

Orange Water and Sewer Authority

Meeting of the Board of Directors

March 14, 2019

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in a work session on Thursday, March 14, 2019, at 6:00 p.m. in OWASA's Community Room, 400 Jones Ferry Road, Carrboro.

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

OWASA staff present: Justin Andrews, Brett Bradshaw, Sandra Bradshaw, David Brooks, Mary Darr, Patrick Davis, Robert Epting, Esq., (Epting and Hackney), Vishnu Gangadharan, Stephanie Glasgow, Alicia Grey, Ed Kerwin, Simon Lobdell, Dale Lovely, Linda Low, Addison McDonough, Terry Mossow, Andrea Orbich, Dan Przybyl, Allison Reinert, Nicholas Rogers, Ruth Rouse, Todd Taylor, Mary Tiger, Stephen Winters, Gil Womble and Richard Wyatt.

Others present: Meg Holton (UNC Water Resources Manager), Barbara Foushee (Carrboro Board of Aldermen), Cathy Horton, Reed Palmer (Hazen and Sawyer) and Ben Poulson (UNC Associate Director of Energy Services).

Motions

1. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Approving a Sole Source Procurement for the Belt Filter Press Replacement. (Motion by Robert Morgan, second by John Young and unanimously approved.)
2. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Approving an Update to the Policy on Confidentiality of Individual Customers' Billing and Water-Consumption Records and Data. (Motion by Robert Morgan, second by John Young and unanimously approved.)
3. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Authorizing Orange Water and Sewer Authority's Executive Director to Apply for Loans from the State of North Carolina. (Motion by Robert Morgan, second by John Young and unanimously approved.)
4. Robert Morgan made a motion to approve the Minutes of the January 24, 2019 Meeting of the Board of Directors; second by John Young and unanimously approved.
5. Robert Morgan made a motion to approve the Minutes of the February 14, 2019 Meeting of the Board of Directors; second by John Young and unanimously approved.
6. Robert Morgan made a motion to approve the Minutes of the February 14, 2019 Closed Session of the Board of Directors to Discuss a Personnel Matter; second by John Young and unanimously approved.

7. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts Resolution Honoring Randy T. Horton to the Orange Water and Sewer Authority. (Motion by Ray DuBose, second by John Morris and unanimously approved.)

8. Bruce Boehm made a motion to set the rate for manual read meters to the same rate as the charge for other customer site visits, effective at the time of the next rate adjustment; second by Ruchir Vora and the motion passed with a vote of five to three with Ray DuBose, Robert Morgan and John Morris opposed.

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Announcements

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 disclose the same at this time; none were disclosed.

Ruchir Vora said the Community Engagement Committee met on March 5, 2019 to discuss Agua Vista Web Portal. Information on the public roll-out of the portal was shared; the Agua Vista Web Portal goes live on Monday, March 18, 2019 and customers will start receiving invitational emails and letters.

Mr. Vora said the Chapel Hill Town Council OWASA Committee and Chapel Hill Appointees to the OWASA Board met on March 14, 2019. Topics discussed included: Chapel Hill appointments to the OWASA Board; Water System Resiliency; Agua Vista Web Portal; the Mayor's water conservation challenge; update on Sewers for Historic Rogers Road Area; and an overview of our new Forestry Management Approach. The information was well-received, and everyone agreed to continue meeting three times a year.

Robert Morgan said the Human Resources Committee will meet on Monday, March 18, 2019 at 8:00 a.m. in the OWASA Boardroom to continue discussing OWASA's deferred compensation plan (457) benefit.

Ray DuBose said he attended the International District Energy Association 32nd Annual Campus Energy Conference in New Orleans, Louisiana. Mr. DuBose shared a few takeaways from the conference regarding resiliency and reliability and how well OWASA prepared for hurricanes in 2018 and November water emergency. Mr. DuBose shared information on possible 2050 climate change affects across the country.

Mr. Morgan said he received information on OWASA's Youth Water Academy and suggested OWASA approach Carrboro and Chapel Hill to inquire if there is interest in a "government day" for high school students to expose the students to the various careers local governments provide.

Item One: Sole Source Procurement of a new Belt Filter Press for the Jones Ferry Road Water Treatment Plant

Robert Morgan made a motion to approve the resolution; second by John Young and unanimously approved. Please see Motion 1 above.

Item Two: Resolution Approving an Update to the Policy on Confidentiality of Individual Customers' Billing and Water-Consumption Records and Data

Robert Morgan made a motion to approve the resolution; second by John Young and unanimously approved. Please see Motion 2 above.

Item Three: Resolution Authorizing Orange Water and Sewer Authority's Executive Director to Apply for Loans from the State of North Carolina

Robert Morgan made a motion to approve the resolution; second by John Young and unanimously approved. Please see Motion 3 above.

