

ORANGE WATER AND SEWER AUTHORITY

MEETING OF THE BOARD OF DIRECTORS

MARCH 14, 2013

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a regular meeting on Thursday, March 14, 2013, at 7:00 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; Michael M. Hughes, P.E.; Dana Raborn; and Will Raymond. Directors excused: Stephen Dear and Gordon Merklein.

OWASA staff present: Ed Kerwin; John Greene; Mason Crum; Stuart Carson; Patrick Davis; Greg Feller; Vishnu Gangadharan; Andrea Orbich; Ruth Rouse; and Stephen Winters.

Others present: Meg Holton, Water, Wastewater, and Stormwater Manager, UNC; and Ben Poulson, Associate Director of Energy Services, UNC.

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 January 24, 2013 Minutes of the Board of Directors; second by John Young, and unanimously approved.

2. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Resolution Awarding a Construction Contract for the East Cameron Avenue Water Main and Chilled Water Min Replacement Project." (Resolution so titled attached hereto and made a part of these minutes. Motion by Will Raymond, second by Amy Witsil and unanimously approved.)

3. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Resolution Awarding Audit Contract to Martin, Starnes and Associates, CPAs, P.A. and Authorizing Chair of the Board of Directors and the Finance Officer to Execute Said Contract." (Resolution so titled attached hereto and made a part of these minutes. Motion by Will Raymond, second by Amy Witsil and unanimously approved.)

4. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Resolution Setting the Date of May 23, 2013 for a Public Hearing on the Proposed OWASA Budgets for Fiscal Year 2014" Motion by Will Raymond, second by John Young and unanimously approved.)

5. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Resolution Setting the Date of May 23, 2013 for a Public Hearing on Proposed

Revisions to OWASA's Schedule of Rates, Fees and Charges." (Resolution so titled attached hereto and made a part of these minutes. Motion by Terri Buckner, second by Michael Hughes and approved unanimously.)

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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.

COMMITTEE MEETINGS

Terri Buckner said that the Natural Resources and Technical Systems (NRTS) Committee met on March 5, 2013 to discuss several items under the NRTS Committee's review as well as those items that NRTS Committee might want to discuss in the coming year. Ms. Buckner also mentioned that inputs from those Committee members that were unable to attend the meeting would be added to the list that was generated from the March 5<sup>th</sup> meeting, and that this information would be reflected in meeting summary.

John Young said the Finance Committee will meet on Thursday, March 28, 2013 at 5:30 PM in the First Floor Conference Room at Chapel Hill Town Hall to discuss the annual budget.

OWASA'S JORDAN LAKE ALLOCATION

Ruth Rouse, OWASA's Planning and Development Manager, announced that on March 13, 2013 the North Carolina Environmental Management Commission's (EMC) Water Allocation Committee met and recommended approval of OWASA's request to convert OWASA's Level II Jordan Lake water supply allocation to a Level I. That approval moved the matter to the full EMC, which met on March 14, 2013 and unanimously approved same.

ITEM TWO: PETITIONS AND REQUESTS

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

ITEM THREE: MINUTES

Will Raymond made a motion to approve the January 24, 2013 Minutes of the Board of Directors; second by Amy Witsil, and unanimously approved. Please see Motion No. 1 above.

ITEM FOUR:     RESOLUTION AWARDING A CONSTRUCTION CONTACT FOR THE EAST CAMERON AVENUE WATER MAIN AND CHILLED WATER MAIN REPLACEMENT PROJECT

Will Raymond made a motion to adopt the resolution; second by Amy Witsil and carried by unanimous vote. Please see Motion No. 2 above.

ITEM FIVE:     RESOLUTION AWARDING AUDIT CONTRACT TO MARTIN, STARNES AND ASSOCIATES, CPAS, P.A. AND AUTHORIZING CHAIR OF THE BOARD OF DIRECTORS AND THE FINANCE OFFICER TO EXECUTE SAID CONTRACT

Will Raymond made a motion to adopt the resolution; second by Amy Witsil and carried by unanimous vote. Please see Motion No. 3 above.

ITEM SIX:       RESOLUTION SETTING THE DATE OF MAY 23, 2013 FOR A PUBLIC HEARING ON THE PROPOSED OWASA BUDGETS FOR FISCAL YEAR 2014

Will Raymond made a motion to adopt the resolution; second by John Young and carried by unanimous vote. Please see Motion No. 4 above.

ITEM SEVEN:    RESOLUTION SETTING THE DATE OF MAY 23, 2013 FOR A PUBLIC HEARING ON THE PROPOSED REVISIONS TO OWASA'S SCHEDULE OF RATES, FEES AND CHARGES

Terri Buckner made a motion to adopt the resolution; second by Michael Hughes and carried by unanimous vote. Please see Motion No. 5 above.

ITEM EIGHT:    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:

- Staff will begin the process of notifying customers of the May 23, 2013 public hearings.
- The March 28, 2013 Board meeting will include:
  - o Discussion of the Fiscal Year 2014 budgets and recommendations regarding rate adjustments; and
  - o Informational presentation on asset management.

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There being no further business to come before the Board, the meeting was adjourned at 7:30 PM.

