

Orange Water and Sewer Authority

Meeting of the Board of Directors

October 25, 2018

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a regular meeting on Thursday, October 25, 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 Member absent: Jeff Danner (Vice Chair).

OWASA staff present: Michael ChristySam, Mary Darr, Monica Dodson, Robert Epting Esq. (Epting and Hackney), Stephanie Glasgow, Robin Jacobs (Epting and Hackney), Ed Kerwin, Andrea Orbich, Johnny Riley, Kelly Satterfield, Todd Taylor, Mary Tiger and Stephen Winters.

Others present: Ben Poulson (UNC Associate Director of Energy Services).

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

Motions

1. BE IT RESOLVED THAT the Board of Directors adopts the Resolution of Appreciation to the Staff of Orange Water and Sewer Authority. (Motion by John Young, second by Ruchir Vora and unanimously approved.)
2. BE IT RESOLVED THAT the Board of Directors adopts the Resolution to Amend the Schedule of Employee Classification and Authorized Compensation to Reclassify an Administrative Assistant Position to a Distribution and Collection Systems Coordinator Position. (Motion by John Young, second by Robert Morgan and unanimously approved.)
3. BE IT RESOLVED THAT the Board of Directors adopts the Resolution of the OWASA Board of Directors Adopting a Policy on Confidentiality of Individual Customers' Billing and Water-Consumption Records and Data. (Motion by John Young, second by Robert Morgan and unanimously approved.)
4. John Morris moved to approve the Resolution of the OWASA Board of Directors Adopting an Amended Policy for Adjustment of Customer Accounts for Emergency Situations Involving Loss of Metered Water with the amendment that the second paragraph under Conditions in the proposed Policy be deleted because only two customers are not using the Agua Vista meters and would be a small financial risk to OWASA; second by Jody Eimers. After discussion the motion failed with a vote of one to seven.

5. BE IT RESOLVED THAT the Board of Directors adopts the Resolution of the OWASA Board of Directors Adopting an Amended Policy for Adjustment of Customer Accounts for Emergency Situations Involving Loss of Metered Water (Motion by John Young, second by Robert Morgan and unanimously approved.)

6. John Young made a motion to approve the Minutes September 27, 2018 Annual Meeting of the Board of Directors; second by Robert Morgan and unanimously approved.

7. John Young made a motion to approve the Minutes September 27, 2018 Closed Session of the Board of Directors for the purpose of discussing a personnel matter; second by Robert Morgan and unanimously approved.

8. Robert Morgan made a motion to leave the out-of-county rates at the current level for both lakes for the 2019 recreational season; 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 new Board Members and other Board Members, will meet on Tuesday, November 13, 2018, at 5:00 p.m., in the OWASA Boardroom, for a diversity and inclusion training session with VISIONS, Inc.

Ms. Ayankoya announced that the canceled October 11, 2018 Board Work Session has been rescheduled for Thursday, November 15, 2018 at 6:00 p.m. in OWASA's Community Room.

Ray DuBose said that the Finance Committee met on October 8, 2018 to review and discuss longer-term approaches and strategies for managing operating expenses. The Committee discussed ways to identify and benchmark expenses that may be able to be reduced through innovative approaches. Staff will conduct an initial analysis to help the Committee identify areas of OWASA's operations that may be able to be accomplished more efficiently and less costly. The Committee agreed to meet in the first half of December 2018 to discuss staff's analysis. The Fiscal Year 2020 Budget Calendar and Planning Assumptions will also be discussed.

John Young announced a tour of Cane Creek Reservoir watershed lands scheduled for Friday, October 26, 2018 at 1:00 p.m. for new Board Members and other interested Board Members to inform discussions about source water protection and forestry management.

Mr. Young said that the Natural Resources and Technical Services (NRTS) Committee meeting will meet on Tuesday, October 30, 2018 at 4:30 p.m., in the OWASA Boardroom, to discuss source water protection; the NRTS Committee will also meet on Thursday, November 8, 2018 at

4:00 p.m. to discuss the overall approach for forestry management on OWASA's watershed lands.

