

Orange Water and Sewer Authority

Meeting of the Board of Directors

August 10, 2017

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in work session on Thursday, August 10, 2017, at 6:00 p.m. in OWASA's Community Room, 400 Jones Ferry Road, Carrboro.

Board Members present: Robert Morgan (Chair), Heather Payne (Vice Chair), Yinka Ayankoya (Secretary), Ray DuBose, Barbara Foushee, John N. Morris, Ruchir Vora, and John A. Young. Board Member Absent: Jeff Danner.

OWASA staff present: Mary Darr, Robert Epting, Esq., (Epting and Hackney), Greg Feller, Vishnu Gangadharan, Adam Haggerty, Ed Kerwin, Andrea Orbich, Ruth Rouse, Kelly Satterfield, Todd Taylor and Stephen Winters.

Others present: Margaret Holton (Water, Sewer and Reclaimed Water Coordinator) and Ben Poulson (Associate Director of Energy Services) of the University of North Carolina at Chapel Hill.

Motions

1. Ruchir Vora made a motion to approve the Minutes of the May 11, 2017 Work Session of the Board of Directors amended as follows on page 3, Item 4. "... second by Heather Payne and the motion passed with a vote of six to one with John Young opposed. ~~because he prefers to wait a few weeks~~ *Mr. Young supports the AMI initiative, but preferred that the Board consider the resolution on May 25th, as scheduled on the board's published agenda, because this would give the community and absent board members the advertised time to review the procurement proposal and provide input;* motion to approve those minutes as amended was seconded by Heather Payne and unanimously approved.
2. Ruchir Vora made a motion to approve the Minutes of the May 25, 2017 Public Hearings and Meeting of the Board of Directors; second by Heather Payne and unanimously approved.
3. Ruchir Vora made a motion to approve the Minutes of the June 8, 2017 Work Session of the Board of Directors; second by Heather Payne and unanimously approved.
4. John Morris made a motion that the Board of Directors convene in a Closed Session for the purpose of discussing a potential property transaction and a personnel matter; second by Barbara Foushee and unanimously approved.

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Announcements

Robert Morgan asked any Board Member who knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight to disclose the same at this time; none were disclosed.

Mr. Morgan welcomed and introduced new Board Members, Ray DuBose and John Morris.

Mr. Morgan said that the Human Resources (HR) Committee met on June 21, 2017, to discuss and evaluate two items: information and options for employee merit pay for Fiscal Year 2018; and an approach to advance employee compensation based on performance. The Board will discuss this item on September 14, 2017 and the HR Committee will recommend:

- approving 1% cost of labor increase for eligible employees who have earned a “Successful” or “Exceptional” Performance review during the October 2017 annual review process and adjust by the same percentage the Salary ranges in the Schedule of Employee Classification and Authorized Compensation;
- approving a merit increase to employees earning a performance review rating of “Successful” during the October 2017 annual review process by increasing base pay 3%; and
- approving a merit increase to employees earning a performance review rating of “Exceptional” during the October 2017 annual review process by increasing base pay by 6%.

Mr. Morgan noted that the Executive Committee met on July 12, 2017 to discuss the roles of the Chair, Vice Chair and Secretary and the process for approving agendas for Board Meetings.

Yinka Ayankoya said that Mr. Morgan and she will provide an OWASA Update to the Carrboro Board of Alderman on Tuesday, September 5, 2017, at 7:30 p.m. at Carrboro Town Hall.

Robert Epting addressed the Board regarding the service and contributions to the community by the late Mr. Edward N. Mann Jr., a former Chair of the OWASA Board as follows:

EDWARD N. MANN, JR.
1932-2017

Remembering Eddie Mann’s contributions ought to begin with the endearing example Eddie and his wife Jean Stanford Mann set in their care and affection for each other, for their family, and for their homeplace, set as it was in western Orange County along Cane Creek, on productive farm land, which had been owned by generations of Stanford family members.

Eddie Mann left the Cane Creek community each morning, and drove into Chapel Hill where he served for many years as the Chief Executive Officer and President of Orange Savings and Loan. There, he set a daily example for integrity, practicality, and warm, personal service, even as his industry moved away from his model and into a digitized, impersonal future.

His management skills, combined with an acute business judgment, made him an ideal candidate for appointment in 1980 to the Board of Directors of the newly formed Orange Water and Sewer Authority, after which he served as Vice Chair for four years, and as Chair for three years, including that contested era when permission to build the Cane Creek Reservoir was sought and obtained from the State and Federal governments. During the latter years of Eddie's service, OWASA was able to negotiate for the purchase of all of the land needed for the Reservoir, without the necessity to condemn any of it. His relations with his neighbors who had come to trust his quiet integrity and business acumen, and with the larger Orange County community, were essential to these accomplishments.

Eddie Mann was a great and gracious leader. We are grateful for his service to OWASA, and to our community, and we send our kindest personal regards to his wife Jean, and to the rest of his family.

