

ORANGE WATER AND SEWER AUTHORITY

MEETING OF THE BOARD OF DIRECTORS

MAY 12, 2011

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a regular Business Meeting on Thursday, May 12, 2011, at 7:00 P.M. in the OWASA Community Room.

Directors present: Gordon Merklein, Chair; Alan Rimer, Vice Chair; Braxton Foushee, Secretary; Fred Battle; Michael A. (Mac) Clarke; Joyce C. Preslar; William Stott; Amy Witsil; and John A. Young.

OWASA staff: Ed Kerwin; John Greene; Mason Crum; Patrick Davis; Greg Feller; Ed Holland; Stephanie Glasgow; Andrea Orbich; Kevin Ray; Stephen Winters; Robin Lackey, Esq. and Robert Epting, Esq., Epting and Hackney.

Others present: Carolyn Elfland, Associate Vice Chancellor for Campus Services, Ben Poulson, Associate Director of Energy Services and Meg Holton, Water, Wastewater, and Stormwater Manager of the University of North Carolina at Chapel Hill.

There being a quorum present, Chair Gordon Merklein called the meeting to order.

MOTIONS ACTED UPON

1. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Resolution Authorizing the Renewal of Property, Liability, Workers' Compensation, Inland Marine, Automobile, Boiler and Machinery, Crime, Excess Liability and Umbrella Liability Insurance Policies through the North Carolina League of Municipalities Risk Management Services." (Resolution so titled attached hereto and made a part of these minutes. Motion by Braxton Foushee, second by William Stott, and unanimously approved.)

2. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Resolution Authorizing the Renewal of the Medical Insurance Contract with Blue Cross Blue Shield of North Carolina." (Resolution so titled attached hereto and made a part of these minutes. Motion by Braxton Foushee, second by William Stott, and unanimously approved.)

3. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Resolution Authorizing the Renewal of the Dental Insurance Contract with Blue Cross Blue Shield of North Carolina." (Resolution so titled attached hereto and made a part

of these minutes. Motion by Braxton Foushee, second by William Stott, and unanimously approved.)

4. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Resolution Authorizing the Award of Long Term Disability Insurance with Blue Cross Blue Shield of North Carolina." (Resolution so titled attached hereto and made a part of these minutes. Motion by Braxton Foushee, second by William Stott, and unanimously approved.)

5. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Resolution Authorizing the Award of Life, Dependent Life and Accidental Death and Dismemberment Insurance with Blue Cross Blue Shield of North Carolina." (Resolution so titled attached hereto and made a part of these minutes. Motion by Braxton Foushee, second by William Stott, and unanimously approved.)

6. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Resolution Approving Changes in Compensation of the Orange Water and Sewer Authority Board of Directors." (Resolution so titled attached hereto and made a part of these minutes. Motion by Alan Rimer, second by Braxton Foushee, and unanimously approved.)

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ITEM ONE: ANNOUNCEMENTS

CONFLICT OF INTEREST

Gordon Merklein 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.

MEETING UPDATES

Gordon Merklein said that the Chapel Hill Town Council Representatives and Chapel Hill Appointees to the OWASA Board of Directors will meet on Thursday, May 19, 2011, at 8:00 A.M. in the OWASA Boardroom to discuss items of mutual interest.

ITEM TWO: PETITIONS AND REQUESTS

Gordon Merklein asked for petitions from the public, Board and staff; there were none.

ITEM THREE: RESOLUTION AUTHORIZING RENEWAL OF PROPERTY, LIABILITY, WORKERS' COMPENSATION, INLAND MARINE, AUTOMOBILE, BOILER AND MACHINERY, CRIME, AND EXCESS LIABILITY AND UMBRELLA LIABILITY INSURANCE POLICIES THROUGH THE NORTH

CAROLINA LEAGUE OF MUNICIPALITIES RISK MANAGEMENT SERVICES

Braxton Foushee made a motion to approve the resolution; the motion was seconded by William Stott and carried by unanimous vote. Please see Motion No. 1 above.