Ruchir Vora announced a meeting between the Chapel Hill Town Council OWASA Committee and Chapel Hill Appointees to the OWASA Board of Directors on Thursday, November 15, 2018, at 8:30 a.m., in the OWASA Boardroom, to discuss items of mutual interest.

Todd Taylor recognized OWASA employees who have served for 10, 15, 20 and 25 years at OWASA. The following employees received service awards:

10 Years: Joshua Leonard and Stephen Long

15 Years: Brian Dodson

20 Years: Roy Bryant, Michael ChristySam*, Jackie Mills, Jeff Morris and Ted Shaffer

25 Years: Donnie Nolf

*Michael ChristySam attended the Board meeting and was recognized by his supervisor, Kelly Satterfield, Finance and Procurement Manager.

Ed Kerwin announced that on October 10, 2018, OWASA participated in the Town of Carrboro Citizen's Academy held at Carrboro Fire Station #1 and that Yinka Ayankoya and Robert Morgan also attended. Mr. Kerwin also said an OWASA session was held on October 20, 2018 as part of Chapel Hill's Peoples Academy.

John Morris said that he attended a special ceremony commemorating the 30th anniversary of the Rural Buffer on October 16, 2018 and noted its importance.

Petitions and Requests

John Young petitioned the Board to acknowledge staff with a Resolution of Appreciation for their exemplary efforts in protecting the community during the flooding and other dangers caused by Hurricane Florence; the Board agreed.

John Young moved adoption of the Resolution of Appreciation to the Staff of Orange Water and Sewer Authority which he read aloud; second by Ruchir Vora and unanimously approved. Please see Motion 1 above.

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

Item One: 12 Month Board Meeting Schedule

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

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

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

Item Three: Position Reclassification for Distribution and Collection Departments

John Young made a motion to approve the Resolution to Amend the Schedule of Employee Classification and Authorized Compensation to Reclassify and Administrative Assistant Position to a Distribution and Collection Systems Coordinator Position; second by Robert Morgan and unanimously approved. Please see Motion 2 above.

Item Four: Approve Agua Vista-Related (Advanced Metering Infrastructure) Policies

John Young made a motion to approve the Resolution of the OWASA Board of Directors Adopting a Policy on Confidentiality of Individual Customers' Billing and Water-Consumption Records and Data; second by Robert Morgan and unanimously approved. Please see Motion 3 above.

John Morris moved to approve the Resolution of the OWASA Board of Directors Adopting an Amended Policy for Adjustment of Customer Accounts for Emergency Situations Involving Loss of Metered Water with the amendment that the second paragraph under Conditions in the proposed Policy be deleted because only two customers do not use Agua Vista meters and would be a small financial risk to OWASA; second by Jody Eimers. After discussion, the motion failed with a vote of one to seven. Please see Motion 4 above.

John Young made a motion to approve the Resolution of the OWASA Board of Directors Adopting an Amended Policy for Adjustment of Customer Accounts for Emergency Situations Involving Loss of Metered Water; second by Robert Morgan and unanimously approved. Please see Motion 5 above.

Item Five: Minutes

John Young made a motion to approve the Minutes September 27, 2018 Annual Meeting of the Board of Directors; second by Robert Morgan and unanimously approved. Please see Motion 6 above.

Item Six: Minutes

John Young made a motion to approve the Minutes September 27, 2018 Closed Session of the Board of Directors for the purpose of discussing a personnel matter; second by Robert Morgan and unanimously approved. Please see Motion 7 above.

Item Seven: Review Draft Water Treatment Plant and Wastewater Treatment Plant Reliability and Risk Assessment Action Plan

Mary Darr and Monica Dodson presented an Action Plan developed by staff from the findings of the Reliability and Risk Assessment Evaluation.

Ray DuBose suggested providing the priority of the items at the highest risk and that fuel should be included.

Jody Eimers said that cybersecurity should be reviewed.

Ruchir Vora suggested a safety and risk assessment once the Safety and Risk Manger is on board.