**RESOLUTION AWARDING A CONSTRUCTION CONTRACT FOR THE EAST  
CAMERON AVENUE WATER MAIN AND CHILLED WATER MAIN  
REPLACEMENT PROJECT**

**WHEREAS**, there is a need for OWASA to replace aging water mains within East Cameron Avenue; and a need for the University of North Carolina at Chapel Hill (UNC) to install new chilled water mains within the same portion of East Cameron Avenue; and OWASA and UNC have executed two Memoranda of Agreement which define the terms of collaboration for the water main and chilled water main design and construction; and

**WHEREAS**, plans and specifications for the construction of this project have been prepared by Hazen and Sawyer, P.C.; and

**WHEREAS**, advertisement for contractor qualifications was published on the OWASA website and in the Greater Diversity News (Wilmington, NC) on December 17, 2012 and seven contractors were pre-qualified to bid on the project; and on February 6, 2013, the seven prequalified contractors were formally invited to submit construction bids for the project, and six bids were subsequently received, opened and read aloud on March 4, 2013; and

**WHEREAS**, Pipeline Utilities, Inc. of Raleigh, North Carolina has been determined to be the low responsive, responsible bidder for the project; and

**WHEREAS**, on June 14, 2012 the Board approved a resolution authorizing funds for Capital Improvement Projects, including funds for this project;

**NOW, THEREFORE, BE IT RESOLVED:**

1. That the Orange Water and Sewer Authority Board of Directors awards the construction contract to Pipeline Utilities, Inc., the low responsive, responsible bidder for the East Cameron Avenue Water Main and Chilled Water Main Replacement Project, in accordance with the approved plans and specifications, in the amount of \$829,000, subject to such change orders as may apply.

2. That the Executive Director be, and hereby is, authorized to execute said construction contract, subject to prior approval of legal counsel, and to approve and execute change orders and such documents as may be required in connection with the construction contract.

Adopted this 14th day of March 2013.

**RESOLUTION APPROVING AND AWARDING AUDIT CONTRACT TO  
MARTIN STARNES & ASSOCIATES, CPAS, P.A. AND AUTHORIZING CHAIR OF  
THE BOARD OF DIRECTORS AND THE FINANCE OFFICER  
TO EXECUTE THE CONTRACT**

**WHEREAS**, Orange Water and Sewer Authority is required by the General Statutes of the State of North Carolina and the Series 2001 Bond Order to have its financial records audited at the termination of each fiscal year; and

**WHEREAS**, in March of 2011, the Authority solicited audit proposals based upon the established criteria recommended by the North Carolina Local Government Commission; and

**WHEREAS**, Martin Starnes & Associates, CPAs, P.A. provided satisfactory service related to the Fiscal Year 2011 and Fiscal Year 2012 financial audits;

**NOW, THEREFORE, BE IT RESOLVED:**

1. That the contract between Orange Water and Sewer Authority and Martin Starnes & Associates, CPAs, P.A. for financial audit of the Fiscal Year Ending June 30, 2013, for charges not to exceed \$30,000 is hereby approved subject to approval by the North Carolina Local Government Commission.

2. That the Chair of the OWASA Board of Directors and the Finance Officer are hereby authorized to execute such contract.

Adopted this 14th day of March, 2013.

**RESOLUTION SETTING THE DATE OF MAY 23, 2013 FOR A PUBLIC HEARING ON THE PROPOSED OWASA BUDGET FOR FISCAL YEAR 2014 AND ON THE CAPITAL IMPROVEMENTS PROGRAM AND CAPITAL IMPROVEMENTS BUDGET**

**WHEREAS**, Section 159-12 of the General Statutes of North Carolina requires a Public Hearing on the budget for the ensuing fiscal year; and

**WHEREAS**, in accordance with Section 7.05 of the Bond Order, and Section 159-13 of the General Statutes of North Carolina, the Board of Directors of Orange Water and Sewer Authority shall adopt an Annual Budget for the Fiscal Year 2014 on or before the first day of July 2013; and

**WHEREAS**, said proposed Budget will be placed with the Clerk to the Board and will be available for public inspection;

**NOW, THEREFORE, BE IT RESOLVED:**

1. That a Public Hearing is hereby set for Thursday, May 23, 2013, at 7:00 P.M., in the Chapel Hill Town Hall, for the purpose of receiving public comment on the proposed Fiscal Year 2014 Budget, Capital Improvements Program, and Capital Improvements Budget.

2. That any interested persons may appear in person, or by agent or attorney, and present any comments they may have regarding the proposed budget.

3. That notice of the time and place of the Public Hearing shall be advertised and mailed at least ten days prior to the date fixed above for the Public Hearing to The University of North Carolina at Chapel Hill, and to the Towns of Chapel Hill and Carrboro and to Orange County.

Adopted this 14th day of March, 2013.

**RESOLUTION SETTING MAY 23, 2013 AS THE DATE FOR A PUBLIC HEARING ON  
PROPOSED REVISIONS TO OWASA'S SCHEDULE OF RATES, FEES AND  
CHARGES**

**WHEREAS**, the Orange Water and Sewer Authority must charge fees sufficient to provide financial resources to recover the cost of ongoing operations, pay for capital improvements, and provide sufficient financial resources to ensure sustainable fiscal strength and stability; and

**WHEREAS**, Section 162A-6 of the General Statutes of North Carolina and Section 7.04 of the Amended and Restated Bond Order adopted September 13, 2001, provide for the revision of such rates, fees and charges;

**NOW, THEREFORE, BE IT RESOLVED:**

1. That a Public Hearing is hereby set for Thursday, May 23, 2013 at 7:00 P.M., at the Chapel Hill Town Hall, for the purpose of receiving public comment on any proposed adjustments to Orange Water and Sewer Authority's rates, fees and charges.

2. That any interested persons may appear in person, or by agent or attorney, to present comments on the proposed modifications to the current schedule of rates, fees and charges.

3. That notice of the time and place of the Public Hearing shall be advertised and shall be mailed at least ten days prior to the date fixed above for the Public Hearing to The University of North Carolina at Chapel Hill, Town of Carrboro, Town of Chapel Hill, and Orange County.

Adopted this 14th day of March, 2013.