ITEM FOUR: RESOLUTIONS AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE CONTRACTS WITH BLUE CROSS BLUE SHIELD OF NORTH CAROLINA FOR MEDICAL, DENTAL ACCIDENTAL DEATH AND DISMEMBERMENT, AND DEPENDENT LIFE AND LONG TERM DISABILITY

Braxton Foushee made a motion to approve the Resolution Authorizing the Renewal of the Medical Insurance Contract with Blue Cross Blue Shield of North Carolina; the motion was seconded by William Stott and carried by unanimous vote. Please see Motion No. 2 above.

Braxton Foushee made a motion to approve the Resolution Authorizing the Renewal of the Dental Insurance Contract with Blue Cross Blue Shield of North Carolina; the motion was seconded by William Stott and carried by unanimous vote. Please see Motion No. 3 above.

Braxton Foushee made a motion to approve the Resolution Authorizing the Award of the Long Term Disability Insurance to Blue Cross Blue Shield of North Carolina; the motion was seconded by William Stott and carried by unanimous vote. Please see Motion No. 4 above.

Braxton Foushee made a motion to approve the Resolution Authorizing the Award of Life, Dependent Life and Accidental Death and Dismemberment Insurance to Blue Cross Blue Shield of North Carolina; the motion was seconded by William Stott and carried by unanimous vote. Please see Motion No. 5 above.

ITEM FIVE: BOARD DISCUSSION ON THE WATER AND SEWER MANAGEMENT, PLANNING AND BOUNDARY AGREEMENT

Gordon Merklein noted that after several conversations and meetings, the Chapel Hill Town Council (CHTC) on April 25, 2011 reversed its previous position on OWASA's request to clarify the Water and Sewer Management, Planning and Boundary Agreement (WSMPBA). The Council voted on April 25th not to clarify the agreement as OWASA had previously requested. Several Council Members expressed the preference that OWASA use its Jordan Lake water supply allocation only after declaring a Water Supply Shortage. Mr. Merklein understood from discussions with Mayor Mark Kleinschmidt and Council Member Jim Ward they would entertain a compromise proposal from OWASA. Because the full Board has not yet discussed this issue, Mr. Merklein reported that he indicated to Mayor Kleinschmidt and Council Member Ward that the OWASA Board would be willing to consider a policy to supplement OWASA's local supply with water purchased from neighboring jurisdictions (or from its Jordan Lake allocation) only in times of shortage when it has first declared a Stage 1 Water Supply Shortage. Mr. Merklein suggested that OWASA's adoption of such a policy would be contingent on the

CHTC's and Carrboro Board of Aldermen's (CBOA) approval of the WSMPBA clarification previously requested by OWASA. Mr. Merklein said that he had strongly urged Town Council Members to work with the CBOA to build unification. He also noted that OWASA would continue its efforts to retain its Jordan Lake allocation. Mr. Merklein said that he would like the Board to discuss this topic and try to reach consensus about its options.

Ed Kerwin reiterated that OWASA has neither the CBOA's nor the CHTC's support for our request to clarify the WSMPBA. It appears that the majority of the CBOA object to the use of Jordan Lake for anything but emergencies, and the majority of the CHTC is uncomfortable purchasing water unless we have first declared a Water Supply Shortage. As stated, Mr. Merklein discussed the situation with Chapel Hill Mayor Kleinschmidt on May 3rd and offered that the OWASA Board will consider an adjustment to its request by stating that OWASA will declare Stage 1 Water Shortage prior to purchasing water during a drought. However, OWASA has not received any assurance that this concession will result in a reversal of the CHTC's current position on OWASA's request to clarify the Agreement, and it is even less certain that the CBOA would find this revised approach acceptable. Mr. Kerwin noted that Carrboro Alderman Dan Coleman sent an e-mail to his fellow Aldermen and copied Mayor Kleinschmidt recommending that a committee be established to discuss water supply projections as they relate to growth and planning between now and the availability of OWASA's expanded Quarry Reservoir. Alderman Coleman's proposal is scheduled for discussion at the CBOA's May 17th business meeting.

Mr. Kerwin also noted that Ed Holland and Mason Crum will attend a NC Division of Water Resources (DWR) meeting on May 24th to learn about DWR's revised schedule for submitting allocation requests. It is uncertain what adjustments will be made to the current schedule, but there will likely be a delay of approximately 6 months in the due date for submitting draft allocation requests (the current due date is June 1, 2011).

