

ORANGE WATER AND SEWER AUTHORITY
ANNUAL MEETING OF THE BOARD OF DIRECTORS

SEPTEMBER 25, 2014

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held their annual meeting on Thursday, September 25, 2014, at 7:00 PM in Council Chambers at Chapel Hill Town Hall, 405 Martin Luther King Jr. Boulevard, Chapel Hill.

Board Members present: John A. Young, Chair; Michael M. Hughes, P.E., Vice Chair; Heather Payne, Secretary; Terri Buckner; Stephen (Steve) Dear; Quinton Harper; David (Dave) Moreau; and Amy Witsil. Board Member excused: Ruchir Vora.

OWASA staff present: Ed Kerwin; Patrick Davis; Stephanie Glasgow; Andrea Orbich; Kevin Ray; Kelly Satterfield; Todd Taylor; Stephen Winters; and Robert Epting and Robin Jacobs of 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; Tonya Marshall, Martin Starnes & Associates; Mac Clarke, Alan Rimer and Steve Nally, Chapel Hill residents.

There being a quorum present, Chair John Young called the meeting to order.

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MOTIONS ACTED UPON

1. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the Resolution Honoring the Service of Alan Rimer to the Chapel Hill-Carrboro-Orange County Community as a Member of the Orange Water and Sewer Authority Board of Directors. (Resolution so titled attached hereto and made a part of these minutes. Motion by Dave Moreau, second by Amy Witsil and unanimously approved.)
2. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the Resolution Honoring the Service of Will Raymond to the Chapel Hill-Carrboro-Orange County Community as a Member of the Orange Water and Sewer Authority Board of Directors. (Resolution so titled attached hereto and made a part of these minutes. Motion by Quinton Harper, second by Dave Moreau and unanimously approved.)
3. Quinton Harper made a motion to approve the Minutes of the July 10, 2014 Board Work Session; second by Dave Moreau, and unanimously approved.
4. Quinton Harper made a motion to approve the Minutes of the August 28, 2014 Meeting of the Board of Directors; second by Dave Moreau, and unanimously approved.

5. Quinton Harper made a motion to approve the Minutes of the August 28, 2014 Closed Session of Board of Directors for the Purpose of Discussing a Pending Claim in Litigation and a Personnel Matter; second by Dave Moreau, and unanimously approved.

6. Quinton Harper made a motion to approve the Minutes of the September 9, 2014 Board Work Session; second by Dave Moreau, and unanimously approved.

7. Quinton Harper made a motion to approve the Minutes of the September 9, 2014 Closed Session of Board of Directors for the Purpose of Discussing a Personnel Matter; second by Dave Moreau, and unanimously approved.

8. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the Resolution Updating the Schedule of Employee Classification and Authorized Compensation; Adjusting Affected Employees' Compensation to the Minimum of the Pay Range; Authorizing Merit Pay Increases for Eligible Employees. (Resolution so titled attached hereto and made a part of these minutes. Motion by Dave Moreau, second by Michael Hughes and the resolution passed with a vote of seven to one with Terri Buckner opposed.)

9. Heather Payne made a motion that staff be authorized to issue a Request For Qualifications seeking a consultant to provide the guidance and support necessary to complete all aspects of the Advanced Metering Infrastructure (AMI) project described in the September 25, 2014 Draft AMI Project Charter, with the understanding that the project will be structured in two distinct phases: Phase 1 - Feasibility Study and Phase 2 - Project Planning, Development and Implementation; and that, from those responding, staff will select the most qualified consultant to be engaged to work initially on the Phase 1 of the Project, and if the Board then determines to proceed, to continue work on Phase 2 of the Project; and that staff will continue to solicit input from the Board of Directors, and will work with the selected most qualified consultant, to prepare a draft Scope of Work for Phase 1 - the Feasibility Study, which shall include options for community engagement; and that after the Board of Directors approves the scope of work for Phase 1 - the Feasibility Study, the Executive Director shall execute on OWASA's behalf a contract with the firm chosen as most qualified consultant for the entire project; provided, that it be expressly understood that the Board is only authorizing completion of Phase 1 - the Feasibility Study at this time. The motion was seconded by Michael Hughes and passed with a vote of seven to one. Terri Buckner stated that she voted against the Motion because the AMI Project Charter is not yet complete, and she believes the Board should require the Charter be completed and approved before the actions authorized by the Motion are taken.

10. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the Resolution Reappointing Robert Epting as General Counsel to the Orange Water and Sewer Authority. (Resolution so titled attached hereto and made a part of these minutes. Motion by Terri Buckner, second by Quinton Harper and unanimously approved.)

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ANNOUNCEMENTS

Conflict Of Interest

John Young 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.

Resolution Honoring the Service of Alan Rimer

Without objection, John Young pulled Item Two from the Consent Agenda (Resolution Honoring the Service of Alan Rimer to the Chapel Hill-Carrboro-Orange County Community as a Member of the Orange Water and Sewer Authority Board of Directors) and read it aloud. Dave Moreau made a motion to approve the resolution; second by Amy Witsil, and unanimously approved. Please see Motion No. 1 above.

The Board expressed sincere appreciation to Mr. Rimer for his leadership and service on the OWASA Board of Directors.

On behalf of OWASA staff, Ed Kerwin, expressed appreciation to Mr. Rimer and presented a plaque commemorating his 14 years of service on the OWASA Board.

Committee Meetings

Heather Payne said the Finance Committee met on September 22, 2014 to review and discuss a bond refunding opportunity and OWASA's financial reserves policy. Ms. Payne said that based on current market conditions, refunding the bonds would save about \$2.4 million in interest costs over the next 17 years. The Finance Committee unanimously recommended this be an action item at the Board's October 23, 2014 meeting. The Committee began discussion on the Financial Reserve Policy but would like to continue these deliberations at a future meeting until it is determined whether or not to make a policy recommendation to the Board of Directors.

Steve Dear said that the Community Engagement Committee will meet on Wednesday, October 29, 2014 at 5:30 PM in the OWASA Board Room to discuss the overall framework for community engagement.

Update on Affordability Outreach Pilot Project

Patrick Davis updated the Board on the September 22, 2014 Water and Sewer Affordability Outreach Pilot Project meeting held at OWASA. He noted that earlier this year the Board directed staff to implement a pilot project to engage the community and target groups with information about how to reduce their OWASA bills. Mr. Davis said that over the last several months, staff has been working closely with staff of several local social service and affordable housing agencies on this initiative – with an initial emphasis on those customers that have

difficulty paying their bills. OWASA staff updated the agencies on business process improvements at OWASA in direct response to their suggestions as well as the change in the name of the Taste of Hope customer assistance program to Care to Share. An update on water use reviews and audits was provided and while more low-flow and high-efficiency toilets have been installed in older homes, there are opportunities for customers to reduce their water use by fixing water leaks and changing behavioral practices.

Mr. Davis said that while the outreach pilot project is in the early stages, successful outcomes have been achieved. Partnering agencies are now more aware of the importance of keeping their clients informed about how they can reduce their water and sewer bills by reducing use of water, and inviting OWASA staff to make presentations at their meetings. The Inter-Faith Council for Social Service agreed to conduct a pilot-scale water efficiency retrofit project of four or five owner-occupied homes. Mr. Davis said that staff is reaching out to electric and gas utilities to seek their participation and support as well as begin a dialogue with a property management companies to find out how OWASA can engage rental property owners in this important effort.

PETITIONS AND REQUESTS

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

ITEM ONE: PRESENTATION OF ANNUAL REPORT

Ed Kerwin said he was pleased to present OWASA's Annual Report for Fiscal Year (FY) 2014 and that OWASA has operated in full compliance with Federal and State requirements for the water, wastewater, and reclaimed water systems. In June 2014, the 2013 Water Quality Report card was published and can be found on OWASA's website.

Mr. Kerwin noted that the University of North Carolina (UNC) at Chapel Hill and UNC Hospital's total water consumption has remained flat over the past 12 years even though the main campus experienced significant growth. Following the record drought of 2001-2002, OWASA and UNC partnered to build the reclaimed water system, which went on line in 2009. Since 2009, UNC has increased its use of reclaimed water which extends the supply of water from our reservoirs for all of our customers and saves energy. Mr. Kerwin said it is essential that OWASA continue to make smart investments in our infrastructure. In FY 2014 about \$16 million was invested in capital improvements for our system, about \$7 million of which was for renewing/replacing aging pipes.

Mr. Kerwin said about 50 cents of every dollar collected from customers is invested in our infrastructure. In February 2013, construction began on improvements to the Mason Farm Wastewater Treatment Plant (WWTP) and by the end of FY 2014 the project was about 95% complete. Key project objectives at the WWTP were to substantially improve energy efficiency, position OWASA to meet future State requirements for treated wastewater quality and complete the final phase of odor control improvements.

