ORANGE WATER AND SEWER AUTHORITY

A public, non-profit agency providing water, sewer and reclaimed water services to the Carrboro-Chapel Hill community.

AGENDA
MEETING OF THE OWASA BOARD OF DIRECTORS
THURSDAY, JUNE 23, 2016, 7:00 P.M.
CHAPEL HILL TOWN HALL

In compliance with the "Americans with Disabilities Act," interpreter services are available with five days prior notice. If you need this assistance, please contact the Clerk to the Board at 919-537-4217 or aorbich@owasa.org.

The Board of Directors appreciates and invites the public to attend and observe its meetings. Public comment is invited either by petition upon topics not on the Board's agenda, or by comments upon items appearing on the Board's agenda. Speakers are invited to submit more detailed comments via written materials, ideally submitted at least three days in advance of the meeting to the Clerk to the Board via email or US Postal Service (aorbich@owasa.org/400 Jones Ferry Road, Carrboro, NC 27510).

Public speakers are encouraged to organize their remarks for delivery within the four minute time frame allowed each speaker. Additional time may be allowed at the discretion of the Board of Directors.

Announcements

1. Announcements by the Chair
   A. Any Board Member who knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight is asked to disclose the same at this time.
2. Announcements by Board Members
3. Announcements by Staff
   A. Annual Report on 2015 Water Quality Report Cards (Todd Taylor)
   B. Stewardship Forest Certification for OWASA's Cane Creek Reservoir Mitigation Tract (Ruth Rouse/John Howard, NC Forest Service)

Petitions and Requests

1. Public
2. Board
3. Staff

CONSENT AGENDA

Action

1. Resolution Adopting a New Records Retention and Disposition Schedule for Water & Sewer Authorities and Sanitary Districts (Andrea Orbich)
2. Approval of the Minutes of the May 12, 2016 Work Session of the Board of Directors (Andrea Orbich)
3. Approval of the Minutes of the May 26, 2016 Meeting of the Board of Directors (Andrea Orbich)

REGULAR AGENDA

Discussion and Action

4. Resolution Honoring the Service of Quinton Harper to the Chapel Hill-Carrboro-Orange County Community as a Member of the Orange Water and Sewer Authority's Board of Directors (John Young)

Discussion

5. Overview of the Mountains-to-Sea Trail and Discuss Staff Proposed Conditions for the Trail to be located on OWASA Property (Ruth Rouse, Dave Stancil of Orange County and Kate Dixon of Friends of the Mountains-to-Sea Trail)

Election of Secretary of the Board

6. Election of Secretary of the Board of Directors (Dave Moreau, Chair of the Nominating Committee)

Summary of Board Meeting Action Items

7. Executive Director will summarize the key action items from the Board meeting and note significant items for discussion and/or action expected at the next meeting

AGENDA ITEM

- Resolution Adopting a New Records Retention and Disposition Schedule for Water & Sewer Authorities and Sanitary Districts

BACKGROUND

- As a public agency, OWASA may only destroy records with the consent of the North Carolina Department of Natural and Cultural Resources. The State Archives of North Carolina is a division of the DNCR, and is charged by Chapters 21 and 132 of the North Carolina General Statutes with administering the State's public records management program requirements.

- The DNCR has revised and updated the Records Retention and Disposition Schedule applicable to Water & Sewer Authorities and Sanitary Districts and requested that the authorities' governing boards statewide approve the new schedule.

STAFF RECOMMENDATION

- Approval of the Resolution Adopting a New Records Retention and Disposition Schedule for Water & Sewer Authorities and Sanitary Districts.

June 23, 2016

ORANGE WATER AND SEWER AUTHORITY

A public, non-profit agency providing water, sewer and reclaimed water services to the Carrboro-Chapel Hill community.

MEMORANDUM

TO: Board of Directors

THROUGH: Ed Kerwin

FROM: Andrea Orbich

DATE: June 15, 2016

SUBJECT: Resolution Adopting a New Records Retention and Disposition Schedule for Water & Sewer Authorities and Sanitary Districts

As a public agency, OWASA may only destroy records with the consent of the North Carolina Department of Natural and Cultural Resources (DNCR). The State Archives of North Carolina is a division of the DNCR, and is charged by Chapters 21 and 132 of the North Carolina General Statutes with administering the State's public records management program requirements.