Staff firmly believes that all aspects of OWASA's 2010 Long-Range Water Supply Plan are sound and that they reflect OWASA's best professional judgment consistent with our responsibilities to our customers, the Towns, and the University. Staff has not learned or received any new information to change that belief. Staff also believes it makes sense to purchase water before declaring a Water Supply Shortage in order to avoid or defer the increased inconvenience and cost that these restrictions impose on customers. However, it is understood that some concession may be necessary to gain support from the CHTC and perhaps the CBOA. Although OWASA may offer this concession, it may not be supported by Carrboro and Chapel Hill, thereby forcing OWASA to withdraw from the WSMPBA as a legal necessity for compliance with its water supply obligations to the Towns and the University. Staff recommends that any OWASA resolution proposing a compromise should be contingent on approval of the WSMPBA language clarification by both Carrboro and Chapel Hill.

Mr. Kerwin said this issue should be resolved before the Town Boards go into their summer 2011 recess. Staff has prepared a draft Resolution which was provided by email and is presented in hard copy tonight. Staff recommended that the Board not act at tonight's meeting, but to confirm the Board's support for this approach and consider action at the May 26th meeting.

Staff believes the draft Resolution reaffirms that all aspects of our Long-Range Water Supply Plan, including the need to retain and assure unrestricted access to our Jordan Lake allocation, are sound and that it reflects OWASA's best professional judgment consistent with our responsibilities to the Towns and University.

Mr. Kerwin said that on May 19th the CHTC appointees to the OWASA Board will present and discuss the proposal with the CHTC's "OWASA Committee" in hopes that an agreement will be reached with the OWASA proposal. On May 26th the OWASA Board will receive public comments, discuss and possibly approve the draft Resolution. Following that meeting (and if approved), OWASA would provide the Resolution to the elected Boards and request final action before their summer recess.

Mr. Merklein said he supports the resolution in an effort to build consensus and mutual support for the State allocation process. Over the next week, there should be a general indication if local boards support OWASA's language clarification for the WSMPBA. If they do not support OWASA's request, Mr. Merklein agrees that OWASA should withdraw from the WSMPBA.

Braxton Foushee said his discussions with the CBOA are that OWASA's withdrawal from the WSMPBA would be a last resort and that if the CBOA would like alternate language, the CBOA should please provide that language. Mr. Foushee said he wants to resolve this matter and that OWASA is doing its job as a good steward of our water resources.

Mac Clarke said that his underlying concern is that OWASA should do what is needed to secure our Jordan Lake allocation. If that means withdrawal from the WSMPBA, then that is what OWASA should do. Mr. Clarke also said that this year is an election year, and if OWASA does not receive a decision soon, OWASA will not likely receive a decision until after the November elections.

Joy Preslar said she does not like the idea of withdrawing from the WSMPBA, however, if that is the only way to assure OWASA's access to its Jordan Lake allocation, the Board should do so. She also expressed disappointment that the elected officials opposing OWASA's request to change language in the WSMPBA were not present tonight to discuss the issue.

John Young said he supports the WSMPBA changes as well as the direction of the draft resolution. However, he suggested a minor change in the resolution as follows in paragraph 4, page 2 of the draft resolution: "*OWASA shall continue to take the actions it believes necessary to retain and secure access to its Jordan Lake allocation, including the possibility of initiating procedures to withdraw from the Agreement if all parties do not agree to the proposed clarifying language. In the event OWASA does withdraw, it will formally commit to continue to abide by all other provisions of the Agreement.*"

Amy Witsil said she supports the draft resolution with the updated changes Mr. Young suggested as well as maintaining OWASA's Jordan Lake allocation. Ms. Witsil believes OWASA should be in a Stage 1 Water Shortage prior to using the Jordan Lake allocation.

William Stott asked how the WSMPBA clarification would help or hurt OWASA's chances with the Environmental Management Commission (EMC) to retain OWASA's Jordan Lake allocation.

