

Orange Water and Sewer Authority
Annual Meeting of the Board of Directors
September 27, 2018

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held its annual meeting on Thursday, September 27, 2018, at 7:00 p.m. in Chapel Hill Town Hall Council Chamber.

Board Members present: Yinka Ayankoya (Chair), Raymond (Ray) DuBose (Secretary), Bruce Boehm, Jody Eimers, John N. Morris, Robert Morgan, Ruchir Vora and John A. Young. Board Members absent: Jeff Danner (Vice Chair).

OWASA staff present: Denise Battle, Mary Darr, Monica Dodson, Robert Epting Esq. (Epting and Hackney), Stephanie Glasgow, Robin Jacobs (Epting and Hackney), Ed Kerwin, Simon Lobdell, Linda Low, Andrea Orbich, Ruth Rouse, Kelly Satterfield, Todd Taylor, Mary Tiger and Stephen Winters.

Others present: Terri Battle, Meg Blue (Audit Manager, Martin, Starnes & Associates), Barbara Foushee (Town of Carrboro), Margaret Holton (University of North Carolina Water Resources Manager) and Ben Poulson (UNC Associate Director of Energy Services).

There being a quorum present, Chair Yinka Ayankoya called the meeting to order.

Motions

1. Robert Morgan made a motion to approve the Minutes August 23, 2018 Meeting of the Board of Directors; second by Ruchir Vora and unanimously approved.
2. Robert Morgan made a motion to approve the Minutes August 23, 2018 Closed Session of the Board of Directors for the purpose of discussing potential litigation and a personnel matter; second by Ruchir Vora and unanimously approved.
3. BE IT RESOLVED THAT the Board of Directors adopts the Resolution Awarding a Construction Contract for the Jones Ferry Road Water Treatment Plant Sedimentation Basin Rehabilitation Project. (Motion by John Young, second by Robert Morgan and unanimously approved.)
4. BE IT RESOLVED THAT the Board of Directors adopts the Resolution Reappoint the Firm of Epting and Hackney as General Counsel to Orange Water and Sewer Authority. (Motion by Robert Morgan, second by John Morris and unanimously approved.)

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Announcements

Chair Yinka Ayankoya asked 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. Ayankoya announced that our consultant, VISIONS, Inc., is working to schedule two Diversity and Inclusion training sessions. The first session will be for new Board Members, the Chair of the Board and few other Members; and the second session will be scheduled for the full Board.

John Young announced the Chatham-Orange Joint Planning Task Force Meeting on Thursday, October 4, 2018 at 12:00 noon at the offices of Clarion Associates in Southern Village, Chapel Hill. The topic of interest for OWASA is a presentation and discussion on the Jordan Lake Western Intake Partnership.

Mr. Young said that due to preparations for Hurricane Florence, the Natural Resources and Technical Services (NRTS) Committee meeting scheduled in September was canceled. The NRTS Committee is currently scheduled to meet on Wednesday, November 14, 2018 at 5:00 p.m. and Tuesday, December 4, 2018 at 4:00 p.m., both in the OWASA Boardroom. Mr. Young requested Board Member feedback on a plan for each meeting and to reschedule the September meeting to a date in October to discuss source water protection; the Board agreed.

Mr. Young suggested that staff work to schedule a tour of Cane Creek Reservoir watershed lands in October for new Board Members and other interested Board Members to inform discussions about source water protection and forestry management; the Board agreed.

Mr. Young suggested that the October 11, 2018 Work Session, regarding the discussion on the Long-Range Water Supply Plan (LRWSP) on demand and yield also include information about the LRWSP's overall scope and schedule for discussion; the Board agreed.

Mr. Young suggested moving the November 14, 2018 NRTS meeting regarding forestry management up one week in advance of the November 8, 2018 Work Session to inform the Board discussion regarding strategic trends and strategic plan update. Mr. Young said that the December 4, 2018 NRTS meeting will remain as scheduled and that the topic will be determined at a later date.

Ray DuBose announced a Finance Committee meeting on Monday, October 8, 2018 to discuss longer-term approach/strategy for operating cost management at 4:00 p.m. in the OWASA Boardroom.

Ed Kerwin announced the October 10, 2018 OWASA Session for the Town of Carrboro Citizen's Academy which will be held at Carrboro Fire Station #1 at 6:00 p.m.

Item One: Presentation of Annual Report

In presenting OWASA's Annual Report for Fiscal Year (FY) 2018, Mary Darr, Director of Engineering and Planning, stated that OWASA has the important responsibility to effectively manage and maintain all the resources, facilities and infrastructure that the community depends on for high-quality and reliable service. She said that OWASA is a community owned utility providing water, sewer and reclaimed water service to the Carrboro and Chapel Hill community.

Ms. Darr stated that OWASA continues to operate in full compliance with all federal and state standards for treating the community's drinking water and for recycling highly-treated wastewater back to the environment. Important investments are made to renew and replace the complex system of water and wastewater infrastructure to ensure that essential services continue for our customers and the community.