The Board requested that the Water Treatment Plant and Wastewater Treatment Plant Reliability and Risk Assessment Action Plan be provided annually via email beginning in October 2019.

Item Eight: Discuss Recreational Fees for Out-of-County Visitors

Robert Morgan made a motion to leave the out-of-county rates at the current level for both lakes for the 2019 recreational season; second by John Morris and unanimously approved. Please see Motion 8 above.

Item Nine: Financial Report for the Three-Month Period Ended September 30, 2018

Stephen Winters presented the financial report for the three-month period ended September 30, 2018 reporting that net income for the period was about \$37,000 or 1% less than budget.

The Board requested additional information regarding the chemical costs for the Water Treatment Plant that are over budget. The Board requested staff analysis regarding how position vacancies and Operating Expenses per 1,000 gallons of drinking water treated. Staff will follow up.

Item Ten: Summary of Board Meeting Action Items

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

- Incorporate feedback received on Water Treatment Plant and Wastewater Treatment Plant Reliability and Risk Assessment Action Plan in an annual progress report in October 2019;
- Provide response to questions via email regarding the chemical costs for the Water Treatment Plant that are over budget and an analysis regarding how position vacancies and Operating Expenses per 1,000 gallons of drinking water treated;
- November 8, 2018 Board Work Session agenda will include:
 - discuss communications and community engagement planning;
 - discuss process to update the Strategic Plan; and
 - discuss priorities for the Natural Resources and Technical Services Committee.

Item Eleven: Closed Session

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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 9:17 p.m.

Respectfully submitted by:



Andrea Orbich

Executive Assistant/Clerk to the Board

Attachments

Resolution of Appreciation to the Staff of Orange Water and Sewer Authority

Whereas, Hurricane Florence took many lives and caused great flooding and property damage along its path, during its passage over North and South Carolina in early September, 2018; and

Whereas, even though we are greatly thankful that no lives were lost in our community, still Hurricane Florence caused our community understandable fear of its coming, torrential rainfall and flooding in its passing, and great expense for repair and replacement of property damaged in its wake; and

Whereas, we are mindful of the emergency preparedness and planning carried out by all public employees in such times, but we especially wish to note the readiness, skill, dedication, and devotion to duty demonstrated by all OWASA employees to protect our community from this natural disaster; and

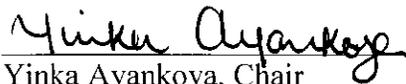
Whereas, we appreciate especially their willingness to separate themselves from their own families and homes, to work special shifts, to remain in position at OWASA to stand by and relieve their fellow employees as needed to respond to this emergency; and

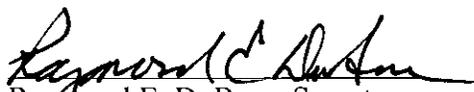
Whereas, special notice is taken of the extensive planning, communication and organization carried out to prepare for and respond to this emergency, and that that management of this emergency presents a model worthy of emulation by other utilities across the land.

Now, Therefore, Be It Resolved By the Board of Directors:

1. That the Board of Directors expresses to all employees of OWASA its appreciation and gratitude for their exemplary efforts in protecting our community as they worked diligently to maintain water distribution and wastewater collection and treatment services during the flooding and other dangers caused by Hurricane Florence.

This the 25th day of October, 2018.


Yinka Ayankoya, Chair


Raymond E. DuBose, Secretary

Resolution to Amend the Schedule of Employee Classification and Authorized Compensation to Reclassify an Administrative Assistant position to a Distribution and Collection Systems Coordinator position

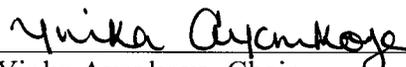
Whereas, the Executive Director has reviewed the duties, functions and responsibilities for the Distribution and Collection department; and

Whereas, the Executive Director has determined that OWASA would be better served by reclassifying the Administrative Assistant (Grade 610) position to a Distribution and Collection Systems Coordinator (Grade 614) position.