Alan Rimer agreed that OWASA should be in a Stage 1 Water Shortage prior to using our Jordan Lake allocation. Mr. Rimer pointed out that Carrboro's request to discuss growth is inappropriate, because OWASA does not participate in decisions about growth. Decisions about growth are for elected officials, who then inform OWASA, which then uses their growth projections to determine an adequate water supply for the Towns' approved level of growth and development.

Mr. Merklein summarized that the Board supports moving forward with the draft resolution for approval at the Board's May 26th meeting. He then asked Robert Epting if the draft Resolution poses any limits to OWASA and the use of our Jordan Lake allocation.

Mr. Epting said yes, the primary limitation is that OWASA would only be able to use the Jordan Lake allocation during a declared Water Supply Shortage or an emergency. Mr. Epting reminded the Board that Water Transfers are addressed in two separate sections of the WSMPBA: Emergency Transfers and Non-Emergency Transfers. The Emergency Transfers section states that OWASA can transfer water for 30 days during emergencies, which include water shortage or severe drought, without the approval of local elected officials. If the length of times goes beyond 60 to 90 days, then permission, or the opportunity to object, is needed from the elected officials. Clarification of WSMPBA language addressing Emergency Transfers is not strictly needed.

It is critical, however, that language be clarified in the Non-Emergency Transfers section, which states that no provider may transfer water (across the Orange County line) without approval by the Orange County Commissioners. If the non-emergency transfer is by OWASA, the WSMPBA requires approval of all three appointing bodies (Carrboro, Chapel Hill and Orange County), thus giving each body a veto authority over a transfer by OWASA. Mr. Epting's concern is that veto power, and the way in which that veto would violate the manner in which OWASA was organized to operate. Allowing such a veto by any of the local elected bodies effectively obstructs OWASA's access to its Jordan Lake allocation. This is why the WSMPBA language change is so important.

Mr. Epting reminded the Board that due caution, as well as respect for the opinions of the elected bodies, is the reason that OWASA has asked for clarification on this point (rather than simply moving ahead and risking a lawsuit by one or more local elected bodies), and that he remains confident that the Board will use its best efforts to confer and consult with the elected officials to seek consensus on this issue. Although this represents the "high road" approach, it is his and OWASA staff's opinion that OWASA already have the right to obtain Jordan Lake water without approval of the local elected boards.

Mr. Epting then replied to Mr. Stott's question about the likely effects the WSMPBA has on OWASA's ability to retain its Jordan Lake allocation. He stated that without clarification of the Agreement, and with continued objection by Carrboro and/or Chapel Hill to OWASA's use of Jordan Lake water, the EMC may not allow OWASA to retain its allocation, especially as other entities are seeking allocations with strong local support. Mr. Epting emphasized that even if OWASA withdraws from the WSMPBA, OWASA would still covenant to abide by all other elements of the Agreement except those sections that may restrict OWASA's access to Jordan Lake.

The Board agreed with John Young's edit to page 2, paragraph 4 of the draft resolution: "*OWASA shall continue to take the actions it believes necessary to retain and secure access to its Jordan Lake allocation, including the **possibility of** initiating procedures to withdraw from the Agreement if all parties do not agree to the proposed clarifying language. In the event OWASA does withdraw, it will formally commit to continue to abide by all other provisions of the Agreement.*"

The OWASA Board concurred that a letter and the revised draft resolution be sent to the Mayors of Carrboro and Chapel Hill, copying other parties to the WSMPBA, regarding the Board's position. Further Board discussion will continue at the Board of Directors' May 26, 2011 meeting.

ITEM SIX: DRAFT CHARGE TO THE COMMUNITY OUTREACH COMMITTEE AND DRAFT GOAL STATEMENTS AND OBJECTIVES FOR COMMUNICATION AND PUBLIC OUTREACH

The Board deferred this until the Community Outreach Committee has a chance to meet and report to the full Board at a future meeting.

ITEM SEVEN: APPOINTMENT OF NOMINATING COMMITTEE

Gordon Merklein appointed the following Board members as the Nominating Committee:

- Mac Clarke, Chair
- Fred Battle
- Joy Preslar
- William Stott
- Gordon Merklein (ex officio)

Mac Clarke said that if any Board member who wishes to be considered for nomination of a position, please inform a member of the Nominating Committee as soon as possible. The election of new officers will occur at the Board of Directors' meeting on June 9, 2011.

