

Orange Water and Sewer Authority
Meeting of the Board of Directors
January 11, 2018

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in a work session on Thursday, January 11, 2018, at 6:00 p.m. in OWASA's Community Room, 400 Jones Ferry Road, Carrboro.

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

OWASA staff present: Donald Boggs, Mary Darr, Monica Dodson, Robert Epting, Esq., (Epting and Hackney), Adam Haggerty, Randy Horton, Stephanie Glasgow, Ed Kerwin, John Kiviniemi, Andrea Orbich, Ruth Rouse, Kelly Satterfield, Todd Taylor, Mary Tiger, Stephen Winters and Richard Wyatt.

Others present: Katie Loovis (Chapel Hill Carrboro Chamber of Commerce), JD Solomon (CH2M), Ben Poulson (University of North Carolina (UNC) at Chapel Hill Associate Director of Energy Services) and Margaret Holton (UNC Water, Sewer and Reclaimed Water Coordinator).

Motions

1. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Honoring the Service of Mr. Robert Glosson to the Orange Water and Sewer Authority and the Carrboro-Chapel Hill Community. (Motion by Yinka Ayankoya, second by Barbara Foushee and unanimously approved.)
2. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts 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. (Motion by Yinka Ayankoya, second by Barbara Foushee and unanimously approved.)
3. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Adjusting the Executive Director's Compensation. (Motion by Yinka Ayankoya, second by Barbara Foushee and unanimously approved.)
4. Yinka Ayankoya made a motion to approve the Minutes of the December 14, 2017 Work Session of the Board of Directors; second by Barbara Foushee and unanimously approved.
5. Yinka Ayankoya made a motion to approve the Minutes of the December 14, 2017 Closed Session of the Board of Directors to Discuss Potential Litigation and Discuss a Personnel Matter; second by Barbara Foushee and unanimously approved.

* * * * *

Announcements

Robert Morgan asked that if any Board Member 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.

Barbara Foushee announced that the Human Resources Committee will meet Monday, February 5, 2018, at 5:30 p.m. in the OWASA Boardroom to discuss retiree health benefits for new hires and deferred compensation (457) plan.

John Young announced that the Natural Resources and Technical Services Committee will meet on Monday, February 26, 2018, at 5:00 p.m. in the OWASA Boardroom to discuss and evaluate the Drought Response Operating Protocol.

Mr. Young announced that he and Ed Kerwin will attend the Chatham/Orange Joint Planning Task Force meeting on Thursday, February 8, 2018, at noon at the offices of Clarion Associates. The Task Force was developed in 2009 to discuss topics of mutual interest between the two counties such as comprehensive planning and water supply.

Ray DuBose announced that he will provide OWASA's annual update to the Orange County Board of County Commissioners on Tuesday, February 20, 2018, 7:00 p.m., at the Southern Human Services Center in Chapel Hill, and that the update will include items from the January 2018 Annual Report to the local governments. Robert Morgan and Todd Taylor will also attend.

Mr. DuBose requested, and the Board agreed, that senior management deliver a message of appreciation to staff who responded and worked tirelessly to ensure service was maintained to our customers despite the frigid conditions during the recent winter weather.

Item One: Calendar Year 2017 Biosolids Report

The Board received the Calendar Year 2017 Biosolids Report which indicated that the established target goal of beneficially recycling 75% biosolids to land application and 25% biosolids dewatered to composting was achieved for calendar year 2017. The Board agreed that future updates will be incorporated in the Annual Review and Update of Strategic Trends and Utility Planning Issues Report.

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

The Board received the Quarterly Attendance at Board and Committee Meetings report as an information item.

Item Three: Resolution Honoring the Service of Mr. Robert Glosson to the Orange Water and Sewer Authority

Motion by Yinka Ayankoya; second by Barbara Foushee and unanimously approved. Please see Motion 1 above.

Item Four: Appoint Audit Firm

Yinka Ayankoya made a motion to approve 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; second by Barbara Foushee and unanimously approved. Please see Motion 2 above.

Item Five: Executive Director Compensation

Yinka Ayankoya made a motion to approve the Resolution Adjusting the Executive Director's Compensation; second by Barbara Foushee and unanimously approved. Please see Motion 3 above.

Item Six: Minutes

Yinka Ayankoya made a motion to approve the Minutes of the December 14, 2017 Meeting of the Board of Directors; second by Barbara Foushee and unanimously approved. Please see Motion 4 above.

Item Seven: Minutes

Yinka Ayankoya made a motion to approve the Minutes of the December 14, 2017 Closed Session of the Board of Directors to Discuss Potential Litigation and Discuss a Personnel Matter; second by Barbara Foushee and unanimously approved. Please see Motion 5 above.

Item Eight: Update on Employee Health and Dental Insurance for next Fiscal Year

The Board received and discussed a timeline, utilization data and other information related to renewing employee health and dental insurance effective in July 2018. OWASA has engaged a consultant (Hill Chesson & Woody) who will review the insurance cost proposal to be submitted later this year by Blue Cross and Blue Shield of North Carolina.

Item Nine: Water Treatment Plant (WTP) and Wastewater Treatment Plant Reliability (WWTP) and Risk Assessment Project Overview and Update

The Board received and discussed an update on OWASA's Jones Ferry WTP and Mason Farm WWTP Reliability and Risk Assessment. The Board will review and provide feedback on the Draft WTP and WWTP Reliability and Risk Assessment Report in June 2018.

Item Ten: Discuss Key Performance Indicators: Water Main Breaks

Katie Loovis, Vice President for External Affairs for the Chapel Hill Carrboro Chamber of Commerce, expressed an interest in how OWASA is tracking the progress of February 2017 water main break. Ms. Loovis said that the Chamber is available to assist with communication for the business community and that she plans to attend more Board meetings.

