

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

JANUARY 21, 2016

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a Special Meeting on Thursday, January 21, 2016, at 6:00 PM in the OWASA Board Room, 400 Jones Ferry Road in Carrboro.

Board Members present: John A. Young, Chair; Robert Morgan, Vice Chair; Heather Payne, Secretary; Terri Buckner; Jeff Danner; Barbara Foushee; Quinton Harper; David (Dave) Moreau; and Ruchir Vora.

OWASA staff present: Ed Kerwin; Mary Darr; Patrick Davis; Greg Feller; Andrea Orbich; Kelly Satterfield; Todd Taylor; Mary Tiger; Stephen Winters; and Robert Epting, Epting and Hackney.

Others present: Andrew Burnham and David Hyder of Burton & Associates.

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

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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; none were disclosed.

ITEM ONE: DISCUSSION OF COST ALLOCATION STUDY

Stephen Winters discussed with the Board of Directors the Cost Allocation Study (Study). He reviewed the goals and objectives of the Study: cost recovery; equity across customer classes; legal, using methodology accepted in the water industry; ease of understanding and administration; affordability; promoting conservation; and revenue stability (fixed versus variable and cost recovery). The Board made a preliminary decision to model rate structure modifications based on the following customer rate classes:

- Single-family, individually-metered residences
- Multi-family, master-metered residences
- Irrigation
- General Service

- All University of North Carolina at Chapel Hill (UNC) accounts

Before a final decision on whether to treat UNC as a separate class, the Board requested that the Study be revised to show cost of service results of removing UNC accounts from General Services to a separate class.

Once the Board makes a decision on rate classes, and subject to consideration of the additional costs for rate consultant modeling services, the Board may direct that all or a subset of the following water rate structures be modeled to determine the impact of potential changes on different customers.

- Uniform – one year-round commodity rate
- Seasonal – a commodity rate that is higher in peak-demand periods and lower in non-peak-demand periods
- Increasing block – a commodity rate that increases as water-use increases
- No monthly fixed service charge – all costs recovered through the commodity charge
- Monthly fixed service charge that recovers 10% of OWASA's fixed costs
- Monthly fixed service charge that recovers 20% of OWASA's fixed costs

The Board also requested an estimate of the cost and time required to model all of the rate scenarios identified during this meeting. Staff and the consultant will follow up.

The information requested by the Board will be provided and discussed at the January 28, 2016 meeting. The purpose of the January 28th discussion will be to try to come to a consensus on customer rate classes, confirm the rate structures to be modeled, and next steps.

ITEM TWO: DISCUSSION OF COMMUNITY ENGAGEMENT FOR ADVANCED METERING INFRASTRUCTURE

The Board accepted the proposed draft Community Engagement Plan for Advanced Metering Infrastructure.

Ed Kerwin said that due to the predicted adverse weather for the Carrboro-Chapel Hill area the OWASA Administrative Offices will be closed on Friday, January 22, 2016.

The meeting was adjourned at 8:55 PM.

Respectfully submitted,



Andrea Orbich

Executive Assistant/Clerk to the Board