

ORANGE WATER AND SEWER AUTHORITY

MEETING OF THE BOARD OF DIRECTORS

October 11, 2012

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a regular meeting on Thursday, October 11, 2012, at 7 PM in OWASA's Community Room at 400 Jones Ferry Road, Carrboro.

Directors present: Alan Rimer, P.E., Chair; John A. Young, Vice Chair; Amy Witsil, Secretary; Terri Buckner; Stephen Dear; Michael M. Hughes, P.E.; Gordon Merklein; Will Raymond; and Dana Stidham.

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

Others present: Mac Clarke, Chapel Hill resident; and Meg Holton, Water, Wastewater, and Stormwater Manager of the University of North Carolina at Chapel Hill.

There being a quorum present, Chair Alan Rimer called the meeting to order.

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MOTIONS ACTED UPON

1. Will Raymond made a motion to approve the Minutes of the September 13, 2012 Meeting of the Board of Directors; the motion was seconded by Amy Witsil, and carried by unanimous vote.

2. Will Raymond made a motion to approve the Minutes of the September 27, 2012 Closed Session of the Board of Directors for the purpose of discussing a personnel matter; the motion was seconded by Amy Witsil, and carried by unanimous vote.

3. Will Raymond made a motion that the Board convene in a Closed Session, and return to open session, for the purpose of discussing a settlement of litigation with the Town of Chapel Hill regarding the Town's eminent domain litigation affecting an OWASA easement; the motion was seconded by Gordon Merklein and unanimously approved.

4. Terri Buckner made a motion that the Board of Directors approves the settlement agreement entitled "Agreement for Joint Use, Quitclaim, and Consent" as negotiated by General Counsel to resolve the claims in eminent domain brought by the Town of Chapel Hill, affecting certain OWASA sewer easements located on the south side of Bolin Creek just west of Martin Luther King, Jr. Boulevard in Chapel Hill, and hereby authorizes the Executive Director to

execute the said Agreement on behalf of OWASA. The motion was seconded by Gordon Merklein and carried by unanimous vote.

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ITEM ONE: ANNOUNCEMENTS

CONFLICT OF INTEREST

Alan Rimer 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.

AGENDA FOR THE CHAPEL HILL OWASA COMMITTEE

Alan Rimer said that on Thursday, October 18, 2012, the Chapel Hill Town Council's OWASA Committee and the Chapel Hill appointees to the OWASA Board will meet at 8 AM in the OWASA Boardroom to discuss Jordan Lake Water Supply and specifically if Council members have questions or feedback regarding the action the OWASA Board will consider taking on November 8, 2012 to request the NC Environmental Management Commission's approval to convert OWASA's Jordan Lake Level II allocation to Level I. Other topics of discussion may include Rogers Road sewer, OWASA Employee Classification and Compensation Study, and OWASA's position on the Mountains to Sea Trail.

HUMAN RESOURCES (HR) COMMITTEE MEETING

Gordon Merklein said that the HR Committee met on October 10, 2012, in the OWASA Boardroom and discussed the findings and recommendations from The Waters Consulting Group, OWASA's consultant, and staff on the Employee Classification and Compensation Study. The HR Committee supports the recommendations and requested that the consultant's presentation be provided to the full Board for discussion at the October 25<sup>th</sup> meeting.

FINANCE COMMITTEE MEETING

John Young said the Finance Committee met on October 17, 2012 to continue its discussion of the water and sewer rate study. The Committee will have at least one additional meeting prior to making recommendations to the full Board.

INTERGOVERNMENTAL PARKS WORKGROUP MEETING

Michael Hughes said he participated in the Intergovernmental Parks Workgroup meeting on Wednesday, October 10, 2012. He said the main discussion was the Mountains to Sea Trail and the preliminary trail in Orange County that includes OWASA property. Mr. Hughes noted concerns he has received from neighbors and that more work needs to be done by Orange County staff.

ITEM TWO: PETITIONS AND REQUESTS

Alan Rimer asked for petitions and requests from the public and Board; there were none.

Robert Epting petitioned the Board to hold a Closed Session following the Board Meeting for the purpose of discussing a settlement of litigation with the Town of Chapel Hill regarding the Town's eminent domain litigation affecting an OWASA easement.

Without objection, the Board agreed.

ITEM THREE: QUARTERLY REPORT ON ATTENDANCE AT COMMITTEE AND BOARD MEETINGS

The Board received this item as information.

ITEM FOUR: MINUTES

Will Raymond made a motion to approve the Minutes of the September 13, 2012 Meeting of the Board of Directors; the motion was seconded by Amy Witsil, and carried by unanimous vote. Please see Motion No. 1 above.

Will Raymond made a motion to approve the Minutes of the September 27, 2012 Closed Session of the Board of Directors for the purpose of discussing a personnel matter; the motion was seconded by Amy Witsil, and carried by unanimous vote. Please see Motion No. 2 above.