Ms. Darr said that about 50 cents of every dollar collected from our customers is reinvested in our infrastructure. The Agua Vista (Advanced Metering Infrastructure) program is an important improvement for our customers and is more than half-way complete. She reiterated the Team's responsibility to effectively manage and maintain all the resources, facilities and infrastructure that our community depends for high-quality and reliable service. There are about 750 miles of water and wastewater pipes as well as reservoirs, several pumping stations and two complex treatment plants.

Ms. Darr said it is essential to continue making smart investments in our infrastructure. She said that an asset management program guides investment decisions and that in FY 2018, \$19.2 million was invested in capital improvements for OWASA's system, nearly 70 percent towards renewing/replacing aging infrastructure. Ms. Darr noted that over the next five years, almost \$100 million will be invested in capital improvements.

Denise Battle, Customer Service Manager, said that Agua Vista is an important resource in communicating actionable information to our customers. The information that this technology provides will help our customers save money. She noted that about 60 percent of the meters have been upgraded with Agua Vista meters. Staff is proactively reaching out to customers to notify them of potential leaks and the response has been very positive. Ms. Battle said that in 2019, an online water management tool will be available to OWASA customers so that they can monitor their water use.

Ms. Battle said that while many customers can pay their water and sewer bills, some customers in our community cannot. She encouraged customers to sign up to donate to OWASA's Care to Share program to assist those in the community that have difficulty paying their bill.

Stephen Winters, Director of Finance and Customer Service, said that agenda information was updated today to include a draft of OWASA's Comprehensive Annual Financial Report (CAFR). The CAFR will be finalized within the next few weeks. He said the independent audit for FY 2018 was performed by Martin, Starnes & Associates

Mr. Winters said OWASA received an unmodified opinion from our auditor. OWASA's financial situation is stable and sustainable, an indicator is that Standard and Poor's upgraded OWASA's bond rating to AAA. The success of this audit is a testament to the entire OWASA team and is a positive reflection on the Finance and Customer Service staff for a job well done.

Meg Blue, Audit Manager with Martin, Starnes & Associates, said OWASA received an unmodified opinion that the financial statements fairly present OWASA's financial position and results from operations. OWASA's CAFR can be relied upon by third parties, citizens, underwriters and bondholders. Ms. Blue stated that no significant deficiencies in internal control were identified.

Item Two: Petitions and Requests

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

Item Three: 12 Month Board Meeting Schedule

The Board received the 12 Month Board Meeting Schedule as an information item.

Item Four: Annual Report on Disposal of Surplus Personal Property

The Board received the Annual Report on Disposal of Surplus Personal Property as an information item.

Item Five: Minutes

Robert Morgan made a motion to approve the Minutes August 23, 2018 Meeting of the Board of Directors; second by Ruchir Vora and unanimously approved. Please see Motion 1 above.

Item Six: Minutes

Robert Morgan made a motion to approve the Minutes August 23, 2018 Closed Session of the Board of Directors for the purpose of discussing potential litigation and a personnel matter; second by Ruchir Vora and unanimously approved. Please see Motion 2 above.

Item Seven: Update on Hurricane Florence Impact on OWASA

Ed Kerwin, Executive Director, began a staff presentation on OWASA's preparation, response and initial recovery to Hurricane Florence. He stated that OWASA's essential services were maintained throughout the storm and infrastructure damages were minimal except for a water main break that left about 90 customers without water for a few hours. No damage to critical infrastructure was reported and an initial estimate of \$500,000 was the cost to prepare for and repair damages.

Todd Taylor, General Manager of Operations, presented objectives for the storm including: maintenance of water and sewer services; communications; safety; and financial documentation. He reviewed the damage sustained and noted that the storm set a record at University Lake Dam as the highest water level above the spillway (54 inches) recorded since 1986.

Monica Dodson, Wastewater Treatment and Biosolids Recycling Manager, reviewed the flooding and recovery that occurred at the Mason Farm Wastewater Treatment Plant during the storm. She also noted that the Plant successfully treated a record high of 29.8 million gallons on September 17, 2018.

Linda Low, Communications and Community Relations Manager, discussed the communications in preparation of and during the event by getting key messages out to the community with the assistance of community partners.

Mary Tiger, Sustainability Manager, said that throughout the storm, staff remained in communications with Orange County Emergency Operations Center, direct communication with local partners, and offered services to the neighboring communities. OWASA is also a member of NC WaterWARN, a statewide water utility network that assists utilities during emergencies. She stated that staff will hold a series of After Action Reviews and any updates will be reflected Comprehensive Emergency Management Plan.

The Board expressed appreciation to staff for their hard work and dedication maintaining OWASA services to the Carrboro-Chapel Hill community throughout the storm. The Board requested a summary of the After Action Reviews.

