

ORANGE WATER AND SEWER AUTHORITY

MEETING OF THE BOARD OF DIRECTORS

APRIL 23, 2015

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a regular business meeting on Thursday, April 23, 2015, at 7:00 PM in Council Chambers at the Chapel Hill Town Hall, 405 Martin Luther King Jr. Boulevard.

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; Ruchir Vora; and Amy Witsil.

OWASA staff present: Ed Kerwin; Stuart Carson; Mary Darr; Patrick Davis; Greg Feller; Vishnu Gangadharan; Stephanie Glasgow; Andrea Orbich; Kevin Ray; Ruth Rouse; Todd Taylor; Stephen Winters; and Robert Epting, 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; Michael Harvey, Planning Supervisor for Orange County; Randy Foulke and Joe Langston of URS Corporation.

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

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MOTIONS ACTED UPON

1. Dave Moreau made a motion to approve the Minutes of the March 26, 2015 Meeting of the Board of Directors, second by Quinton Harper and unanimously approved.
2. Dave Moreau made a motion to approve the Minutes of the April 9, 2015 Work Session of the Board of Directors, second by Quinton Harper and unanimously approved.
3. Dave Moreau made a motion to approve the Minutes of the April 9, 2015 Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter, second by Quinton Harper and unanimously approved.
4. Michael Hughes made a motion that the Board of Directors Authorizes the Chair of the OWASA Board of Directors to execute the Interlocal Agreement Relating to Design of a Sewer Main Extension Project in the Rogers Road Area between Orange County and OWASA; second by Terri Buckner and unanimously approved.
5. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the Resolution Awarding a Construction Contract for the Little Creek Interceptor Replacement Project. (Resolution so titled attached hereto and made a part of these minutes. Motion by Terri Buckner, second by Amy Witsil and unanimously approved.)

6. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the 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. (Resolution so titled attached hereto and made a part of these minutes. Motion by Terri Buckner, second by Dave Moreau 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.

Closed Session

Mr. Young announced that tonight's Closed Session for the purpose of discussing a personnel matter will include two items instead of one.

Reflections: the OWASA Community and a California Water Crisis

Mr. Young commented on the severe drought in California. He noted that a key reason our community's water supply is in excellent shape is customers' conservation in the last 15 years. Water use locally has returned to the levels of the early 1990's although the number of OWASA customers has grown significantly. Mr. Young expressed appreciation to OWASA customers for their conservation efforts, and noted that while it is uncertain when the next drought will begin, we can learn from California's experiences.

Chapel Hill's OWASA Committee Meeting

Amy Witsil said that the Chapel Hill Town Council's OWASA Committee and Chapel Hill appointees to the OWASA Board met earlier today. Ms. Witsil provided a brief update on the following items: the Town's recruitment/selection process for OWASA Board Members; draft Fiscal Year 2016 budgets and rates; OWASA's work to support the County/Towns in extending sewer for the Historic Rogers Road Area; Affordability Outreach Pilot Project; Long-Range Water Supply Plan-Jordan Lake Allocation status and the Town's population projections; and Biosolids Management.

Committees

Terri Buckner said that the Natural Resources and Technical Systems Committee will meet on Tuesday, April 28, 2015 at 5:30 PM in the OWASA Board Room to continue a discussion on energy management.

Steve Dear said that the Community Engagement Committee will meet on Thursday, May 14, 2015 at 5:00 PM in the OWASA Board Room to discuss a staff report on the Affordability Outreach Pilot Program.

Board Terms

Amy Witsil and Steve Dear said they would not see seek reappointment to the OWASA Board of Directors. Mr. Dear is moving out of state.

Water in Our World Event at UNC: Past Is Present, Future Is Fragile, But We Can Make a Difference

Dave Moreau said that he and Ed Kerwin attended this event before the Board meeting sponsored by the University of North Carolina at Chapel Hill which featured Chancellor Carol Folt.

PETITIONS AND REQUESTS

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

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

The Board received this report as an information item.

ITEM TWO: AUTHORIZE STAFF TO PUBLICIZE THE FISCAL YEAR (FY) 2016 BUDGET AND RATE INFORMATION IN NOTICES AND ADVERTISEMENTS ABOUT THE MAY 28, 2015 PUBLIC HEARING

The Board concurred that staff should proceed to publicize the FY 2016 budget and rate information in advance of the May 28, 2015 public hearing.