Item Four: Minutes

Robert Morgan made a motion to approve the Minutes of the January 24, 2019 Meeting of the Board of Directors; second by John Young and unanimously approved. Please see Motion 4 above.

Item Five: Minutes

Robert Morgan made a motion to approve the Minutes of the February 14, 2019 Meeting of the Board of Directors; second by Bruce Boehm and unanimously approved. Please see Motion 5 above.

Item Six: Minutes

Robert Morgan made a motion to approve the Minutes of the February 28, 2019 Closed Session of the Board of Directors to Discuss a Personnel Matter; second by John Young and unanimously approved. Please see Motion 6 above.

Item Seven: Resolution Honoring the Service of Randy T. Horton to the Orange Water and Sewer Authority

Ray DuBose made a motion to approve the resolution; second by John Morris and unanimously approved. Please see Motion 7 above.

The Board and staff expressed deep appreciation to Randy Horton for his service to OWASA and this community, and announced his retirement celebration will be held on Wednesday, March 27, 2019 at 2:00 p.m. at the Operations Center. Mr. Horton will retire on March 31, 2019 with over 42 years of dedicated service to OWASA and the Carrboro-Chapel Hill-Orange County community.

Item Eight: Diversity and Inclusion Program Update

The Board received a report on OWASA's Diversity and Inclusion (D&I) Program from the Diversity Resource Group which is a group of employee volunteers who help guide and promote D&I efforts. Sandra Bradshaw (Laboratory Supervisor – Wastewater Treatment Plant), Addison McDonough (Business Systems Analyst) and Alicia Grey (Administrative Assistant) provided an update on their work to date.

Item Nine: Review Status of Agua Vista Manual Read Option

In the Fall of 2017, the Board adopted a policy that defines terms of a "manual read option" for customers who object to having an Agua Vista meter installed at their residence. The policy sets forth the terms for performing manual meter readings including establishing a charge of \$25 per month to cover the costs of an OWASA employee traveling to a customers' site. Under the policy, only existing customers (residents who were customers at the time Agua Vista was implemented) are eligible for the manual read option. The Board considered making changes to the policy.

Robert Morgan made a motion to allow customers to choose the manual read option at any time; there was no second and the motion failed.

Robert Morgan made a motion to set the rate for manual read meters at \$30 per month, effective October 1, 2019, with an incremental \$5 per year increase until the rate is the same as the charge for other customer site visits (currently \$45); second by John Morris and the motion failed.

Ruchir Vora made a motion to set the rate for manual read meters at \$45 per month, effective October 1, 2019; second by Jody Eimers and the motion failed.

Yinka Ayankoya stated that customers who choose to have their meters read manually should pay the true cost of service of \$45 per monthly read to avoid compromising the affordability of service for all OWASA customers.

Bruce Boehm made a motion to set the rate for manual read meters to the same rate as the charge for other customer site visits, effective at the time of the next rate adjustment; second by Ruchir Vora and the motion passed with a vote of five to three with Ray DuBose, Robert Morgan and John Morris opposed. Please see motion 8 above.

Item Ten: Long-Range Water Supply Plan: Demands and Yield

The Board received and discussed a presentation on the development of the raw water demand projections including a Monte Carlo analysis completed to capture uncertainty in the projections. The raw water demand projections will be used as the basis to evaluate water supply and demand management options to meet the community's 2070 water needs.

The Board agreed that staff will use the 1st and 99th percentiles from the Monte Carlo analysis to illustrate the uncertainty in our demand projections.

The Board also agreed that staff will determine which percentile projection values to use to evaluate the various water supply and demand management alternatives against the criteria included in the goals and objectives.

Item Eleven: Review Preliminary Fiscal Year 2020 Budget Information

Stephen Winters, Director of Finance and Customer Service, gave a brief introduction to the draft operating budget for Fiscal Year (FY) 2020.

The Board requested additional information regarding what type of assets are included in the equipment maintenance budget and why the FY 2020 draft budget is higher than the budget for FY 2019.

John Young suggested that the Board may want to consider adjustments to employee health insurance benefits as part of the operating budget.

The Board will discuss drafts of the FY 2020 capital equipment, capital improvements and operating budgets, as well as rate adjustment information, on March 28, 2019.

Item Twelve: Draft Conceptual Approaches to Secure Access to OWASA's Jordan Lake Allocation

The Board received and discussed draft approaches to secure access to OWASA's Jordan Lake Allocation.

Item Thirteen: Review Board Work Schedule

The Board agreed that Ray DuBose will serve on Orange County's inter-agency Climate Committee.