Item One: Quarterly Report on Attendance at Board and Committee Meetings

The Board accepted the Quarterly Report on Attendance at Board and Committee meetings as an information item.

Item Two: Minutes

Ruchir Vora made a motion to approve the Minutes of the May 11, 2017 Work Session of the Board of Directors amended as follows on page 3, Item 4. "... second by Heather Payne and the motion passed with a vote of six to one with John Young opposed. ~~because he prefers to wait a few weeks~~ *Mr. Young supports the AMI initiative, but preferred that the Board consider the resolution on May 25th, as scheduled on the board's published agenda, because this would give the community and absent board members the advertised time to review the procurement proposal and provide input;* motion to approve those minutes as amended was seconded by Heather Payne and unanimously approved. Please see Motion No. 1 above.

Item Three: Minutes

Ruchir Vora made a motion to approve the Minutes of the May 25, 2017 Public Hearings and Meeting of the Board of Directors; second by Heather Payne and unanimously approved. Please see Motion No. 2 above.

Item Four: Minutes

Ruchir Vora made a motion to approve the Minutes of the June 8, 2017 Work Session of the Board of Directors; second by Heather Payne and unanimously approved. Please see Motion No. 3 above.

Item Five: Update on Risk Assessment Work for the Jones Ferry Road Water Treatment Plant and the Mason Farm Wastewater Treatment Plant

The Board received and discussed a status report on plans for risk assessment of the Jones Ferry Road Water Treatment Plant and Mason Farm Wastewater Treatment Plant. Next steps include selecting a consultant firm for the project and sharing the Board's feedback about the proposed work with the consultant. Staff will provide the Board the final scope of work for the project.

Item Six: Capital Improvements Program Semiannual Report

The Board received a status report on OWASA's capital investment program from July 2016 through June 2017 and requested that staff provide the estimated completion date for the Hillsborough Street Water Line Replacement.

The Board was provided a report on a recent purchase contract awarded to Clearwater Inc. in the amount of \$177,570 for the Non-Potable Water Pumps at the Mason Farm Wastewater Treatment Plant.

Item Seven: Preliminary Financial Report for the Twelve-Month Period Ended June 30, 2017

The Board accepted the Preliminary Financial Report for the Twelve-Month Period ended June 30, 2017, as an information item.

Item Eight: Discuss Process for Soliciting and Evaluating Proposals for Financial Auditing Services

The Board agreed that the process for selecting a financial auditor will involve recommendations to the Board by an evaluation panel that includes staff and two Board members.

Item Nine: Review Board Work Schedule

The Board agreed to cancel the August 24, 2017 Board meeting because there are no agenda items scheduled for that meeting.

The Board agreed to the following assignments for the Standing Committees of the Board of Directors:

- Community Engagement: Yinka Ayankoya (Chair), Ray DuBose, Barbara Foushee and John Morris
- Finance: Jeff Danner (Chair), Ray DuBose, Heather Payne and Ruchir Vora
- Human Resources: Barbara Foushee (Chair), Yinka Ayankoya, Jeff Danner and John Young
- Natural Resources and Technical Services: John Young (Chair), John Morris, Heather Payne and Ruchir Vora

The Board agreed that John Young will serve on the Chatham/Orange Joint Planning Task Force and Yinka Ayankoya will serve on the Intergovernmental Parks Work Group.

Stephen Winters informed the Board that the State Legislature approved House Bill (HB) 436 - Public Water and Sewer System Development Fee Act. Staff is working with advisers to determine the extent to which the bill will impact OWASA's Service Availability Fees. Future Board action will likely be required.

Mr. Winters said that the NC Division of Water Infrastructure has approved OWASA's low-interest loan project applications from the Drinking Water State Revolving Fund and that Board action will be required, most likely in September.

The Board agreed that staff include recently completed actions in the Pending Key Staff Action Items from Board Meetings as information at the next work session prior to deletion from the document.

Item Ten: Executive Director Will Summarize the Key Staff Action Items from the Work Session

Ed Kerwin said items for staff follow-up are:

- Include recently completed actions in the Pending Key Staff Action Items from Board Meetings as information at the next work session prior to deletion from the document.
- Provide the estimated completion date for the Hillsborough Street Water Main Replacement Project.
- Share the Board's feedback about the proposed risk assessment work with the consultant and develop the project's scope, proceed with the work and provide the Board a copy of the final scope of work.
- Seek two members of the Board of Directors to serve with staff on the Selection Panel for the Audit Firm and prepare recommendation for the full Board.
- Inform partner agencies that John Young will serve on the Chatham/Orange Joint Planning Task Force and Yinka Ayankoya will serve on the Intergovernmental Parks Work Group.

Item Eleven: Closed Session

John Morris made a motion that the Board of Directors convene in a Closed Session for the purpose of discussing a potential property transaction and a personnel matter; second by Barbara Foushee and unanimously approved. Please see Motion No. 4.

The Board came out of closed session and the work session was adjourned at 8:52 p.m.

Respectfully submitted by:



Andrea Orbich
Executive Assistant/Clerk to the Board