Now Therefore, Be It Resolved:

1. That one Administrative Assistant (Grade 610) position be reclassified to a Distribution and Collection Systems Coordinator (Grade 614) position, and that the Schedule of Employee Classification and Authorized Compensation shall be amended to reflect this change effective upon adoption of this Resolution.

Adopted this 25th day of October, 2018.



Yinka Ayankoya, Chair

ATTEST:



Raymond E. DuBose, Secretary

Resolution of the OWASA Board of Directors Adopting a Policy on Confidentiality of Individual Customers' Billing and Water-Consumption Records and Data

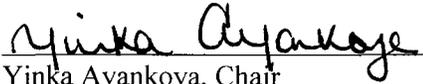
Whereas, the OWASA Board of Directors desires to adopt a formal policy on the confidentiality of individual customers' billing and water-consumption records and data; and

Whereas, General Statute 132-1.1, Public Enterprise Billing Information, states that billing information compiled and maintained by a city or county or other public entity providing utility services in connection with the ownership or operation of a public enterprise is not a public record as defined in General Statute 132-1 unless the city or county determines it will be useful or necessary to assist bond counsel, bond underwriters, underwriters' counsel, rating agencies, investors or potential investors, the city, county, or State, law enforcement, public safety, fire protection, rescue, emergency management, or judicial officers.

Now, Therefore, Be It Resolved:

1. That the Board of Directors of Orange Water and Sewer Authority hereby adopts the attached Policy on Confidentiality of Individual Customers Billing and Water-Consumption Records and Data.
2. That said policy is effective upon adoption.
3. That the Executive Director be, and he hereby is, authorized and directed to interpret and implement said policy.

Adopted this 25th day of October, 2018.


Yinka Ayankoya, Chair

ATTEST:


Raymond E. DuBose, Secretary

ORANGE WATER AND SEWER AUTHORITY
POLICY ON CONFIDENTIALITY OF INDIVIDUAL CUSTOMERS' BILLING AND WATER-
CONSUMPTION RECORDS AND DATA

PURPOSE

To adopt a formal policy to maintain the confidentiality of individual customers' billing and water-consumption records and data.

BACKGROUND

OWASA is a public entity and most of its records are open to the public under the General Statutes, with some exceptions. However, records of individual customer accounts, including but not limited to use, consumption, and billing records, are maintained as confidential records.

North Carolina General Statute 132-1.1 specifically allows public entities to classify and keep as confidential billing information compiled and maintained in connection with the ownership or operation of a public enterprise, such as water and sewer services. Furthermore, that statute declares that such records are not public records, and do not have to be disclosed under public records requests.

Nevertheless, that statute permits public entities to use and disclose such records in certain limited instances, such as may be useful or necessary to assist bond counsel, bond underwriters, underwriters' counsel, rating agencies, investors or potential investors, the city, county, or state, law enforcement, public safety, fire protection, rescue, emergency management, or judicial officers.

In order to protect the privacy of individual customers' billing and water-consumption records and data, OWASA does not disclose information unless otherwise approved by the Executive Director for one of the limited purposes permitted by the statute.

AUTHORIZATION

The Executive Director shall interpret and implement on behalf of Orange Water and Sewer Authority this Policy on Confidentiality of Individual Customers' Billing and Water-Consumption Records and Data. Such administrative actions may be taken without further authorization by the Board of Directors.

**Resolution of the OWASA Board of Directors Adopting an Amended
Policy for Adjustment of Customer Accounts for Emergency Situations Involving
Loss of Metered Water**

Whereas, implementation of OWASA's Agua Vista automated metering infrastructure will create new opportunities for earlier intervention to reduce and water loss through leaks and accidental breakages, to save customers' money, and to reduce water consumption by reducing such water losses; and

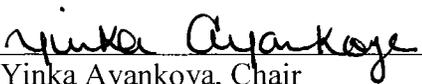
Whereas, these additional tools and procedures require modifications and amendments to OWASA's existing policies pertaining to Adjustment of Customer Accounts for Emergency Situations Involving Loss of Metered Water; and

Whereas, the Board of Directors has determined that the attached Amended Policy is necessary to serve the forgoing purposes;

Now, Therefore, Be It Resolved:

1. That the Board of Directors of Orange Water and Sewer Authority hereby adopts the attached Policy for Adjustment of Customer Accounts for Emergency Situations Involving Loss of Metered Water, amended and effective October 25, 2018.
2. That the Executive Director is, authorized and directed to interpret and implement said policy.