The Board agreed that staff will revise the Community Engagement Plan approach for Forestry Management to indicate the Board will receive a report on the proposed community meeting summarizing feedback received on the overall approach, guiding principles and other matters important to stakeholders. This will be discussed by the Board on April 11, 2019.

The Board agreed that staff will add a banking request for proposals as an agenda item to the 12 Month Board Meeting Schedule.

Item Fourteen: Executive Director's Summary of Key Staff Action Items from the Work Session

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

- Implement the Board's decision on the rate for manual read meters;
- Proceed with work on Long-Range Water Supply Plan to develop water supply and demand management alternatives;
- Provide responses to questions regarding draft Fiscal Year 2020 Budget;

- Add banking request for proposals to the 12-Month Board Meeting Schedule; and
- Update draft Community Engagement Plan approach for Forestry Management to reflect new guidance.

Item Fifteen: Closed Session

Without objection, the Board continued in Closed Session for the purpose of discussing a personnel matter.

The Board meeting was adjourned at 9:25 p.m.

Respectfully submitted by:

A handwritten signature in black ink that reads "Andrea Orbich". The signature is written in a cursive, flowing style.

Andrea Orbich
Executive Assistant/Clerk to the Board

Attachments

Resolution Approving a Sole Source Procurement for the Belt Filter Press Replacement

Whereas, State of North Carolina General Statute (GS) 143-129 (Procedure for letting of public contracts) allows a governing board to approve purchases of apparatus, supplies, materials or equipment through a non-competitive, or "sole source," process when: (i) performance or price competition are not available; (ii) a needed product is available from only one source of supply; or (iii) standardization or compatibility is the overriding consideration; and

Whereas, there are two Belt Filter Presses (BFP) at the Jones Ferry Water Treatment Plant: BFP #1 which needs to be replaced and BFP #2 which will be rehabilitated; and

Whereas, standardization and compatibility of the two presses is essential to efficient and reliable function; and

Whereas, the SMX-14 BFP manufactured by Andritz Separation, Inc., is the only BFP model available for replacement of BFP #1 which would provide the essential standardization and compatibility with BFP #2; and

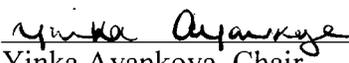
Whereas, this equipment will be included in a future construction contract bid as the only allowable model for the replacement of BFP #1, essentially committing OWASA to a sole source procurement; and

Whereas, pursuant to GS 143-129, the OWASA Board of Directors must approve purchases made through the sole source process prior to the award of the contract;

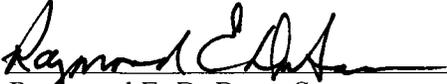
Now, Therefore, Be It Resolved:

1. That the Board of Directors has concluded that a sole source procurement for the SMX-14 Belt Filter Press is appropriate because standardization or compatibility is the overriding consideration.
2. That the Board of Directors hereby approves the sole source procurement of the SMX-14 Belt Filter Press manufactured by Andritz Separation, Inc. for the Jones Ferry Water Treatment Plant.
3. This resolution shall take effect immediately upon its passage.

Adopted this 14th day of March, 2019.


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 adopted a formal policy on the confidentiality of individual customers' billing and water-consumption records and data; and

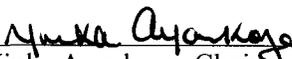
Whereas, General Statute 132-1.1, Public Enterprise Billing Information, states that billing information compiled and maintained by a city or county or other public entity providing utility services in connection with the ownership or operation of a public enterprise are not public records as defined in General Statute 132-1, and will not be disclosed unless the public agency determines that limited disclosure will be useful or necessary to assist bond counsel, bond underwriters, underwriters' counsel, rating agencies, investors or potential investors, or to assist in fire protection, rescue, or emergency management planning or analysis, or upon proper notice and order from duly authorized judicial officers; and

Whereas, the Board of Directors has determined to direct that individual customer account records will not be disclosed for law enforcement purposes except as directed by a duly obtained search warrant or other proper judicial order;

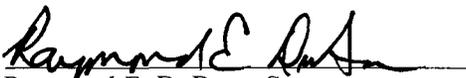
Now, Therefore, Be It Resolved:

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 hereby is, authorized and directed to interpret and implement said policy.

Adopted this 14th day of March 2019.


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. Disclosure may be made in response to requests from law enforcement agencies only upon the direction or authorization of a formal search warrant or other appropriate order of a judicial official.

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.

