

ORANGE WATER AND SEWER AUTHORITY

MEETING OF THE BOARD OF DIRECTORS

MARCH 27, 2014

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a regular meeting on Thursday, March 27, 2014, at 7:00 PM in OWASA's Community Room at 400 Jones Ferry Road, Carrboro.

Board Members present: Alan Rimer, P.E., Chair; John A. Young, Vice Chair; Michael M. Hughes, P.E., Secretary; Terri Buckner; Steve Dear; Heather Payne; Dana Raborn; Will Raymond; and Amy Witsil.

OWASA staff present: Ed Kerwin; Stuart Carson; Mary Darr; Patrick Davis; Greg Feller; Randy Horton; Andrea Orbich; Ruth Rouse; Todd Taylor; Stephen Winters; 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; Chapel Hill residents: Mac Clarke and Esther Miller.

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

* * * * *

MOTIONS ACTED UPON

1. Will Raymond made a motion to approve the Minutes of the February 27, 2014 Meeting of the Board of Directors; second by Michael Hughes and unanimously approved.

2. Will Raymond made a motion to approve the Minutes of the February 27, 2014 Closed Session of the Board of Directors for the purpose of discussing a personnel matter; second by Michael Hughes and unanimously approved.

3. Will Raymond made a motion to approve the Minutes of the March 13, 2014 Closed Session of the Board of Directors for the purpose of discussing a personnel matter; second by Michael Hughes and unanimously approved.

4. Will Raymond made a motion to approve the Charter for the Long-Range Water Supply Plan update; second by Steve Dear and unanimously approved.

* * * * *

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.

HUMAN RESOURCES (HR) COMMITTEE

Will Raymond said the HR Committee met on March 25, 2014 to discuss OWASA's deferred compensation plan for employees and retirement health insurance benefits for new hires. He said the Committee supported the importance of maintaining a competitive deferred compensation plan. Mr. Raymond noted that additional information was requested regarding OWASA's competitiveness in the local market with respect to total retirement contributions. Interest was expressed about considering the possibility of adding a 401(k) plan with matching employee contributions. Regarding retirement health insurance for new hires, the Committee recommended deferring this topic for one year. The next HR Committee meeting will be on Tuesday, April 15, 2014 at 5:30 PM to review the current employee performance evaluation system and how it is linked to compensation as well as linking performance goals to OWASA's Strategic Plan. Mr. Raymond encouraged the full Board to attend this meeting.

FINANCE COMMITTEE

John Young said that the Finance Committee met prior to tonight's Board meeting and the main focus was the proposed Fiscal Year (FY) 2015 rates and rate structure. After discussion, the Finance Committee unanimously agreed to recommend no increase in rates for FY 2015 and no changes to the rate structure. Mr. Young noted that the Committee also reviewed the Draft FY 2015 operating and capital improvement budgets and recommended no changes. He said the Committee supports an item for discussion and action at the Board's April 10, 2014 meeting authorizing staff to publicize the proposed draft FY 2015 operating and capital improvement budgets and proposed draft rates, fees and charges.

NATURAL RESOURCES AND TECHNICAL SYSTEMS (NRTS) COMMITTEE

Terri Buckner announced that the NRTS Committee will meet on Wednesday, April 2, 2014 at 5:30 PM in the OWASA Boardroom to receive an update on OWASA's information technology systems, and that a portion of this meeting will be a closed session to discuss confidential security matters.

DANA RABORN

Dana Raborn announced that her last OWASA Board Meeting will be Thursday, April 10, 2014 because her family is relocating out of state. The Board expressed appreciation to Ms. Raborn for her service on the OWASA Board of Directors and wished her well.

ITEM TWO: PETITIONS AND REQUESTS

Ester Miller, Chapel Hill resident, recommended two books for the Board to read (“Acid Rain” by Fred Pearce and “Poisoned Profits” by Philip Shabecoff and Alice Shabecoff) and petitioned the Board to study what is being put into the drinking water and to keep out harmful things.

The Board received Ms. Miller’s petition and took no action. The Board will stay abreast of scientific developments, changes in best management practices, and accepted public health practices and recommendations regarding drinking water.

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

ITEM THREE: MINUTES

Will Raymond made a motion to approve the Minutes of the February 27, 2014 Meeting of the Board of Directors; second by Michael Hughes and unanimously approved. Please see Motion No. 1 above.

Will Raymond made a motion to approve the Minutes of the February 27, 2014 Closed Session of the Board of Directors for the purpose of discussing a personnel matter; second by Michael Hughes and unanimously approved. Please see Motion No. 2 above.

Will Raymond made a motion to approve the Minutes of the March 13, 2014 Closed Session of the Board of Directors for the purpose of discussing a personnel matter; second by Michael Hughes and unanimously approved. Please see Motion No. 3 above.

ITEM FOUR: DISCUSSION AND APPROVAL OF A CHARTER FOR THE LONG-RANGE WATER SUPPLY PLAN UPDATE

Ruth Rouse provided an overview of the process to update the Long-Range Water Supply Plan and the draft Charter for the update.

John Young said the Charter is good and he recommended that the Board be consulted about changes in the Charter regarding the high-level scope/deliverables, exclusions and assumptions sections.

Will Raymond noted that the Assumptions section of the Charter should include considering input from Orange County.

Ms. Rouse will clarify the draft Charter to include Orange County.

Will Raymond made a motion to approve the Charter for the Long-Range Water Supply Plan update; second by Steve Dear and unanimously approved. Please see Motion No. 4 above.

ITEM FIVE: POTENTIAL PILOT PROGRAM TO ENGAGE TARGET GROUPS WITH INFORMATION ABOUT HOW RESIDENTIAL CUSTOMERS CAN REDUCE THEIR WATER AND SEWER BILLS

Steve Dear, Chair of the Community Engagement Committee, and Patrick Davis provided an overview of the potential pilot program to engage target groups on how to reduce their water and sewer bills. The proposed pilot is supported by the Community Engagement Committee.

The Board concurred with the Community Engagement Committee's recommendation that staff proceed with the proposed pilot project in partnership with other agencies to engage the community/target groups.

ITEM SIX: DISCUSSION OF A BOARD SELF-ASSESSMENT OF THE ORANGE WATER AND SEWER AUTHORITY BOARD OF DIRECTORS

Alan Rimer said that the Board agreed to conduct a Board Self-Assessment last fall. After review by the Executive Committee, the self-assessment was distributed to the Board of Directors and seven Board Members completed it. The information was compiled and distributed to the Board. Mr. Rimer suggested that the Board review the compiled information and that the Board discuss it at a future work session or meeting; the Board agreed.

ITEM SEVEN: DISCUSSION OF COMPENSATION OF THE ORANGE WATER AND SEWER AUTHORITY BOARD OF DIRECTORS

Mac Clarke said that he initiated the current compensation at the end of his tenure on the Board of Directors in 2011 and he feels the current compensation is appropriate for Board Members.

After discussion by the Board, the Board took no further action.

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 as follows:

- The April 10, 2014 Board meeting will include:
 - o Discussion and direction to staff on what to advertise regarding OWASA's Draft Fiscal Year 2015 budgets and rates.

Orange Water and Sewer Authority

March 27, 2014

Page 5

There being no further business to come before the Board, the meeting was adjourned at 8:30 PM.