Adopted this 25th day of October, 2018.



Yinka Ayankoya, Chair

ATTEST:



Raymond E. DuBose, Secretary

ORANGE WATER AND SEWER AUTHORITY
POLICY FOR ADJUSTMENT OF CUSTOMER ACCOUNTS FOR EMERGENCY SITUATIONS
INVOLVING LOSS OF METERED WATER
Amended and effective October 25, 2018

PURPOSE

The purpose of this policy is to provide a credit adjustment to the water and/or sewer account of a customer who has experienced an emergency situation involving the loss of metered water. The excess water metered will have occurred as a result of conditions beyond normal and reasonable control of the customer or other parties responsible for the use, care and maintenance of fixtures and devices that are a part of the customer's water service system.

Customers are responsible for paying for all water that passes through the meter serving the customer's location. However, for water-use caused by a leak that exceeds the customer's average use (explained below), this policy allows OWASA to reduce the volumetric rate of the excess water-use.

CONDITIONS

It is the customer's responsibility to promptly discover leaks and stop the loss of water; however, by analyzing per-customer hourly water-use data available through the Agua Vista metering system, OWASA has the ability, but not the obligation to notify customers of suspected leaks in the customer's plumbing system.

A customer who has chosen not to have an OWASA Agua Vista meter installed at their location is not eligible for this credit.

At a customer location served by an OWASA Agua Vista meter, to be eligible for a credit adjustment the customer must have provided accurate contact information that OWASA can use to notify the customer of a suspected leak.

LEAK ADJUSTMENT PERIOD

The credit adjustment will cover excess water-use from the date OWASA notifies the customer of the leak until the leak is repaired up to a maximum of seven (7) days.

For those locations that OWASA has not yet upgraded the meter to an Agua Vista meter, the billing period adjustment is limited to one (1) month.

If a customer who has provided OWASA with accurate contact information experiences an emergency situation involving the loss of metered water and did not receive notification from OWASA, the billing period adjustment is limited to one (1) month.

With the exception of the annual sewer adjustment for pool filling (see below), not more than one (1) credit adjustment for an emergency situation involving the loss of metered water will be made for any given 36-month period per location.

The customer is responsible for repairing the fixture or device causing the water loss. Although there is no obligation for OWASA to adjust accounts when the water has been metered properly, it is OWASA's desire to encourage customers to make prompt and permanent repairs and to show consideration for the unusual circumstance by sharing the cost of the excessive billing charges.

CUSTOMER RESPONSIBILITY

The customer must provide information describing the emergency situation or circumstances that resulted in the loss of water. Emails and phone calls are an acceptable form of notification. This should include the cause of the water loss, when the problem was discovered, what action was taken to stop the loss of water, and any arrangements made for repairs.

If a repair is completed, the customer must provide a copy of the plumber's bill or a statement of materials purchased if the repair was performed by the customer.

ADJUSTMENT PROCEDURE

Upon receipt of the customer's verbal or written statement describing the water-loss and copies of invoices or receipts documenting repair, the OWASA Customer Service Department will evaluate the circumstances surrounding the water loss.