The DNCR has revised and updated the Records Retention and Disposition Schedule applicable to Water & Sewer Authorities and Sanitary Districts (Attachment 1) and requested that the authorities' governing boards statewide approve the new schedule. The updated Records Retention and Disposition Schedule can be viewed here.

The purpose of the resolution (Attachment 2) is to recognize and require retention of OWASA records consistent with the requirements of the revised Records Retention and Disposition Schedule. There is no fiscal impact in this schedule update and it is requested that the Board approve the Resolution Adopting a New Records Retention and Disposition Schedule for Water & Sewer Authorities and Sanitary Districts effective June 23, 2016.

Andrea Orbich

Andrea Orbich
Executive Assistant

Attachments:
1. Memorandum from DNCR
2. Resolution

North Carolina Department of Natural and Cultural Resources

Pat McCrory, Governor
Susan Kluttz, Secretary

Division of Archives and Records
Kevin Cherry, Deputy Secretary

Memorandum

DATE: May 2, 2016

TO: Clerks and Administrative Assistants to North Carolina Water and Sewer Authorities and Sanitary Districts

FROM: Kurt Brenneman
Government Records Section

RE: Records Retention and Disposition Schedule Update

The Government Records Section of the State Archives of North Carolina has updated the Water & Sewer Authorities and Sanitary Districts Records Retention and Disposition Schedule. The updated schedule, dated May 1, 2016, is available for signature by Water & Sewer Authorities and Sanitary Districts at the following URL:

http://archives.ncdcr.gov/Portals/3/PDF/schedules/Local%20Schedules/Water_and_Sewer_Authorities_20160501.pdf?ver=2016-04-29-124522-103

Please have the schedule signed by the Authority Director/CEO and approved by the Authority's governing board and signed by the Chair of the governing board in an open meeting. Please send a copy of the signature page to the Government Records Section at the address or fax number below, or email a copy to a Records Management Analyst.

Government Records Section
North Carolina Department of Natural and Cultural Resources
4615 Mail Service Center
Raleigh, NC 27699-4615
Fax: (919) 715-3627

Thank you for your feedback and comments that contributed to the new schedule. If you have any questions or concerns about the new schedule, please contact the Government Records Section at (919) 807-7350.

RESOLUTION ADOPTING A NEW RECORDS RETENTION AND DISPOSITION SCHEDULE FOR WATER & SEWER AUTHORITIES AND SANITARY DISTRICTS

WHEREAS, Orange Water and Sewer Authority (OWASA) adopted a Records Retention and Destruction Policy on August 12, 2004; and

WHEREAS, the North Carolina Department of Natural and Cultural Resources has issued an updated Water & Sewer Authorities and Sanitary Districts Records Retention and Disposition Schedule and requested that the authorities' governing boards statewide approve the new schedule;

NOW, THEREFORE, BE IT RESOLVED BY THE ORANGE WATER AND SEWER AUTHORITY BOARD OF DIRECTORS:

1. That the OWASA Board of Directors adopts the North Carolina Records Retention and Disposition Schedule for Water & Sewer Authorities and Sanitary Districts in accordance with North Carolina General Statues Chapters 121 and 132 and dated May 1, 2016, and directs OWASA staff to comply with the requirements of the updated schedules as applicable.

Adopted this 23rd day of June 2016.

_____
John A. Young, Chair

ATTESTED:

_____
Andrea Orbich, Assistant Secretary

ORANGE WATER AND SEWER AUTHORITY

WORK SESSION OF THE BOARD OF DIRECTORS

MAY 12, 2016

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a Work Session on Thursday, May 12, 2016 at 6:00 P.M. in OWASA's Community Room in the Administration Building, 400 Jones Ferry Road, Carrboro.

Board Members present: John A. Young (Chair), Robert Morgan (Vice Chair), Heather Payne (Secretary), Terri Buckner, Jeff Danner, Barbara Foushee, Quinton Harper, David Moreau and Ruchir Vora.

