

ORANGE WATER AND SEWER AUTHORITY  
MEETING OF THE BOARD OF DIRECTORS  
JANUARY 26, 2017

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a regular meeting on Thursday, January 26, 2017, at 7:00 P.M. at the Chapel Hill Town Hall Council Chamber, 405 Martin Luther King Jr. Boulevard, Chapel Hill.

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

OWASA staff present: Ed Kerwin, Mary Darr, Monica Dodson, Greg Feller, Vishnu Gangadharan, Alicia Grey, Kenneth Loflin, Johnny Riley, Ruth Rouse, Kelly Satterfield, Todd Taylor, Mary Tiger, Stephen Winters, and Robert Epting (Epting and Hackney).

Others present: Meg Holton, Water, Wastewater and Stormwater Manager at the University of North Carolina at Chapel Hill (UNC); Mary Sonis, Julie McClintock and Michael Paul with the Friends of Bolin Creek; Alan Tom; and Joel Bulkley, Community Sports News.

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

\* \* \* \* \*

MOTION ACTED UPON

1. Dave Moreau made a motion to approve the Minutes as amended of the January 12, 2017 Work Session of the Board of Directors; second by Jeff Danner and unanimously approved.

\* \* \* \* \*

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 at this time; none were disclosed.

Meetings

Jeff Danner said that the Chapel Hill Town Council's OWASA Committee and the Chapel Hill Appointees to the OWASA Board of Directors met on January 26, 2017. Mr. Danner provided a brief update on the following items: appointments/reappointments to the OWASA Board;

diversity and inclusion work; year two of OWASA's affordability outreach program; OWASA's 40<sup>th</sup> anniversary; Advanced Metering Infrastructure; and the Rogers Road sewer project.

Barbara Foushee announced that she, Terri Buckner and John Young will provide OWASA's annual update to the Orange County Board of County Commissioners on Tuesday, February 21, 2017, 7:00 P.M., at the Southern Human Services Center in Chapel Hill.

Ms. Foushee also requested Board Members' feedback on the February 9, 2017, agenda item, Discussion of Board Officer Nomination and Election Process, by noon on February 1, 2017.

### PETITIONS AND REQUESTS

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

### ITEM ONE: CAPITAL IMPROVEMENTS PROGRAM (CIP) SEMIANNUAL REPORT

The Board requested additional information on the schedule and budget variances for the Mason Farm Wastewater Treatment Plant digester project and the Little Creek sewer project. The Board concurred that when there are significant delays or budget impacts on a project(s), a summary paragraph should be provided on the particular project(s) in the CIP report.

### ITEM TWO: 12 MONTH BOARD MEETING SCHEDULE

The Board received this as an information item.

### ITEM THREE: MINUTES

Without objection, Terri Buckner requested that the Minutes of the January 12, 2017 Work Session of the Board of Directors be amended on page 3, Item Nine, Compensation for the Executive Director (second paragraph, second sentence): *Terri Buckner thanked Mr. Kerwin for his work and service but stated that she intended to vote against the Motion because she continues to favor favored across the board lump sum pay increases over percentage-of-pay increases.*

Dave Moreau made a motion to approve the Minutes as amended of the January 12, 2017 Work Session of the Board of Directors; second by Jeff Danner and unanimously approved. Please see Motion No. 1 above.

### ITEM FOUR: FRIENDS OF BOLIN CREEK PRESENTATION

Julie McClintock, Michael Paul (Stream Ecologist) and Mary Sonis (Naturalist), who are representatives of the Friends of Bolin Creek, gave a presentation on Bolin Creek's wildlife and other ecological information to make the Board aware of the special effort that will be needed to protect Bolin Creek in planning the future sewer line replacement along Bolin Creek.

The Board thanked the group for the presentation, and advised that the sewer line replacement near Bolin Creek is a future capital improvement project and work has not begun. When the timing of the project is confirmed and as project planning starts, staff will engage stakeholders, including the Friends of Bolin Creek, regarding the planning and design of the project.

ITEM FIVE: 2016 ANNUAL LAKES RECREATION REPORT

Mr. Alan Tom said he is supportive of recreation and said that the lake operating expenses for full-time employee salaries and fringe benefits do not accurately reflect recreational cost for the amount of time the lakes are open to the public.

The Board agreed to continue the birdwatching program on Wednesday mornings at the Cane Creek Reservoir from mid-November to mid-March.

ITEM SIX: FINANCIAL REPORT FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2016

The Board requested additional information on why water revenue is under budget for the period but sewer revenue is over budget. The Board also asked about savings in consultant fees for Fiscal Year 2017 related to the employee total compensation study.

ITEM SEVEN: SCOPE AND SCHEDULE FOR EVALUATING FUTURE RATE CHANGES

The Board agreed to re-evaluate OWASA's rate structure for charging customers for monthly water and sewer service when the Advanced Metering Infrastructure system is in place; agreed to review the impact of the recent change in the water rate for multi-family master-metered customers in the fall of 2017; and discussed the types of rate structure changes the Board wants to consider in the future.

Yinka Ayankoya was excused at 8:30 P.M.

Barbara Foushee was excused at 8:45 P.M.

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 MEETING

Ed Kerwin summarized the meeting as follows:

- Staff will provide additional information on the schedule and budget variances for the Mason Farm Wastewater Treatment Plant digester project and the Little Creek sewer project;
- Staff will update future Capital Improvement Projects reports to include additional information when there are significant delays or budget impacts on project(s);

- Staff will provide additional information on why water and sewer revenue are over/under budget;
- Staff will report on the savings in consultant fees for Fiscal Year 2017 related to the employee total compensation study; and
- The February 9, 2017 Work Session will include the following:
  - o Contract for a gravity sewer rehabilitation project;
  - o Discuss Advanced Metering Infrastructure Manual Meter-Reading Option;
  - o Discuss initial implementation plan for OWASA's Employee Diversity and Inclusion Program;
  - o Overview of OWASA's land holdings and past management discussions and actions; and
  - o Discussion of Board officer nomination and election process.

The meeting was adjourned at 8:52 P.M.

Respectfully submitted,



Andrea Orbich  
Executive Assistant/Clerk to the Board