ITEM THREE: MINUTES

Dave Moreau made a motion to approve the Minutes of the March 26, 2015 Meeting of the Board of Directors, second by Quinton Harper and unanimously approved. Please see Motion No. 1 above.

ITEM FOUR: MINUTES

Dave Moreau made a motion to approve the Minutes of the April 9, 2015 Work Session of the Board of Directors, second by Quinton Harper and unanimously approved. Please see Motion No. 2 above.

ITEM FIVE: MINUTES

Dave Moreau made a motion to approve the Minutes of the April 9, 2015 Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter, second by Quinton Harper and unanimously approved. Please see Motion No. 3 above.

ITEM SIX: ORANGE COUNTY'S REQUEST FOR OWASA COMMENTS ON DRAFT CHANGES TO THE UNIFIED DEVELOPMENT ORDINANCE REGARDING IMPERVIOUS SURFACE LIMITS IN WATER SUPPLY WATERSHEDS

Ruth Rouse, OWASA's Planning and Development Manager, introduced Michael Harvey, Orange County's Planning Supervisor, who gave a summary of the County's proposed changes to the Unified Development Ordinance regarding impervious surface limits for water supply watersheds including those for University Lake and the Cane Creek Reservoir.

After discussion, the Board concurred with staff's recommendations and requested a formal comment letter be prepared for the OWASA Board Chair to submit to the Board of County Commissioners regarding same.

ITEM SEVEN: OVERVIEW OF THE PRELIMINARY ENGINEERING STUDY FOR ROGERS ROAD SEWER EXTENSION PROJECT

Mary Darr, Director of Engineering and Planning, provided an overview of the preliminary engineering study for extending sewers in the Historic Rogers Road Area (HRRRA).

John Young provided comments received from Alan Rimer, Chapel Hill resident and former OWASA Board Member, suggesting staff include cost estimates for a pump station alternative to assist the Board in determining all available sewer system options for HRRRA.

After discussion, the Board agreed that staff will develop a draft scope of work for design of sewer system for HRRRA that reflects tonight's discussion, including a pump station alternative, for review at a future Board meeting. Staff will also inform the Towns/County staff of the Board's discussion.

ITEM EIGHT: RESOLUTION AUTHORIZING BOARD APPROVAL FOR OWASA TO ENTER INTO AN INTERLOCAL AGREEMENT WITH ORANGE COUNTY RELATING TO DESIGN OF A SEWER MAIN EXTENSION PROJECT IN THE ROGERS ROAD AREA

Robert Epting, OWASA's General Counsel, provided a summary of the draft Interlocal Agreement between OWASA and Orange County.

Michael Hughes made a motion that the Board of Directors Authorizes the Chair of the OWASA Board of Directors to execute the Interlocal Agreement Relating to Design of a Sewer Main Extension Project in the Rogers Road Area between Orange County and OWASA; second by Terri Buckner and unanimously approved. Please see Motion No. 4 above.

ITEM NINE: RESOLUTION AWARDING A CONSTRUCTION CONTRACT FOR THE LITTLE CREEK INTERCEPTOR REPLACEMENT PROJECT

John Young inquired about the history and background of the Little Creek Sewer Interceptor and sewer basin to understand why a capacity increase is needed. Staff will follow up.

Terri Buckner made a motion to approve the resolution; second by Amy Witsil, and unanimously approved. Please see Motion No. 5 above.

ITEM TEN: RESOLUTION AWARDING AUDIT CONTRACT TO MARTIN STARNES & ASSOCIATES, CPAS, PA AND AUTHORIZING CHAIR OF THE BOARD OF DIRECTORS AND THE FINANCE OFFICER TO EXECUTE SAID CONTRACT

Heather Payne, Finance Committee Chair, said that after a selection process that included competitive bids and panel interviews of firms, it is recommended that the Board appoint Martin Starnes & Associates, CPAs, PA, as OWASA's auditor.

Terri Buckner made a motion to approve the resolution; second by Dave Moreau, and unanimously approved. Please see Motion No. 6 above.