ITEM EIGHT: RESOLUTION APPROVING CHANGES IN COMPENSATION OF THE ORANGE WATER AND SEWER AUTHORITY

Orange Water and Sewer Authority

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Alan Rimer made a motion to approve the resolution; the motion was seconded by Braxton Foushee and carried by unanimous vote. Please see Motion No. 6 above.

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

Enclosures

**RESOLUTION AUTHORIZING RENEWAL OF PROPERTY, LIABILITY,
WORKERS' COMPENSATION, INLAND MARINE, AUTOMOBILE, BOILER
AND MACHINERY, CRIME, EXCESS LIABILITY AND UMBRELLA LIABILITY
INSURANCE POLICIES THROUGH THE NORTH CAROLINA LEAGUE OF
MUNICIPALITIES RISK MANAGEMENT SERVICES**

WHEREAS, Property, Liability, Inland Marine, Automobile, Boiler and Machinery, Crime, Workers' Compensation, Excess Liability and Umbrella Liability insurance policies in effect for Orange Water and Sewer Authority will expire on June 30, 2011; and

WHEREAS, Section 707 of the Bond Order and prudent business practice dictate that Orange Water and Sewer Authority maintain a practical insurance program which will afford adequate protection against damage to, or destruction of, the Water and Sewer System; and

WHEREAS, Section 707 of the Bond Order and prudent business practice dictate that Orange Water and Sewer Authority maintain such comprehensive public liability insurance for bodily injury and property damage resulting from the operation of the Water and Sewer System as OWASA deems to be adequate;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Board of Directors of Orange Water and Sewer Authority awards the renewal of Property, Liability, Workers' Compensation, Inland Marine, Automobile, Boiler and Machinery, Crime, Excess Liability and Umbrella Liability Insurance coverage to The North Carolina League of Municipalities Risk Management Services, in an amount not to exceed the amount budgeted for FY 2012 of approximately \$360,000 for the period from July 1, 2011 through June 30, 2012, subject to normal audit adjustments.

2. That the Executive Director be, and hereby is, authorized and directed to renew the above stated insurance policies.

Adopted this 12th day of May, 2011.

**RESOLUTION AUTHORIZING THE RENEWAL OF THE MEDICAL INSURANCE
CONTRACT WITH BLUE CROSS BLUE SHIELD OF NORTH CAROLINA**

WHEREAS, to adequately and appropriately provide medical and hospital insurance coverage for Orange Water and Sewer Authority (OWASA) employees, it is desirable to continue with the group insurance program as proposed by Blue Cross Blue Shield of North Carolina (BCBSNC).

WHEREAS, it is determined that BCBSNC offers excellent medical care coverage; and

WHEREAS, BCBSNC has offered to renew medical insurance with an increase in premiums of 2.1% with no change in coverage; and

WHEREAS, the existing medical insurance contract with BCBSNC will expire on June 30, 2011.

WHEREAS, the Human Resources Committee met on April 18, 2011 and recommends approval;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Board of Directors has determined to continue to provide for its employees and their families the health plan offered through BCBSNC in accordance with provisions of plan.
2. That OWASA pay 100% of the cost of health insurance premiums for employees and 50% of the cost for dependent coverage.
3. That the Executive Director is hereby authorized and directed to execute the contract with BCBSNC.
4. That the term of the above insurance coverage shall be for a period of twelve months beginning July 1, 2011.

Adopted this 12th day of May 2011.

**RESOLUTION AUTHORIZING THE RENEWAL OF THE DENTAL INSURANCE
CONTRACT WITH BLUE CROSS BLUE SHIELD OF NORTH CAROLINA**

WHEREAS, to provide adequate and appropriate dental insurance coverage for Orange Water and Sewer Authority (OWASA) employees, it is desirable to continue with dental insurance as proposed by Blue Cross Blue Shield of North Carolina (BCBSNC); and

WHEREAS, it is determined that BCBSNC offers excellent dental care coverage; and

WHEREAS, BCBSNC has offered to renew dental insurance with a decrease in premiums of 11.5% with no change in coverage; and

WHEREAS, the existing dental insurance contract with BCBSNC will expire on June 30, 2011; and

WHEREAS, the Human Resources Committee met on April 18, 2011 and recommends approval;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Board of Directors has determined to continue to provide for its employees and their families the Dental plan offered through BCBSNC in accordance with provisions of plan.
2. That OWASA pay 100% of the cost of dental insurance premiums for employees and 40% of the cost for dependent coverage.
3. That the Executive Director is hereby authorized and directed to execute the contract with BCBSNC.
4. That the term of the above insurance coverage shall be for a period of twelve months beginning July 1, 2011.