Mr. Kerwin said that affordability is an important focus for OWASA and staff works diligently to ensure customers' money is spent wisely. He also said that staff is pleased it was not necessary to increase monthly water and wastewater fees for the third year in a row. Staff continues to assist Orange County, Chapel Hill and Carrboro with technical work regarding the possible extension of sewer service to the Historical Rogers Road area. In May 2014, we entered into an Interlocal Agreement with Orange County to provide technical assistance on the Rogers Road project.

Mr. Kerwin said that OWASA's Strategic Plan, adopted by the Board in March 2014, identifies the strategic initiatives and corresponding actions OWASA will take to address the key themes and opportunities that are important for the Carrboro-Chapel Hill community.

Finally, Mr. Kerwin said that the following six leadership positions were filled and five are internal promotions:

- Mary Darr, Director of Engineering and Planning
- Todd Taylor, General Manager of Operations
- Denise Battle, Customer Service Manager
- Angie Smith, Billing Supervisor
- Monica Dodson, Laboratory Supervisor – Water Treatment Plant
- Ronnie Weed, Operations Supervisor – Wastewater Treatment Plant

Stephen Winters said that the audit was performed by Martin, Starnes & Associates. The success of this audit is a testament to the entire OWASA team and is a positive reflection on the Finance and Customer Service staff; he thanked his staff for all their hard work and job well done. Mr. Winters said that agenda information was updated to include a draft of OWASA's Comprehensive Annual Financial Report (CAFR). The CAFR will be finalized following minor presentation-type changes.

Mr. Winters said OWASA is sustainable and well positioned for the future; OWASA's water supply is sufficient to meet the community's needs for the next 50 years. Our treatment plants and infrastructure are in good shape and we have a long-term Capital Improvements Program in place to make sure it stays that way. He said the community continues to do a great job of conserving, which enhances our sustainability in a number of ways. He said the community is using about the same amount of water it used over 20 years ago, even though the number of accounts served has gone up from about 13,000 accounts to over 21,000. Mr. Winters said OWASA's financial condition is very good, there are sufficient reserves, we are meeting our financial performance goals, and our bond rating is double-A plus from the top three ratings agencies.

Tonya Marshall, Audit Manager from Martin, Starnes & Associates, said OWASA received an unqualified opinion that the financial statements fairly present OWASA's financial position and results from operations. OWASA's CAFR can be relied upon by third parties, citizens, underwriters and bond holders. Ms. Marshall stated that no significant deficiencies in internal control were identified.

ITEM TWO: RESOLUTION HONORING THE SERVICE OF ALAN RIMER TO THE CHAPEL HILL-CARRBORO-ORANGE COUNTY COMMUNITY AS A MEMBER OF THE ORANGE WATER AND SEWER AUTHORITY BOARD OF DIRECTORS

Dave Moreau made a motion to approve the resolution; second by Amy Witsil, and unanimously approved. Please see Motion No. 1 above.

ITEM THREE: RESOLUTION HONORING THE SERVICE OF WILL RAYMOND TO THE CHAPEL HILL-CARRBORO-ORANGE COUNTY COMMUNITY AS A MEMBER OF THE ORANGE WATER AND SEWER AUTHORITY BOARD OF DIRECTORS

Quinton Harper made a motion to approve the resolution; second by Dave Moreau, and unanimously approved. Please see Motion No. 2 above.

ITEM FOUR: MINUTES

Quinton Harper made a motion to approve the Minutes of the July 10, 2014 Board Work Session; second by Dave Moreau, and unanimously approved. Please see Motion No. 3 above.

ITEM FIVE: MINUTES

Quinton Harper made a motion to approve the Minutes of the August 28, 2014 Board Meeting; second by Dave Moreau, and unanimously approved. Please see Motion No. 4 above.

ITEM SIX: MINUTES

Quinton Harper made a motion to approve the Minutes of the August 28, 2014 Closed Session of Board of Directors for the Purpose of Discussing a Pending Claim in Litigation and a Personnel Matter; second by Dave Moreau, and unanimously approved. Please see Motion No. 5 above.

ITEM SEVEN: MINUTES

Quinton Harper made a motion to approve the Minutes of the September 9, 2014 Board Work Session; second by Dave Moreau, and unanimously approved. Please see Motion No. 6 above.