Reviewed by General Counsel:

3/14/19
Date

Robert Spring
General Counsel

Adopted by the Board:

3/14/19
Date

Andrea Olsen
Clerk to the Board

**Resolution Authorizing Orange Water and Sewer Authority's Executive Director to Apply for
Loans from the State Of North Carolina**

Whereas, the Federal Clean Water Act Amendments of 1987 and the North Carolina Water Infrastructure Act of 2005 (NCGS 159G) have authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of drinking water treatment works and drinking water distribution system projects; and

Whereas, the Orange Water and Sewer Authority has need for and intends to complete several water utility system improvements projects described as:

- (a) Water Treatment Plant Belt Filter Press Replacement,
- (b) University Lake Permanganate Facility,
- (c) West Cameron Avenue Water Main Replacement; and

Whereas, the Board of Directors of Orange Water and Sewer Authority intends to request state loan assistance for the projects;

Now, Therefore, Be It Resolved:

1. That Orange Water and Sewer Authority will arrange financing for all remaining costs of the project, if approved for a state loan award.
2. That Orange Water and Sewer Authority will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.
3. That the governing body of the Orange Water and Sewer Authority agrees to include in the loan agreement a provision authorizing the State Treasurer, upon failure of the Orange Water and Sewer Authority to make scheduled repayment of the loan, to withhold from the Orange Water and Sewer Authority any state funds that would otherwise be distributed to the local government unit in an amount sufficient to pay all sums then due and payable to the state as a repayment of the loan.
4. That Orange Water and Sewer Authority will provide for efficient operation and maintenance of the projects on completion of construction thereof.
5. That Ed Kerwin, Executive Director of Orange Water and Sewer Authority, and successors so titled, is hereby authorized to execute and file an application on behalf of the Orange Water and Sewer Authority with the State of North Carolina for loans to aid in the construction of the projects described above.
6. That Ed Kerwin, Executive Director of Orange Water and Sewer Authority, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate state agency may request in connection with such application or the project: to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

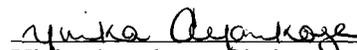
Resolution Authorizing OWASA's Executive Director to Apply for Loans from the State of North
Carolina

March 14, 2019

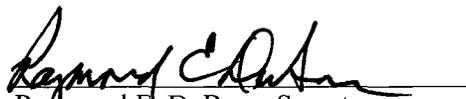
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7. That Orange Water and Sewer Authority has substantially complied or will substantially comply with all federal, state, and local laws, rules, regulations, and ordinances applicable to the above projects and to federal and state grants and loans pertaining thereto.

Adopted this 14th day of March 2019.

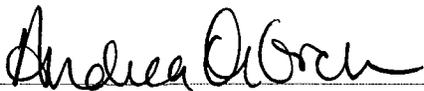

Yinka Ayankoya, Chair

ATTEST:


Raymond E. DuBose, Secretary

Certification by Recording Officer

The undersigned duly qualified and acting Clerk to the Board of Directors of the Orange Water and Sewer Authority does hereby certify: That the above/attached resolution is a true and correct copy of the resolution authorizing the filing of an application with the State of North Carolina, as regularly adopted at a legally convened meeting of the Board of Directors duly held on the 14th day of March 2019; and, further, that such resolution has been fully recorded in the journal of proceedings and records in my office. IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of March, 2019.



Andrea Orbich
Clerk to the Board of Directors



**Resolution Honoring the Service of Randy T. Horton
to the Orange Water and Sewer Authority**

Whereas, Mr. Randy T. Horton (Randy) has retired from service as Manager of OWASA's Water Distribution and Wastewater Collection Department, effective March 31, 2019, and the Board of Directors wishes to honor and recognize his work, his character, and the example he leaves for us all; and

Whereas, Randy came to work for OWASA when its operation began on February 16, 1977, and has continued and progressed from his original position as a Line Mechanic, to become Manager of the Distribution and Collection Department, all as a result of his having learned the locations and purposes of every pipe, valve, service connection, shovel and hoe operated by OWASA, by his tireless effort during regular hours and every inevitable night, holiday and weekend emergency, and by his commitment to know and care about the lives of every person who worked with him outside in the heat of summer and through the freezing rains of winter, to keep in operation the water and wastewater systems, the lifelines of our community; and

Whereas, Randy came to be widely known and admired across our community as "that nice, helpful man from OWASA" who deeply cares and has compassion for "his" customers; and

Whereas, Randy has set an excellent example for all who have come to work for OWASA during his career, as well as those who will hear about him when they come to work at OWASA in the future; and

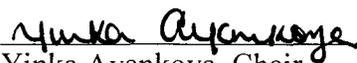
Whereas, OWASA shares Randy's pride of the many people he has hired, trained and supported over the years, so many with highly successful careers at OWASA and elsewhere; and

Whereas, Randy's former and current co-workers are proud to call him friend;

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. Randy T. Horton to OWASA and the people of Chapel Hill, Carrboro and Orange County; and the Board of Directors expresses its best wishes to him and his family for an abundance of happiness.

Adopted and presented this 14th day of March 2019.



Yinka Ayankoya, Chair

ATTEST:



Raymond E. DuBose, Secretary