

Orange Water and Sewer Authority
Meeting of the Board of Directors
April 26, 2018

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a regular meeting on Thursday, April 26, 2018, at 7:00 p.m. in Chapel Hill Town Hall Council Chamber.

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

OWASA staff present: Justin Andrews, Denise Battle, Ryan Byres, Mary Darr, Robert Epting Esq. (Epting and Hackney), Vishnu Gangadharan, Robin Jacobs (Epting and Hackney), Ed Kerwin, Simon Lobdell, Terry Mossow, Andrea Orbich, Dan Przybyl, Nick Rogers, Kelly Satterfield, Todd Taylor, Mary Tiger and Stephen Winters.

Others present: Linda Low, Terry Battle, Margaret Holton (University of North Carolina Water Resources Manager) and Ben Poulson (UNC Associate Director of Energy Services).

Motions

1. Ruchir Vora made a motion to approve the Minutes March 8, 2018 Work Session of the Board of Directors; second by Barbara Foushee and unanimously approved.
2. Ruchir Vora made a motion to approve the Minutes March 22, 2018 Meeting of the Board of Directors; second by Barbara Foushee and unanimously approved.
3. BE IT RESOLVED THAT the Board of Directors adopts the Resolution of Orange Water and Sewer Authority Awarding a Construction Contract for the Rogerson Drive Pump Station Rehabilitation Project – Phase 2. (Motion by Ray DuBose, second by John Young and unanimously approved.)
4. Ray DuBose made a motion that in advance of the scheduled May 24, 2018 Public Hearings, the Board of Directors hereby authorizes staff of the Orange Water and Sewer Authority to publish information about the proposed Fiscal Year 2019 Budget and Schedule of Rates, Fees and Charges which includes an increase of 2% in monthly water and sewer rates; second by Barbara Foushee and unanimously approved.

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Announcements

In the absence of the Chair, Vice Chair Heather Payne presided, and 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 please disclose the same at this time; none were disclosed.

Ms. Payne said that the Finance Committee met on April 18, 2018 to review and discuss the draft Fiscal Year (FY) 2019 budget and rate adjustment information. The Committee agreed that information for tonight's discussion about budgets and rates include: the staff proposed FY 2019 operating and capital improvement budgets; four rate adjustment options from no increase up to a 2.75% increase in monthly water and sewer rates; and a schedule of rates, fees and charges for FY 2019 based on a 2% increase in monthly water and sewer rates, proposed changes to system development fees, and adjustments to other miscellaneous service fees based on the cost to provide those services. Other items discussed by the Committee included: exploring a long-term strategy for cost management for operating expenses and capital improvement investments; analyzing the cost/benefit of our arrangement with our employee insurance consultants; getting additional explanations for the changes/additions to the CIP budget; focusing on compensating staff so that well-performing employees reach their salary midpoint in seven to nine years; and tracking savings realized from the Agua Vista project on the monthly status report.

Ms. Payne announced that the Chapel Hill Town Council OWASA Committee and Chapel Hill Appointees to the OWASA Board of Directors will meet on Monday, May 7, 2018 at 8:30 a.m. in the OWASA Boardroom to discuss items of mutual interest.

Ms. Payne announced that the OWASA Board will convene for a Diversity and Inclusion Session with VISIONS, Inc. on Wednesday, May 30, 2018 at 6:00 p.m. in the OWASA Boardroom.

John Young announced a Natural Resources and Technical Services Committee meeting on Tuesday, May 8, 2018 at 4:30 p.m. in the OWASA Boardroom to discuss source water protection.

Mr. Young announced that the Chatham-Orange Task Force will meet on Thursday, May 10, 2018 at 12:00 p.m. at Central Carolina Community College in Pittsboro, NC.

Barbara Foushee announced a Human Resources Committee will meet on Wednesday, May 9, 2018 at 5:30 p.m. in the OWASA Boardroom to discuss retiree health benefits for new hires and 457 deferred compensation.

Ed Kerwin introduced Linda Low, OWASA's new Communications and Community Relations Officer, who is expected to work in early June 2018.

Petitions and Requests

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

Item One: 12 Month Board Meeting Schedule

The Board received this as an information item.

Item Two: Minutes

Ruchir Vora made a motion to approve the Minutes March 8, 2018 Work Session of the Board of Directors; second by Barbara Foushee and unanimously approved. Please see Motion 1 above.

Item Three: Minutes

Ruchir Vora made a motion to approve the Minutes March 22, 2018 Meeting of the Board of Directors; second by Barbara Foushee and unanimously approved. Please see Motion 2 above.

