancel the public hearing scheduled for January 24, 2008 and hold a public forum on "The State of our Local Water Supply"; the motion was seconded by Marge Anders Limbert and unanimously approved. See Motion No. 5 above.

ITEM ELEVEN: RECOMMENDED REVISION OF OWASA'S WATER CONSERVATION STANDARDS AND RELOCATED ORDINANCE ADOPTED BY THE TOWNS OF CHAPEL HILL AND CARRBORO AND ORANGE COUNTY

Mac Clarke suggested that wording be added to the conservation standards that include provisions for elderly or disabled customers as well as those customers who are not economically advantaged to allow them to water their gardens with a hand-held hose at the discretion of the Executive Director or Executive Director's designee.

The Board agreed with Mr. Clarke's recommendation, and requested staff add the language to the Water Conservation Standards and provide the revisions at the Board's January 24, 2008 Board meeting.

ITEM TWELVE: REPLACEMENT PLAN FOR FINISHED WATER PUMPS AT THE JONES FERRY ROAD WATER TREATMENT

Stuart Carson updated the Board on the plans to replace and upgrade pumps at the Jones Ferry Road Water Treatment Plant which were damaged in a fire in August.

ITEM THIRTEEN: CONTINUED DISCUSSION OF LAKE RECREATION, REVENUES AND EXPENDITURES AT UNIVERSITY LAKE AND CANE CREEK RESERVOIR

Braxton Foushee said OWASA should charge a fee to reserve picnic facilities.

John Greene said this fee could be evaluated when the Board considers rates, fees and charges.

Gene Pease moved that the Board approve staff's recommendations but continue the Free Fridays program through June 30, 2009; the motion was seconded by Braxton Foushee and unanimously approved. See Motion No. 6 above.

ITEM FOURTEEN: PROPOSED AMENDMENT TO THE BYLAWS REGARDING THE DATE OF THE ELECTION OF OFFICERS

Gene Peace made a motion to approve the amendment to the Bylaws to be effective in June 2008 regarding the date of the Election of Officers; the motion was seconded by William Stott, and the motion passed with a vote of six to one with Braxton Foushee voting against the change. See Motion No. 7 above.

ITEM FIFTEEN: CLOSED SESSION

Mac Clarke made a motion that the Board convene in a closed session to discuss pending litigation; the motion was seconded by Braxton Foushee, and carried by unanimous vote. See Motion No. 8 above.

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

Enclosures

**RESOLUTION HONORING THE SERVICE OF ANTHONY JONES
TO OWASA AND THE CHAPEL HILL-CARRBORO COMMUNITY**

WHEREAS, Anthony Jones began his career in public service as a Town of Chapel Hill employee at the Mason Farm Wastewater Treatment Plant on November 18, 1974, when the Town and the University owned the water and sewer systems for the Chapel Hill-Carrboro community; and

WHEREAS, Mr. Jones transferred to the Orange Water and Sewer Authority on February 16, 1977, when OWASA began serving the community; and

WHEREAS, Mr. Jones became a Plant Operator Trainee on April 18, 1983 and he became a Plant Operator on October 4, 1984; and

WHEREAS, Mr. Jones has been certified by the State of North Carolina as a Water Pollution Control System Operator since June 4, 1987; and

WHEREAS, Mr. Jones has served on the Employee Safety Committee for the last ten years and his 33 years of service at the Mason Farm Wastewater Treatment Plant have been accident-free; and

WHEREAS, throughout his career Mr. Jones has demonstrated his commitment to environmental protection, health and safety, and hard work, and he is highly respected by his co-workers at OWASA; and

WHEREAS, Mr. Jones is well loved at OWASA for his good cheer, sense of humor, enthusiasm and his warmth and friendship to all, and he will be greatly missed; and

WHEREAS, Mr. Jones retired from OWASA on January 1, 2008;

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

1. That the Board of Directors does hereby formally recognize, honor and praise Anthony Jones for his excellent service and many achievements with the Orange Water and Sewer Authority and expresses its appreciation for his service to the Chapel Hill-Carrboro community as an outstanding professional and member of the OWASA Team.

2. That this resolution shall be recorded in the minutes of the OWASA Board of Directors, shall be part of the permanent records of OWASA and shall be presented to Mr. Jones in a public meeting of the OWASA Board.

Resolution Honoring the Service of Anthony Jones
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Adopted with deep appreciation this the 10th day of January, 2008.

**RESOLUTION OF THE BOARD OF DIRECTORS OF ORANGE WATER AND
SEWER AUTHORITY TO AMEND ARTICLE IV OF THE BYLAWS REGARDING
ELECTION OF OFFICERS**

WHEREAS, the Orange Water and Sewer Authority Board of Directors has considered and agrees to move the election of officers to the first regular meeting in June;

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

1. Amend ARTICLE IV. OFFICER, Section 2. ELECTION AND TERMS, of the Bylaws to read as follows:

ARTICLE IV. ELECTION AND TERMS

2. ELECTION AND TERMS. The Chair, Vice-Chair and Secretary provided for in Section 1 of this Article shall be elected *annually at the Board's first regular meeting in June* ~~at each annual meeting of the Authority,~~ and shall hold office *for one year* ~~until the next annual meeting~~ or until their successors are elected and qualified.

Adopted this the 10th day of January, 2008.