

ORANGE WATER AND SEWER AUTHORITY

MEETING OF THE BOARD OF DIRECTORS

APRIL 24, 2014

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a regular meeting on Thursday, April 24, 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; and Will Raymond. Board Member absent: Amy Witsil.

OWASA staff present: Ed Kerwin; Mary Darr; Patrick Davis; Andrea Orbich; 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.

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 March 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 April 10, 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 that the Board convene in a Closed Session for the purpose of discussing a personnel matter; and, separately for the purpose of consultation with General Counsel; second by Heather Payne and unanimously approved.

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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.

MEETING OF THE TOWN OF CHAPEL HILL'S OWASA COMMITTEE WITH CHAPEL HILL APPOINTEES

Mr. Rimer said that Chapel Hill Town Council's OWASA Committee and the Chapel Hill appointees to the OWASA Board met on April 17, 2014. He noted that John Young informed Council Members that for the third year in a row, increasing monthly water, reclaimed water and sewer rates will not be necessary in Fiscal Year (FY) 2015. Mr. Rimer informed the Committee that the OWASA Board adopted a new Strategic Plan in March 2014 and he spoke specifically about Strategic Initiative 1, *Provide reliable and high quality supply of water for the next 50 years* and Strategic Initiative 6, *Implement Advance Metering Infrastructure*. Finally, Mr. Rimer said there was also discussion about the timing of the Town Council's appointments to the OWASA Board. The next meeting is to be scheduled.

HUMAN RESOURCES (HR) COMMITTEE

Will Raymond said that the HR Committee met on April 15, 2014 to receive information on the employee performance review and compensation system and to discuss OWASA's deferred compensation (457) plan for employees. The Committee supported maintaining a competitive deferred compensation plan and requested additional information regarding matching contributions and the average number of employees who participate in matching plans. The next HR Committee meeting will be on Thursday, May 8, 2014 at 5:30 PM to continue discussion of deferred compensation and renewal of employee health and dental insurance. Mr. Raymond encouraged the Board to attend this meeting.

FINANCE COMMITTEE

John Young said that the Finance Committee met prior to tonight's Board meeting to discuss two topics: the financial report for the nine-month period ended March 31, 2014, and water and sewer service affordability. Mr. Young reported that OWASA is meeting its financial targets. He also said that the Finance Committee is considering alternate methods of measuring and tracking OWASA's service affordability. Mr. Young said the Finance Committee agreed to defer making a recommendation until more information is received through the Board's Community Engagement Committee about the pilot program to work with target groups on how to reduce their water and sewer bills.

NATURAL RESOURCES AND TECHNICAL SYSTEMS (NRTS) COMMITTEE

Terri Buckner said that the NRTS Committee will meet on Wednesday, May 7, 2014 at 5:30 PM in the OWASA Boardroom to receive a presentation from Dr. Greg Characklis regarding water supply modeling. Ms. Buckner encouraged the Board to attend this meeting.

MAY 20, 2014 CARRBORO BOARD OF ALDERMEN'S MEETING

Steve Dear announced that he will attend the May 20, 2014 meeting of the Carrboro Board of Aldermen to provide a brief overview of OWASA's initiatives; Ed Kerwin will also attend.

COMMUNITY ENGAGEMENT COMMITTEE

Mr. Dear noted that subject to Committee members' availability, the next Community Engagement Committee meeting will be held in May to discuss the recent survey by the Association of Metropolitan Water Agencies regarding community engagement and affordability outreach.

NATIONAL VOLUNTEER MONTH

Andrea Orbich said that April is National Volunteer Month and the Orange County Board of County Commissioners wish to express their appreciation to the OWASA Board, and all of the County's advisory boards, with a gift (a bag with the County's new logo).

ITEM TWO: PETITIONS AND REQUESTS

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

ITEM THREE: MINUTES

Will Raymond made a motion to approve the Minutes of the March 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 April 10, 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.

ITEM FOUR: FINANCIAL REPORT FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2014

The Board received this report as an information item.

ITEM FIVE: 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 May 8, 2014 Board meeting will include:
  - o awarding a construction contract for the Ridge Road water main rehabilitation;

- authorizing OWASA to enter into an interlocal agreement with Orange County in planning for an extension of wastewater system improvements to the Rogers Road neighborhood;
- designating an agent to represent OWASA as claimant for reimbursable damages related to the declared winter storm emergency; and
- Board Chair's appointment of the Nominating Committee.

ITEM SIX:    CLOSED SESSION

Will Raymond made a motion that the Board convene in a Closed Session for the purpose of discussing a personnel matter; and, separately for the purpose of consultation with General Counsel; second by Heather Payne and unanimously approved. Please see Motion No. 3 above.

ITEM SEVEN:    WORK SESSION

Immediately following the Closed Session, the Board adjourned the meeting and held a work session to discuss a Board self-assessment.

There being no further business to come before the Board, the Board adjourned the work session at 9:15 PM.