1. For leaks, other than those resulting from any portion or component of an irrigation system:

The Customer Service Department, upon determination that an adjustment is appropriate under the policy, may adjust charges for water-use over the customer's previous 12-months' daily average water-use, excluding the days of excessive consumption for which the adjustment is requested, to OWASA's lowest retail commodity rate. Additionally, the adjustment will include:

- a) 100% of the amount in excess of the previous 12-months' daily average water-use for wastewater, excluding the days of consumption for which the adjustment is requested, for the following conditions or similar situations where the water has not returned to the sewer system:
 - Leaks underground not associated with irrigation systems, or in walls,
 - Frozen and burst pipes not associated with irrigation systems,
 - Outdoor spigot and hose leaks,
 - Faulty water heaters or pressure reducing valves where such appliances and devices are not easily accessible or visible, and
 - Vandalism to plumbing that is documented with a police report.
- b) 50% of the amount in excess of the previous 12-months' daily average billings for wastewater excluding the days of excessive consumption for which the adjustment is requested, for the following conditions or similar situations where the water has returned to the sewer system:
 - Malfunctioning toilets, and
 - Leaking indoor faucets.
- c) No adjustment shall be made for the following:

- Losses that occurred within one (1) year of construction, and
 - Unoccupied dwellings listed as “vacant” in OWASA’s billing system.
- d) If a full 12-month period daily average is not available (such as with a new customer), the average will be based on 65 gallons of use per day per person in the household, or the rate of consumption after repairs, whichever is greater.
- e) For users billed under OWASA’s seasonal rate structure, the adjustment will be based on the corresponding days from the year immediately preceding, where no emergency water loss or meter malfunction was recorded during the corresponding days.
2. For leaks resulting from any portion or component of an irrigation system that is not served by an irrigation meter:
- a) OWASA may adjust charges for water-use that exceeds the customer’s previous 24-month period’s highest average daily water-use. The adjustment will be the difference between the amount billed for the excess use, using the customer’s applicable rate structure less charges for the excess use calculated using OWASA’s irrigation commodity rate. If the calculation using the irrigation commodity rate results in an increase in the charges for water-use, then there will be no adjustment for water charges.
- b) Additionally, the adjustment will include 100% of the amount of charges for wastewater that exceeds customer’s previous 24-month period’s highest average daily water-use.
- c) No adjustment shall be made that reduces a customer’s bill to an amount less than the customer’s previous 24-month period’s highest average daily water-use.
- d) If a customer has less than 24 months of history for the location at which the loss of water occurred (such as with a new customer), the maximum adjustments for water and wastewater will be based on the customer’s previous highest average daily water-use.

In the case of an active customer, no adjustment shall be made when the request for the adjustment is received more than 90 days after the billing date of the bill to be adjusted. If the customer has closed their account and the bill to be adjusted is the customer’s “final” bill, no adjustment shall be made when the request for the adjustment is received more than 30 days after the billing date of the bill to be adjusted. Exceptions will only be made if there is proof of extraordinary circumstances.

Adjustments will not normally be allowed for water loss arising from carelessness, negligence or lack of due diligence on the part of the customer.

Customers with pools qualify for a once per year adjustment to their sewer charges if they completely empty and refill their pool. The customer must supply OWASA, in writing, with the total capacity of the pool in gallons and the date it was filled. OWASA will then compare the pool’s total capacity to the total consumption for the month in question. Assuming the customer’s total consumption increased above their average by the approximate volume of the pool, the sewer portion of the bill shall be adjusted by the amount of water it took to fill the pool. No adjustment will be given if the total volume of the pool exceeds the total consumption for the month.

All emergency water loss calculations shall be documented by OWASA and shall include a complete and adequate description of the problem and justification for the adjustment.

A proposed adjustment in excess of \$300 will be reviewed and approved or denied by the Customer Service Manager before an adjustment is made to the customer's account. A proposed adjustment in excess of \$2,000 will be reviewed and approved or denied by the Director of Finance and Customer Service before an adjustment is made to the customer's account.

IMPLEMENTATION

The Executive Director, or his or her designee, shall be responsible for implementing and interpreting this policy, and is authorized to exercise discretion in determining its applicability.

EFFECTIVE DATE

This policy is effective as of October 25, 2018.

Reviewed by General Counsel: 10-25-2018 Robert Epting
Date Robert Epting, General Counsel

Adopted by the Board: 10-25-2018 Andrea Orbich
Date Andrea Orbich, Clerk to the Board