Item Eight: Resolution Awarding a Construction Contract for the Jones Ferry Road Water Treatment Plant Sedimentation Basin Rehabilitation Project

John Young expressed appreciation for showing major alternatives for the project.

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

Item Nine: Resolution Reappointing the Firm of Epting and Hackney as General Counsel to the Orange Water and Sewer Authority

Robert Morgan made a motion to approve the resolution; second by John Morris and unanimously approved. Please see Motion No. 4 above.

Item Ten: Diversity and Inclusion Program Progress Report and Equal Employment Opportunity/Affirmative Action Report for Fiscal Year 2018

The Board received a progress report on OWASA's Diversity and Inclusion Program including an equal employment opportunity/affirmative action report for Fiscal Year 2018.

John Young offered advice to move the Diversity and Inclusion Program along and suggested the use of a project manager to support the execution of the plan.

Item Eleven: Summary of Board Meeting Action Items

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

- Schedule Natural Resources and Technical Services Committee Meeting in October 2018 to discuss source water protection;
- Schedule tour of OWASA's Cane Creek Reservoir watershed lands in October 2018 for new and interested Board Members;
- Provide summary information on the After Action Reviews of Hurricane Florence preparations and response;
- October 11, 2018 Board Work Session agenda will include:
 - Discuss Communications and Community Engagement; and
 - Discuss overall scope and schedule for the Long-Range Water Supply Plan – Demand and Yields

Item Twelve: Closed Session

Without objection, the Board convened in a Closed Session to discuss a personnel matter.

The Board came out of closed session and the meeting was adjourned at 9:30 p.m.

Respectfully submitted by:



Andrea Orbich
Executive Assistant/Clerk to the Board

Attachments

Resolution Awarding a Construction Contract for the Jones Ferry Road Water Treatment Plant Sedimentation Basin Rehabilitation Project

Whereas, there is a need to rehabilitate the sedimentation basins at the Jones Ferry Road Water Treatment Plant; and

Whereas, plans and specifications for the construction of this project have been prepared by Hazen and Sawyer; 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 June 13, 2018, and five contractors were qualified to bid at the time of the bid; and

Whereas, on July 26, 2018, the prequalified contractors were formally invited to submit construction bids for the project, and after receiving only two bids on the first bid opening date of August 30, 2018 the project was re-bid; and

Whereas, two bids were subsequently received on September 11, 2018; and Dellinger, Inc. of Monroe, North Carolina was determined to be the low responsive, responsible bidder for the project; and

Whereas, on February 22, 2018 the Board approved a resolution accepting funds for this project through a Drinking Water State Revolving Fund loan;

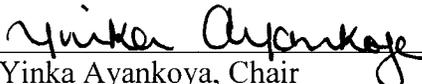
Now, Therefore, Be It Resolved:

1. That the Orange Water and Sewer Authority Board of Directors awards the construction contract to Dellinger, Inc., the low responsive, responsible bidder for the Jones Ferry Road Water Treatment Plant Sedimentation Basin Rehabilitation Project, in accordance with the approved plans and specifications, in the amount of \$2,478,000.00, 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.

3. That the tentative award is contingent upon the approval of the North Carolina Department of Environmental Quality.

Adopted this 27th day of September, 2018.


Yinka Ayankoya, Chair

ATTEST:


Raymond E. DuBose, Secretary

**Resolution Reappointing the Firm of Epting and Hackney as
General Counsel to the Orange Water and Sewer Authority**

Whereas, the Orange Water and Sewer Authority is a public, corporate entity organized and operated under the laws and statutes of the State of North Carolina and is engaged in the provision of public water, sewer and reclaimed water services within its service area; and

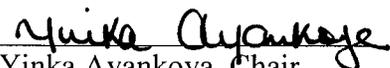
Whereas, the Board of Directors of Orange Water and Sewer Authority finds that it is necessary and appropriate to provide for and obtain general legal counsel and services to assist in the establishment of policy and the administration and operations of the business and affairs of OWASA so that due regard may be given to the pertinent laws, regulations, and statutes; and

Whereas, Robert Epting, General Partner of the firm Epting and Hackney, has served as General Counsel to OWASA since October 1, 1984, and has rendered competent and appropriate legal services in that regard, and the Board of Directors wishes to continue their services as General Counsel;

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

1. That the firm of Epting and Hackney, Chapel Hill, N.C., is hereby reappointed General Counsel of Orange Water and Sewer Authority in accordance with the terms and conditions set out in Robert Epting's letter dated September 13, 2018 to the Executive Director.
2. That as General Counsel, he and his firm will serve under the general direction of the Executive Director, subject to the ultimate authority of the Board of Directors.
3. That this reappointment will be effective October 1, 2018 and shall continue until terminated as provided in Mr. Epting's said letter dated September 13, 2018.

Adopted this 27th day of September 2018.


Yinka Ayankoya, Chair

ATTEST:


Raymond DuBose, P.E.
Secretary