Item Four: Presentation on Agua Vista (Advanced Metering Infrastructure) Initiative

The Board received a staff presentation on OWASA's Agua Vista metering initiative including network infrastructure, customer deployment plan, meter upgrades, customer service, and public communications. The Agua Vista customer web portal will be made available once approximately 75% of meters in the service area are upgraded. Installation work is expected to be completed by June 2019.

The Board requested that staff explore ways to make it easier for customers to update their phone number and contact information through OWASA's online billing portal.

Item Five: Resolution Awarding a Construction Contract for the Rogerson Drive Pump Station Rehabilitation – Phase 2

Ray DuBose made a motion to approve the resolution; second by John Young and unanimously approved. Please see Motion No. 3 above.

Item Six: Review Fiscal Year (FY) 2019 Draft Budget and Rate Adjustment and Authorize Staff to Publish Proposed Budget and Rates Information

John Young asked if information was available on the potential roundup impact to the Care-to-Share Customer Assistance Program should a rate change be implemented. He also requested information on rate information for the reclaimed water system, including an outlook for future capital investment.

Mr. Young suggested that in the fall of 2018 the Board discuss non-Orange County resident lake use fees for the 2019 recreation season; the Board agreed.

Ray DuBose made a motion that in advance of the scheduled May 24, 2018 Public Hearings, the Board of Directors hereby authorizes staff of the Orange Water and Sewer Authority to publish information about the proposed Fiscal Year 2019 Budget and Schedule of Rates, Fees and Charges which includes an increase of 2% in monthly water and sewer rates; second by Barbara Foushee and unanimously approved. Please see Motion No. 4 above.

Item Seven: Criteria for Request for Proposals (RFP) for Banking Services

Ruchir Vora supported the social responsibility criteria proposed by staff to be included in a RFP for banking services. He requested that along with Chapel Hill-Carrboro, Orange County be included in the request for information about prospective service providers' commitment to the local community.

John Young inquired whether the environmental sustainability criteria relating to the bank as an investor in fossil fuel companies includes fossil fuel infrastructure companies such as pipelines. He requested that if it does not, that the criteria be reworded to include such companies.

John Morris expressed concern that including social responsibility and environmental sustainability criteria in the RFP process might be burdensome to the staff.

Stephen Winters affirmed that staff supports moving forward with the RFP and will keep the Board updated as the process moves forward.

The Board concurred and agreed to remove the agenda item from the Board's May 24, 2018 meeting.

Item Eight: Financial Report for the Nine-Month Period Ended March 31, 2018

The Board received this as an information item.

Item Nine: Summary of Board Meeting Action Items

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

- Explore ways to make it easier for customers to update their phone number and contact information through OWASA's online billing portal.
- As information only, provide the Board via email Care-to-Share roundup impact of possible rate changes.
- Discuss out-of-County fees for lake use for the next recreation season in the fall of 2018.
- May 10, 2018 Board Work Session agenda will include:
 - o Discuss draft approach for forestry management and community engagement; and
 - o Discuss employee merit pay for Fiscal Year 2019.

The Board meeting was adjourned at 8:40 p.m.

Respectfully submitted by:



Andrea Orbich
Executive Assistant/Clerk to the Board

Attachment

**RESOLUTION OF ORANGE WATER AND SEWER AUTHORITY AWARDING
A CONSTRUCTION CONTRACT FOR THE ROGERSON DRIVE PUMP
STATION REHABILITATION PROJECT – PHASE 2**

WHEREAS, there is a need to renovate the Rogerson Drive Pump Station; and

WHEREAS, plans and specifications for the construction of this project have been prepared by McKim and Creed; 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 on December 8, 2016, and 11 contractors were qualified to bid; and

WHEREAS, on March 28, 2018, the prequalified contractors were formally invited to submit construction bids for the project, and three bids were received; and

WHEREAS, Turner Murphy Construction, Inc. of Rock Hill, South Carolina has been determined to be the low responsive, responsible bidder for the project; and

WHEREAS, on June 8, 2017 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 Turner Murphy Construction, Inc., the low responsive, responsible bidder for the Rogerson Drive Pump Station Rehabilitation – Phase 2, in accordance with the approved plans and specifications, in the amount of \$1,782,989.18, subject to such change orders as may apply.

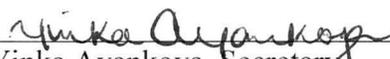
2. That the Executive Director be, and hereby is, authorized to execute said contract, subject to prior approval of legal counsel, and to approve and execute change orders and such documents as may be required in connection with the construction contract.

Adopted this 26th day of April, 2018.



Heather Payne, Vice Chair

ATTEST:



Yinka Ayankoya, Secretary