ITEM ELEVEN: FINANCIAL REPORT FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2015

The Board received this report as an information item.

ITEM TWELVE: CONTINUE DISCUSSION OF OWASA BOARD OF DIRECTORS' ELECTION OF OFFICERS PROCESS

The Board received this item and concurred that either scenario for selecting the Nominating Committee is suitable. Further discussion and a final decision will be made at the May 14, 2015 Work Session.

ITEM THIRTEEN: 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 draft a letter for the Chair's signature regarding OWASA's comments on the draft changes to Orange County's Unified Development Ordinance on Impervious Surface Limits in Water Supply Watersheds;
- Staff will prepare a draft scope of work for design of the sewer system for the Rogers Road area that reflects the Board's discussion, and which will be reviewed by the Board at a future meeting;

- Staff will inform the Towns/County staff of the Board's Rogers Road discussions from tonight's meeting;
- Staff will consider methods for tracking and reporting on customer and stakeholder feedback in all areas of our operations;
- Staff will provide the Board additional information via email regarding the history and background of the Little Creek Sewer Interceptor; and
- May 14, 2015 Work Session will include the following:
 - o Review employee health and dental insurance renewals;
 - o Review the consultant Scope of Work for the Advanced Meter Infrastructure Feasibility Study;
 - o Review employee pay for Fiscal Year 2016;
 - o Appointment of the Nominating Committee;
 - o Tentative review of Board expectations on the employee total compensation study.

ITEM FOURTEEN: CLOSED SESSION

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

The meeting was adjourned at 10:20 PM.

Respectfully submitted,



Andrea Orbich
Executive Assistant/Clerk to the Board

Attachments

**RESOLUTION AWARDING A CONSTRUCTION CONTRACT FOR THE LITTLE
CREEK INTERCEPTOR REPLACEMENT PROJECT**

WHEREAS, there is a need to increase the size of part of the Little Creek sewer interceptor; and

WHEREAS, plans and specifications for the construction of this project have been prepared by Rummel, Klepper, and Kahl, LLP; and

WHEREAS, advertisement for contractor qualifications was published on the websites of the North Carolina Institute of Minority Economic Development, North Carolina Department of Administration, and OWASA in October 2014, and five contractors were qualified to bid; and

WHEREAS, on February 20, 2015, the prequalified contractors were formally invited to submit construction bids for the project, and four bids were received; and

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

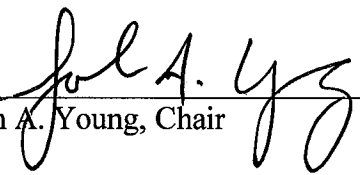
WHEREAS, on June 12, 2014 the Board approved a resolution authorizing funds for Capital Improvement Projects, including funds for this project;

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 Little Creek Interceptor Replacement Project, in accordance with the approved plans and specifications, in the amount of \$874,000.00, subject to such change orders as may apply.


2. That the Executive Director be, and hereby is, authorized to execute said 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 23rd day of April, 2015.



John A. Young, Chair

ATTEST:



Heather Payne, Secretary

**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 January of 2015, the Authority solicited audit proposals based upon the established criteria recommended by the North Carolina Local Government Commission; and

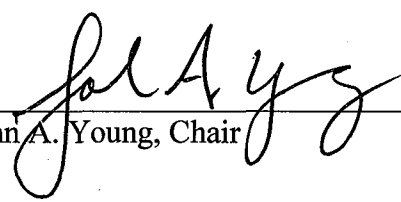
WHEREAS, Martin Starnes & Associates, CPAs, P.A. provided satisfactory service related to the Fiscal Years 2011 through 2014 financial audits;

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, 2015, for charges not to exceed \$31,000 is hereby approved subject to approval by the North Carolina Local Government Commission.

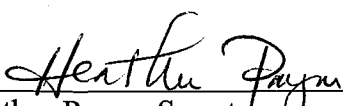
2. That the Chair of the OWASA Board of Directors and the Finance Officer are hereby authorized to execute such contract.

Adopted this 23rd day of April 23, 2015.



John A. Young, Chair

ATTEST:



Heather Payne, Secretary