OWASA staff present: Ed Kerwin, Denise Battle, Mary Darr, Greg Feller, Stephanie Glasgow, Andrea Orbich, Stephen Winters, Todd Taylor, Mary Tiger, and Robert Epting of Epting and Hackney.

Public present: Margaret Holton, Water, Sewer and Stormwater Manager, and Ben Poulson, Associate Director of Energy Services, University of North Carolina at Chapel Hill; Ann Antonsen, Springsted, Inc.; Ellen Tucker, Hill, Chesson and Woody; and Braxton Foushee, Carrboro resident.

MOTIONS

1. BE IT RESOLVED THAT the Orange Water and Sewer Authority Board of Directors adopts the Resolution Authorizing the Executive Director to Execute Contracts with Blue Cross Blue Shield of North Carolina for Employee Health, Dental, Life, Dependent Life, Accidental Death and Dismemberment and Long Term Disability Insurance. Resolution so titled attached hereto and made a part of these minutes. Motion by Terri Buckner, second by Ruchir Vora and unanimously approved.

2. Dave Moreau proposed that the Nominating Committee be directed to notify Board Members via e-mail of its nominations not less than seven (7) days before the day on which the elections are to be held; second by Jeff Danner and unanimously approved.

ANNOUNCEMENTS

Mr. Young said any Board Member who knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight is asked to disclose the same. None were disclosed.

Dave Moreau said that the Natural Resources and Technical Services Committee is in the process of scheduling a meeting in early June 2016 to discuss the use of chloramines and related drinking water considerations important to customers.

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ITEM ONE: REVIEW EMPLOYEE HEALTH, DENTAL, LIFE, DEPENDENT LIFE, ACCIDENTAL DEATH AND DISMEMBERMENT AND LONG TERM DISABILITY INSURANCE

The Board approved renewal of health and dental insurance coverage for employees from July 2016 through June 2017; health insurance costs to OWASA will increase 15%. The Board approved renewal of life, dependent life, accidental death and dismemberment and long term disability insurance coverage for employees from July 2016 through June 2018 with no cost increases.

Terri Buckner made a motion to approve the Resolution Authorizing the Executive Director to Execute Contracts with Blue Cross Blue Shield of North Carolina for Employee Health, Dental, Life, Dependent Life, Accidental Death and Dismemberment and Long Term Disability Insurance; second by Ruchir Vora and unanimously approved. Please see Motion No. 1 above.

ITEM TWO: DISCUSS DRAFT SCOPE OF WORK FOR EMPLOYEE TOTAL COMPENSATION STUDY

The Board discussed a proposal from OWASA's consultant for the next phase in the study of total compensation of employees and agreed future Board discussions are needed. The Board agreed to defer development work with consultant on the compensation study. The Board directed the Human Resources Committee to work with staff to prepare for a Board discussion of compensation alternatives in the fall of 2016.

ITEM THREE: REVIEW INFORMATION AND OPTIONS FOR EMPLOYEE MERIT PAY FOR FISCAL YEAR 2017

The Board began discussion of potential cost of labor and merit pay increases and requested additional information from staff to assist in the decision making at the Board's June 9th meeting: five-year pay increase history for OWASA and benchmark organizations; impact on annual employees' net pay of Fiscal Year 2017 proposed salary and anticipated health insurance cost increases; and employee health insurance coverage levels by salary grade.

The Board agreed to ask Terri Buckner and Ruchir Vora to propose an alternative approach for merit pay.

ITEM FOUR: REVIEW BOARD WORK SCHEDULE

The Board reviewed draft agendas for the next two meetings and the 12-month calendar of meetings and also agreed to add the discussion of a Board self-assessment to the June 9, 2016 meeting. The Board added the process to develop an inclusion and diversity plan as well as an item to review and approve/reclassify positions to the Board's July 14 meeting. It was agreed that the Board's July 27 and August 10, 2016 meetings will be canceled.