Adopted this 12th day of May 2011.

**RESOLUTION AUTHORIZING THE AWARD OF LONG TERM DISABILITY
INSURANCE TO BLUE CROSS BLUE SHIELD OF NORTH CAROLINA**

WHEREAS, Employee Long Term Disability, Insurance coverage has been provided at no cost to employees since 1977; and

WHEREAS, Blue Cross Blue Shield of North Carolina (BCBSNC) has offered to provide this insurance at a lower rate than the current provider with no change in coverage; and

WHEREAS, the Human Resources Committee met on April 18, 2011 and recommends approval;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Board of Directors has determined to continue to provide for its employees the Long Term Disability insurance in accordance with the plan provisions.
2. Award contract to BCBCNC for Employee Long Term Disability Insurance.
3. That the term of the insurance contract will start on July 1, 2011 and continue for two years.

Adopted this 12th day of May 2011.

**RESOLUTION AUTHORIZING THE AWARD OF LIFE, DEPENDENT LIFE AND
ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE TO BLUE CROSS
BLUE SHIELD OF NORTH CAROLINA**

WHEREAS, Employee Life, Dependent Life and Accidental Death and Dismemberment Insurance coverage has been provided at no cost to employees since 1977; and

WHEREAS, Blue Cross Blue Shield of North Carolina (BCBSNC) has offered to provide this insurance at a lower rate than the current provider with no change in coverage; and

WHEREAS, the Human Resources Committee met on April 18, 2011 and recommends approval;

NOW, THEREFORE, BE IT RESOLVED:

4. That the Board of Directors has determined to continue to provide for its employees and their families the Employee Life, Dependent Life and Accidental Death and Dismemberment insurance in accordance with the plan provisions.

5. Award contract to BCBCNC for Employee Life, Dependent Life and Accidental Death and Dismemberment.

6. That the term of the insurance contract will start on July 1, 2011 and continue for two years.

Adopted this 12th day of May 2011.

**RESOLUTION APPROVING CHANGES IN COMPENSATION OF THE ORANGE
WATER AND SEWER AUTHORITY (OWASA) BOARD OF DIRECTORS**

WHEREAS, North Carolina General Statute 162A-5(c), states that, “The members of the authority may be paid a per diem compensation set by the authority which per diem may not exceed the total amount of four thousand dollars (\$4,000) annually, and shall be reimbursed for the amount of actual expenses incurred by them in the performance of their duties”; and

WHEREAS, no OWASA Board member has ever received the maximum annual per diem compensation of \$4,000 allowed under North Carolina General Statute 162A-5(c); and

WHEREAS, at inception of OWASA, each OWASA Board member has been compensated \$20 for each official meeting of the Board attended and in February 2002, the compensation was increased to \$50 for each meeting of the Board attended; and

WHEREAS, the OWASA Board Chair receives \$50 for each meeting of the Board attended and a \$40 monthly allowance as reimbursement for non-itemized expenses incurred in serving as Chair; and

WHEREAS, the policy making and other governance responsibilities of the OWASA Board require numerous contributions of time and talent by each Board Member and the Board Chair;

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

1. That the members of the Board of Directors of Orange Water and Sewer Authority (OWASA) will receive \$50 compensation for attendance at each OWASA Board of Directors Meeting, Special Meeting, Work Session, and Standing Committee meeting of the Board.
2. That, in lieu of a meeting attendance payment, the OWASA Board Chair will receive a \$250 monthly stipend regardless of the number of meetings attended.
3. That the changes noted herein for compensation to the OWASA Board of Directors and Board Chair shall be effective July 1, 2011.

Adopted this 12th day of May, 2011.