ITEM EIGHT: MINUTES

Quinton Harper made a motion to approve the Minutes of the September 9, 2014 Closed Session of Board of Directors; second by Dave Moreau, and unanimously approved. Please see Motion No. 7 above.

ITEM NINE: EMPLOYEE COMPENSATION FOR FISCAL YEAR 2014

Terri Buckner said she does not support a percentage increase for employee compensation; she prefers a flat rate increase equal in amount for all employees and will vote against the resolution.

Steve Dear said he appreciates Ms. Buckner's comments but will support the resolution.

Dave Moreau made a motion to approve the Resolution Updating the Schedule of Employee Classification and Authorized Compensation; Adjusting Affected Employees' Compensation to the Minimum of the Pay Range; Authorizing Merit Pay Increases for Eligible Employees. Second by Michael Hughes and the resolution passed with a vote of seven to one with Terri Buckner opposed. Please see Motion No. 8 above.

ITEM TEN: DISCUSSION AND APPROVAL OF THE CHARTER FOR THE ADVANCED METERING INFRASTRUCTURE SYSTEM

Mac Clarke, Chapel Hill resident, previously provided written comments to the Board via e-mail, and said that the Advanced Metering Infrastructure (AMI) project needs further in-house examination and refinement prior to retaining a consultant.

After considerable discussion and deliberation by the Board and staff, the following motion was made.

Heather Payne made a motion that staff be authorized to issue a Request For Qualifications seeking a consultant to provide the guidance and support necessary to complete all aspects of the Advanced Metering Infrastructure (AMI) project described in the September 25, 2014 Draft AMI Project Charter, with the understanding that the project will be structured in two distinct phases: Phase 1 - Feasibility Study and Phase 2 - Project Planning, Development and Implementation; and that, from those responding, staff will select the most qualified consultant to be engaged to work initially on the Phase 1 of the Project, and if the Board then determines to proceed, to continue work on Phase 2 of the Project; and that staff will continue to solicit input from the Board of Directors, and will work with the selected most qualified consultant, to prepare a draft Scope of Work for Phase 1 - the Feasibility Study, which shall include options for community engagement; and that after the Board of Directors approves the scope of work for Phase 1 - the Feasibility Study, the Executive Director shall execute on OWASA's behalf a contract with the firm chosen as most qualified consultant for the entire project; provided, that it be expressly understood that the Board is only authorizing completion of Phase 1 - the Feasibility Study at this time. The motion was seconded by Michael Hughes and passed with a vote of seven to one. Terri Buckner stated that she voted against the Motion because the AMI Project Charter is not yet complete, and she believes the Board should require the Charter be completed and approved before the actions authorized by the Motion are taken. Please see Motion No. 9 above.

ITEM ELEVEN: RESOLUTION REAPPOINTING ROBERT EPTING AS GENERAL COUNSEL TO THE ORANGE WATER AND SEWER AUTHORITY

Terri Buckner made a motion to approve the resolution; second by Quinton Harper, and unanimously approved. Please see Motion No. 10 above.

ITEM TWELVE: 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:

- Staff will prepare for the Board's review a draft Request for Qualifications for the Advanced Metering Infrastructure (AMI) project in which the first task will be to prepare a feasibility study for the AMI project.

- October 9, 2014 Work Session will include the following topics:
 - o Jordan Lake Partnership and Regional Water Supply Plan
 - o Scope and Schedule for Proposed Review of Employee Total Compensation
 - o Biosolids Overview
 - o Rate Structure Review

ITEM THIRTEEN: CLOSED SESSION

Without objection, the Board convened in a Closed Session for the purpose of discussing a personnel matter.

The meeting was adjourned at 9:45 PM.

Respectfully submitted,



Andrea Orbich
Executive Assistant/Clerk to the Board

Attachments

RESOLUTION HONORING THE SERVICE OF ALAN RIMER, TO THE CHAPEL HILL-CARRBORO-ORANGE COUNTY COMMUNITY AS A MEMBER OF THE ORANGE WATER AND SEWER AUTHORITY'S BOARD OF DIRECTORS

WHEREAS, on June 27, 2007 the Chapel Hill Town Council appointed Alan E. Rimer, P.E., to serve on the Board of Directors of the Orange Water and Sewer Authority (OWASA); and

WHEREAS, Mr. Rimer served on the OWASA Board from July 12, 2007 to June 30, 2014, as well as a previous term from July 13, 1995 to June 30, 2002, totaling 14 years of service on the OWASA Board which makes his the longest tenure of any OWASA Board Member in OWASA's history; and

