

ORANGE WATER AND SEWER AUTHORITY

MEETING OF THE BOARD OF DIRECTORS

SEPTEMBER 11, 2008

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in regular session on Thursday, September 11, 2008, at 7:00 P.M., in OWASA's Community Room.

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

OWASA staff: Ed Kerwin; John Greene; Mason Crum; Sandra Bradshaw; Greg Feller; Ed Holland; Kenneth Loflin; Andrea Orbich; Kevin Ray; and Robert Epting, Esq., Epting and Hackney.

Others present: Ben Poulson, Associate Director of Energy Services; and Meg Holton, Water, Wastewater, and Stormwater Manager, University of North Carolina at Chapel Hill.

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

MOTIONS ACTED UPON

1. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Resolution Rescinding the Water Supply Advisory of May 22, 2008." (Resolution so titled attached hereto and made a part of these minutes. Motion by Fred Battle, second by Braxton Foushee, and carried by a unanimous vote.)

2. Alan Rimer made a motion to approve the Minutes of the June 12, 2008 Board Meeting; the motion was seconded by Braxton Foushee, and carried by unanimous vote.

3. Alan Rimer made a motion to approve the Minutes of the August 28, 2008 Closed Session of the Board of Directors for the purpose of discussing a human resource matter; the motion was seconded by Braxton Foushee, and carried by unanimous vote.

4. Fred Battle made a motion that the Board convene in closed session for the purpose of discussing an issue that may lead to litigation and instructing General Counsel and staff regarding terms of potential real estate transaction; the motion was seconded by Gordon Merklein and unanimously approved.

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.

FINANCE COMMITTEE

Gordon Merklein said that the Finance Committee will meet on Thursday, September 25, 2008, at 5:00 PM in the First Floor Conference Room at Chapel Hill Town Hall to discuss committee goals and objectives and the development of the fiscal year 2010 budget calendar.

Randy Kabrick said that the Community Outreach Committee will meet on Tuesday, September 30, 2008, at 7:30 AM in the OWASA Boardroom to discuss committee goals and objectives.

ITEM TWO: PETITIONS AND REQUESTS FROM THE PUBLIC

Randy Kabrick asked for petitions and requests from the public; there were none.

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 STAFF

Staff requested that the Board approve a Resolution to Rescind the Water Supply Advisory of May 22, 2008.

Fred Battle made a motion to approve the Resolution to Rescind the Water Supply Advisory of May 22, 2008; the motion was second by Braxton Foushee, and carried by a unanimous vote. Please see Motion No. 1 above.

ITEM FIVE: QUARTERLY REPORT ON ATTENDANCE AT BOARD OF DIRECTORS MEETINGS

The Board received this report as an information item.

ITEM SIX: MINUTES

Alan Rimer made a motion to approve the Minutes of the June 12, 2008 Board Meeting; the motion was seconded by Braxton Foushee, and carried by unanimous vote. Please see Motion No. 2 above.

Alan Rimer made a motion to approve the Minutes of the August 28, 2008 Closed Session of the Board of Directors for the purpose of discussing a human resource matter; the motion was seconded by Braxton Foushee, and carried by unanimous vote. Please see Motion No. 3 above.

ITEM SEVEN: UPDATE ON STAGE 2 DISINFECTANTS AND DISINFECTION
BYPRODUCTS RULE SAMPLING

The Board received this report as an information item and staff will report in early October the results of further water testing.

ITEM EIGHT: STATUS REPORT ON THE UPDATE OF OWASA'S LONG-RANGE
WATER SUPPLY PLAN, INCLUDING AN ASSESSMENT OF JORDAN
LAKE OPTIONS

The Board received this report as an information item and staff noted that OWASA is invited to participate in the September 18, 2008 Orange County Assembly of Governments meeting. Staff will report on OWASA's participation in regional Jordan Lake discussions with respect to water resource planning.

ITEM NINE: CLOSED SESSION

Fred Battle made a motion that the Board convene in a closed session for the purpose of discussing a human resource matter. The motion was seconded by Gordon Merklein and unanimously approved. Please see Motion No. 4 above.

There being no further business to come before the Board, the meeting was adjourned at 7:36 P.M.

Enclosures

RESOLUTION RESCINDING THE WATER SUPPLY ADVISORY OF MAY 22, 2008

WHEREAS, an adequate supply of safe drinking water is a precious resource and a foundation for the quality of life and economic health of our community; and

WHEREAS, the Orange Water and Sewer Authority (OWASA) Board of Directors declared a Water Supply Advisory on August 23, 2007; a Stage I Shortage on September 27, 2007; a Stage II Shortage on October 18, 2007; a Stage III Shortage on February 28, 2008; reinstated Stage I Shortage Restrictions on April 10, 2008; and reinstated a Water Supply Advisory on May 22, 2008; and

WHEREAS, the community's water demand to date in 2008 is substantially less than in the same period of 2007, OWASA's reservoirs rose from 79% to 95% full on September 8th due to Tropical Storm Hanna, and improved drought conditions are forecast; and

WHEREAS, the OWASA Board of Directors has carefully considered supply and demand, meteorological forecasts, availability of water from neighboring jurisdictions and related factors;

NOW, THEREFORE, BE IT RESOLVED:

1. That the OWASA Board of Directors hereby rescinds its May 22, 2008 declaration of a Water Supply Advisory.
2. That the year-round water use restrictions in OWASA's Water Conservation Standards and in the respective conservation ordinances of the Towns and County shall remain in effect unless superseded in the future by formal declaration of a Water Shortage.
3. That the OWASA Board hereby expresses its appreciation to OWASA customers for achieving a significant level of water conservation in response to the drought of 2007-08; and to the Town of Carrboro, Town of Chapel Hill, and Orange County for their strong support of water conservation and their investments in conservation.
4. That copies of this Resolution shall be provided to the Carrboro Board of Aldermen, Chapel Hill Town Council, and Orange County Board of Commissioners.

Adopted this the 11th day of September, 2008.

ORANGE WATER AND SEWER AUTHORITY
CLOSED SESSION OF THE BOARD OF DIRECTORS
SEPTEMBER 11, 2008

The Board of Directors of Orange Water and Sewer Authority met in Closed Session on Thursday, September 11, 2008, following the regularly scheduled meeting of the Board of Directors.

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

Others present: Ed Kerwin, Executive Director, Orange Water and Sewer Authority.

ITEM ONE

The Board of Directors met in Closed Session for the purpose of evaluating the annual performance of OWASA's General Counsel for the current fiscal year.

No official action was taken at the meeting.