The Board discussed strategies in place to reduce the occurrence, frequency, and impact of water main breaks and agreed to add a new metric, Service Reliability, to the monthly Key Performance Indicator (KPI) Report. The Board will discuss topics for future KPI discussions at the February 8, 2018 work session. Staff will also provide a summary on state-of-the-art methods to assess the operational integrity of existing water main infrastructure.

Item Eleven: Discuss Key Focus Areas for OWASA's Executive Director

The Board agreed to add the following information to draft Key Focus Areas for OWASA's Executive Director for the period of October 2017 through September 2018:

- High Quality and Reliable Services: g) Meet all Financial Management Objectives.
- Diversity and Inclusion: a) will ask consultant about Diversity and Inclusion metrics.
- Employee Safety: b) Propose additional safety metrics for the Board's consideration.
- New section on "Communication and Coordination with the Board."

This updated draft will be prepared for the Board's review and approval at the January 25, 2018 meeting.

Item Twelve: Review Board Work Schedule

The Board agreed to meet with VISIONS, Inc. to receive an Organizational Assessment Report and training on Monday, January 29, 2018, from 6:00 to 9:00 p.m. in the OWASA Boardroom.

Jeff Danner said that he has canceled his request for a Finance Committee meeting to discuss the budget process.

John Morris requested an agenda item to educate the Board on awards OWASA has received or pursuing and how it benefits the community and the organization; the Board agreed.

Ruchir Vora requested an update on the Duke study regarding perfluorinated compounds; the Board agreed.

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

Ed Kerwin noted the following items for staff follow-up:

- Extend the Board’s message of appreciation to staff who responded and worked tirelessly to ensure service was maintained to our customers despite the frigid conditions during the recent winter weather.
- Implement changes to Key Performance Indicator Report on water main breaks.
- Provide an agenda item regarding the next Key Performance Indicator topic on February 8, 2018.
- Provide a brief on state-of-art-methods to determine water main condition.
- Provide information at a future Board meeting on awards OWASA has received and/or are pursuing and how it benefits the community and the organization.
- Provide an agenda item regarding perfluorinated compounds on February 22, 2018.

The Board work session was adjourned at 8:06 p.m.

Respectfully submitted by:



Andrea Orbich
Executive Assistant/Clerk to the Board

Attachments

**Resolution Honoring the Service of Robert Glosson to the
Orange Water and Sewer Authority and the Carrboro-Chapel Hill Community**

Whereas, Mr. Robert Glosson has served the Orange Water and Sewer Authority (OWASA) and the people of the Carrboro-Chapel Hill community for 33 years, from April 1984 until January 2018; and

Whereas, throughout Mr. Glosson's 33-year career, he served as Lake Warden at University Lake as part of OWASA's Water Supply and Treatment Department; and

Whereas, through his work as Lake Warden Mr. Glosson has demonstrated his commitment to hard work, quality service, environmental protection, and the health and safety of both the public and OWASA employees; and

Whereas, Mr. Glosson is respected by his co-workers and is admired for his sense of humor and friendship; and


Whereas, Mr. Glosson will retire from OWASA on January 1, 2018;

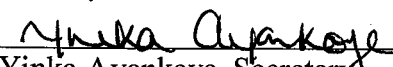
Now, Therefore, Be It Resolved:

That the Board of Directors of the Orange Water and Sewer Authority (OWASA) hereby honors the distinguished public service of Mr. Robert Glosson to OWASA and the people of Chapel Hill, Carrboro and Orange County; and the Board of Directors expresses its appreciation and best wishes to Mr. Glosson for success in all his future endeavors.

Adopted this 11th day of January 2018.

ATTEST:


Robert Morgan, Chair


Yinka Ayankoya, 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 (OWASA) 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 November 2017, the OWASA solicited audit proposals based upon the established criteria recommended by the North Carolina Local Government Commission; and

Whereas, six firms prepared bid proposals that were fully and completely reviewed by staff, and four of these firms were selected to be interviewed by an Audit Selection Panel consisting of two members of the Board of Directors and three OWASA staff members, which the Panel has now completed; and

Whereas, the Audit Selection Panel recommends the selection of Martin Starnes & Associates, CPAs, P.A., based upon their solicitation presentations and their previous years of excellent service as OWASA's audit firm during the fiscal years 2011- 2017;

Now, Therefore, Be It Resolved by the Orange Water and Sewer Authority Board of Directors:

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, 2018, for charges not to exceed \$32,000 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 11th day of January 2018.



Robert Morgan, Chair

ATTEST:



Yinka Ayankoya, Secretary

Resolution Adjusting the Executive Director's Compensation

Whereas, the Board of Directors has reviewed the Executive Director's Accomplishment Report and overall performance for the period October 2016 to September 2017; and

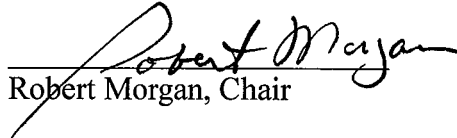
Whereas, the Board of Directors has met with the Executive Director to discuss his annual performance review: and

Whereas, the Board of Directors has determined to adjust the Executive Director's compensation as provided herein;

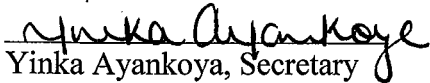
Now, Therefore, Be It Resolved by the Board of Directors of Orange Water and Sewer Authority:

1. That the Executive Director's annual base salary is hereby increased by four percent (one percent for cost of labor, and three percent for merit).
2. This increase shall be applied retroactively, effective October 30, 2017.

Adopted this 11th day of January 2018.


Robert Morgan, Chair

ATTEST:


Yinka Ayankoya, Secretary