ITEM FIVE: CONVERSION OF OWASA'S LEVEL II JORDAN LAKE WATER SUPPLY STORAGE ALLOCATION TO LEVEL I

Ed Kerwin reported that on October 2, 2012, the Carrboro Board of Aldermen's OWASA Subcommittee (Sammy Slade, Randee Haven-O'Donnell and Lydia Lavelle) and Town staff (David Andrews, Town Manager and Town Clerk, Cathy Wilson) met with Carrboro appointees to the OWASA Board (Dana Stidham and Stephen Dear) and OWASA staff (Patrick Davis, Ed Holland and Ed Kerwin). Mr. Kerwin said this was a productive meeting regarding water resources and the specific role of Jordan Lake in OWASA's water supply future. Staff recommended the OWASA Board postpone action on conversion of OWASA's allocation until its November 8, 2012 meeting so that Carrboro's OWASA Subcommittee can discuss and share information with the Board of Aldermen.

Stephen Dear said that Carrboro's OWASA Subcommittee met again on October 9, 2012 to further discuss this matter and will need additional time. He suggested the OWASA Board defer action on conversion of OWASA's Jordan Lake allocation until the December 13, 2012 meeting.

After discussion, the Board agreed to defer consideration of asking the State to convert OWASA's allocation of Jordan Lake water supply from Level 2 to Level 1 until the December 13, 2012 meeting and directed staff to communicate same to the Carrboro Town Manager.

ITEM SIX: DISCUSS UPDATE OF OWASA STRATEGIC PLAN

Mac Clarke suggested to the Board that the Strategic Plan (Plan) include anticipated dates for completion of the various work tasks, and he suggested the Plan be made more specific where practical.

Ed Kerwin said that dates, milestones and metrics were not included because the first review is to ensure staff is on target. The Plan will be refined after discussion and guidance from the Board.

John Young agreed the broad goals and objectives seem appropriate, and that they should be made more specific once input is provided. He said that he preferred the Plan not use “continued to do” when describing work tasks. Mr. Young also suggested staff look at hard cost objectives and savings initiatives which are directly related to customers. He also questioned if forestry management should appear in the Plan.

Terri Buckner said she would like the Plan to address affordability.

Stephen Dear said he looks forward to learning more about OWASA’s plan and approach to water conservation.

Gordon Merklein suggested that a conservation document is needed because OWASA has a great story.

Will Raymond said that A.2.e., “Continue to seek approval from Carrboro and Chapel Hill for clarification of certain language in the *Water and Sewer Management, Planning and Boundary Agreement*,” should be more specific because the Board is seeking a policy change not a clarification. Mr. Raymond said he would like to see outreach to educate customers in the Rogers Road neighborhood.

Alan Rimer suggested there be a parallel between the goals and work tasks. He would also like staff to consider tracking diversity data and evaluate effectiveness of minority recruitment efforts with suppliers and vendors.

Gordon Merklein said he likes the Plan and is confident staff is producing the individual work plans needed to accomplish the goals.

Mr. Dear suggested the Plan include a desire to have a more diverse Board of Directors.

Mr. Rimer noted that the Board has already suggested to local governing boards that diversity be included in their appointments.

Mr. Kerwin thanked the Board for their input, and said that staff will provide an updated Strategic Plan on November 8, 2012.

ITEM SEVEN: EXECUTIVE DIRECTOR WILL SUMMARIZE THE KEY ACTION ITEMS FROM THE BOARD MEETING AND NOTE SIGNIFICANT ITEMS FOR DISCUSSION AND/OR ACTION EXPECTED AT THE NEXT BOARD MEETING

Ed Kerwin summarized the meeting with the following items:

- The Board agreed to defer consideration of asking the State to convert OWASA's allocation of Jordan Lake water supply from Level 2 to Level 1 until the December 13, 2012 meeting and directed staff to communicate same to the Carrboro Town Manager.
- Staff will bring an updated Strategic Plan to the Board on November 8, 2012.
- The October 25, 2012 Board meeting will include:
  - o Annual Master Plan Update;
  - o Update on matters related to Rogers Road sewer; and
  - o Discuss recommendations from the consultant's report from the Employee Classification and Compensation Study.

ITEM EIGHT: CLOSED SESSION

Will Raymond made a motion that the Board convene in a Closed Session, and return to open session, for the purpose of discussing a settlement of litigation with the Town of Chapel Hill regarding the Town's eminent domain litigation affecting an OWASA easement; the motion was seconded by Gordon Merklein and unanimously approved. See Motion No. 3 above.

At the conclusion of the closed session, the Board reconvened in Open Session and adopted the following motion.

Terri Buckner made a motion that the Board of Directors approve the settlement agreement entitled "Agreement for Joint Use, Quitclaim, and Consent" as negotiated by General Counsel to resolve the claims in eminent domain brought by the Town of Chapel Hill, affecting certain OWASA sewer easements located on the south side of Bolin Creek just west of Martin Luther King, Jr. Boulevard in Chapel Hill, and hereby authorizes the Executive Director to execute the said Agreement on behalf of OWASA. The motion was seconded by Gordon Merklein and carried by unanimous vote. See Motion No. 4 above.

There being no further business to come before the Board, the meeting was adjourned at 9:00 P.M.