WHEREAS, Mr. Rimer served as the Board's Chair from July 1, 2012 to June 30, 2014; as Vice Chair from July 1, 2010 to June 30, 2012; and his service on all of the Board's Committees included Chairing the Natural Resources and Technical Systems Committee; and

WHEREAS, Mr. Rimer gave freely of his time, energy, and talent in serving the community and OWASA customers with unselfish dedication and compassionate concern; and

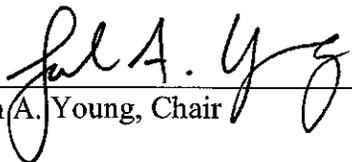
WHEREAS, Mr. Rimer brought to OWASA an exceptional combination of personal and professional expertise and insight in numerous aspects of water resource science and professional practice, business and financial management, community engagement and intergovernmental relationships reflecting his extensive national and international practice as a consultant; and he demonstrated an extraordinary commitment to excellence in the services of OWASA:

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

1. That acting through its Members (John A. Young, Michael M. Hughes, Heather Payne, Terri Buckner, Steve Dear, Quinton Harper, Dave Moreau, Ruchir Vora and Amy Witsil), now takes this means of expressing to Alan Rimer the Board's sincere appreciation and deep gratitude for his outstanding service, leadership and stewardship as a Chair and Member of the OWASA Board; and the Board wishes for Mr. Rimer much happiness in the years ahead.

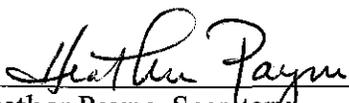
2. That this resolution be recorded in the minutes of the OWASA Board of Directors and be part of the permanent records of OWASA, and that a copy of this resolution be transmitted to the Town of Chapel Hill.

Adopted this 25th day of September, 2014.



John A. Young, Chair

ATTEST:



Heather Payne, Secretary

RESOLUTION HONORING THE SERVICE OF WILL RAYMOND TO THE CHAPEL HILL-CARRBORO-ORANGE COUNTY COMMUNITY AS A MEMBER OF THE ORANGE WATER AND SEWER AUTHORITY'S BOARD OF DIRECTORS

WHEREAS, on June 27, 2011 the Chapel Hill Town Council appointed Will Raymond to serve on the Board of Directors of the Orange Water and Sewer Authority (OWASA); and

WHEREAS, Mr. Raymond served on the OWASA Board from July 28, 2011 to June 30, 2014; and

WHEREAS, Mr. Raymond Chaired the Human Resources Committee and served as a member of the Board's Finance, Community Engagement, and Natural Resources and Technical Systems Committees; and

WHEREAS, Mr. Raymond was a strong advocate for OWASA employees; and

WHEREAS, Mr. Raymond brought to OWASA a high level of expertise and insight in information technology, human resources, and community engagement;

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

1. That acting through its Members (John A. Young, Michael M. Hughes, Heather Payne, Terri Buckner, Steve Dear, Quinton Harper, Dave Moreau, Ruchir Vora and Amy Witsil), now takes this means of expressing to Will Raymond the Board's sincere appreciation and deep gratitude for his outstanding service, leadership and stewardship as a Member of the OWASA Board; and the Board wishes for Mr. Raymond much happiness in the years ahead.

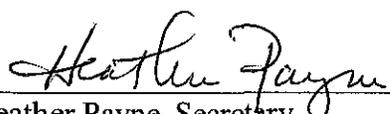
2. That this resolution be recorded in the minutes of the OWASA Board of Directors and be part of the permanent records of OWASA, and that a copy of this resolution be transmitted to the Town of Chapel Hill.

Adopted this 25th day of September, 2014.



John A. Young, Chair

ATTEST:



Heather Payne, Secretary

**RESOLUTION UPDATING THE SCHEDULE OF EMPLOYEE CLASSIFICATION
AND AUTHORIZED COMPENSATION; ADJUSTING AFFECTED EMPLOYEES'
COMPENSATION TO THE MINIMUM OF THE PAY RANGE; AUTHORIZING
MERIT PAY INCREASES FOR ELIGIBLE EMPLOYEES**

WHEREAS, the Orange Water and Sewer Authority maintains a Schedule of Employee Classification and Authorized Compensation which provides the appropriate number of properly classified and compensated employees to efficiently and effectively fulfill the organization's duties and responsibilities; and

WHEREAS, the Board of Directors has determined that it is reasonable and prudent in achieving and maintaining competitiveness in the market to increase the pay ranges in the Schedule of Employee Classification and Authorized Compensation by 1.5%; and

WHEREAS, in the event that any employee's pay is below the minimum of his or her pay range, the Board of Directors hereby approves increasing the pay of that employee to be equal to the minimum of his or her pay range; and

WHEREAS, the Board of Directors has determined that it is reasonable and prudent to provide Merit Increases to provide fair and equitable compensation so that qualified employees may be retained to do the work necessary for the operation of the OWASA service system; and

WHEREAS, the Board of Directors has determined that employees rated as "Successful" in the performance of their duties will receive 2% added to their base pay, and that employees rated as "Exceptional" in the performance of their duties will receive 3% added to their base pay. Employees rated as "Needs Improvement" or "Unsuccessful" are not eligible to receive a merit increase: and

WHEREAS, the Board of Directors desires the aforementioned pay adjustments to be effective as of November 3, 2014:

NOW THEREFORE, BE IT RESOLVED:

1. That the Board of Directors hereby approves the updated Schedule of Employee Classification and Compensation increasing each pay grade by 1.5% and it shall therefore remain in effect until further modification or revision by the Board of Directors.

2. That the Board of Directors hereby approves increasing the base pay of any employee who would be paid less than the minimum of the newly established pay ranges, to the minimum of the pay range.

3. That the Board of Directors hereby approves increasing the base the pay of employees receiving a performance review rating of "Successful" during the October 2014 annual review process by 2%.

4. That the Board of Directors hereby approves increasing the base pay of employees receiving a performance review rating of "Exceptional" during the October 2014 annual review process by 3%.

5. That the Board of Directors hereby determines that employees receiving "Needs Improvement" or "Unsuccessful" during the October 2014 annual review process receive no merit increase.

6. That the aforementioned pay adjustments will be effective November 3, 2014.

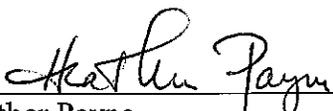
7. That staff will explain to employees that the methodology for pay adjustments for Fiscal Year 2016 may change and that the Board expects to hire a consultant to evaluate "total compensation" on a to-be-determined schedule.

Adopted this 25th day of September 2014.



John A. Young, Chair

ATTEST:



Heather Payne
Secretary

**RESOLUTION REAPPOINTING ROBERT EPTING AS GENERAL COUNSEL
TO THE ORANGE WATER AND SEWER AUTHORITY**

WHEREAS, the Orange Water and Sewer Authority is a public, corporate entity organized and operated under the laws and statutes of the State of North Carolina and is engaged in the provision of public water, sewer and reclaimed water services within its service area; and

WHEREAS, the Board of Directors of Orange Water and Sewer Authority finds that it is necessary and appropriate to provide for and obtain general legal counsel and services to assist in the establishment of policy and the administration and operations of the business and affairs of OWASA so that due regard may be given to the pertinent laws, regulations, and statutes; and

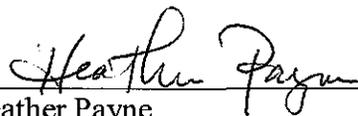
WHEREAS, Robert Epting has served as General Counsel to OWASA since October 1, 1984, and has rendered competent and appropriate legal services in that regard, and the Board of Directors wishes to continue his services as General Counsel;

**NOW, THEREFORE, BE IT RESOLVED BY THE OWASA BOARD OF
DIRECTORS:**

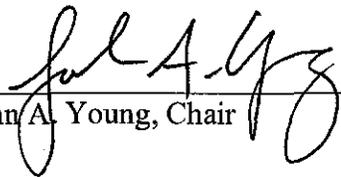
1. That Robert Epting of the firm of Epting and Hackney, Chapel Hill, N.C., is hereby reappointed General Counsel of Orange Water and Sewer Authority in accordance with the terms and conditions set out in his letter dated September 3, 2014 to the Executive Director.
2. That as General Counsel, Robert Epting will serve under the general direction of the Board of Directors and upon the request of the Executive Director, subject to his ultimate responsibility to the Board of Directors.
3. That this reappointment will be effective October 1, 2014, and shall continue, subject to annual review by the Board of Directors prior to the time of the Annual Meeting or until terminated by either the Board of Directors or Robert Epting, in accordance with the terms and conditions of the said letter dated September 3, 2014.

Adopted this 25th day of September, 2014.

ATTEST:



Heather Payne
Secretary



John A. Young, Chair