The Board agreed to receive information and staff recommendations at the June 23, 2016 meeting about Orange County's proposal to site portions of the Mountains-to-Sea Trail on

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OWASA's property. It was also agreed that the Board will not make a decision regarding the use of OWASA property for a proposed trail route until after the June 23rd meeting. Property owners and other stakeholders will be notified in advance of the June 23rd meeting and invited to comment. Prior to June 23rd meeting, staff will provide Board Members tours of some potential locations of the proposed trail.

The Board requested information on the University of North Carolina at Chapel Hill's NPDES (National Pollutant Discharge Elimination System) Permit to discharge wastewater from the Cogeneration Facility to ensure protection of OWASA's wastewater management system. Staff will also provide a future report on our work with UNC to ensure protection of OWASA's wastewater management system.

ITEM FIVE: APPOINTMENT OF THE NOMINATING COMMITTEE

Without objection, John Young appointed the following Board Members to the Nominating Committee: Dave Moreau (Chair), Barbara Foushee, Quinton Harper and Robert Morgan. The Committee will make recommendations to be considered when the Board elects officers on June 9, 2016.

Dave Moreau proposed that the Nominating Committee be directed to notify Board Members via e-mail of its nominations not less than seven (7) days before the day on which the elections are to be held; second by Jeff Danner and unanimously approved. Please see Motion 2 above.

ITEM SIX: EXECUTIVE DIRECTOR WILL SUMMARIZE THE KEY STAFF ACTION ITEMS FROM THE WORK SESSION

Ed Kerwin summarized the key action items as follows:

- Staff will work with the Human Resources Committee to design a Board work session in the fall of 2016 focused on a range of compensation alternatives.

- Staff will provide additional information to assist in the decision making of employee merit pay at the Board's June 9th meeting.

- Staff will provide an overview presentation of the Mountains-to-Sea Trail (MST) to include recommended conditions for the MST to be located on OWASA land. Staff will also inform stakeholders and property owners adjacent to OWASA land in the area of the June 23rd meeting, including Mr. and Mrs. John Silva.

- Staff will distribute the 2016 Board Self-Assessment, collect and compile the results for the Board's discussion on June 9th.

- Staff will prepare a proposed approach, content and vision for an inclusion and diversity plan for discussion at the Board's July 14, 2016 meeting.

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- Staff will provide information on the University of North Carolina (UNC) at Chapel Hill's NPDES (National Pollutant Discharge Elimination System) Permit to discharge wastewater from the Cogeneration Facility.

- Staff will provide a future report on our work with UNC to ensure protection of OWASA's wastewater management system.

The meeting was adjourned at 8:48 PM.

Respectfully submitted by:

Andrea Orbich
Executive Assistant/Clerk to the Board

Attachment

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ORANGE WATER AND SEWER AUTHORITY

PUBLIC HEARINGS AND MEETING OF THE BOARD OF DIRECTORS

MAY 26, 2016

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held public hearings and a regular business meeting on Thursday, May 26, 2016, at 7:00 P.M. in the Council Chamber, Chapel Hill Town Hall, 405 Martin Luther King Jr. Boulevard.

Board Members present: John A. Young (Chair), Terri Buckner, Barbara Foushee, Quinton Harper and David (Dave) Moreau. Board Members absent: Robert Morgan (Vice Chair), Heather Payne (Secretary), Jeff Danner and Ruchir Vora.

OWASA staff present: Ed Kerwin, Mary Darr, Monica Dodson, Greg Feller, Vishnu Gangadharan, Simon Lobdell, Andrea Orbich, Kelly Satterfield, Todd Taylor, Mary Tiger, Stephen Winters and Robin Jacobs of Epting and Hackney.

Public present: none.

There being a quorum present, Chair John Young called the meeting to order.

* * * * * * * * *

MOTIONS ACTED UPON

1. Dave Moreau made a motion to close the Public Hearings on the Preliminary Annual Operating and Capital Improvements Budget and the proposed adjustments to Rates, Fees and Charges; the motion was seconded by Quinton Harper, and unanimously approved.

2. Terri Buckner made a motion to approve the Minutes of the April 14, 2015 Work Session of the Board of Directors, second by Barbara Foushee and unanimously approved.

3. Terri Buckner made a motion to approve the Minutes of the April 23, 2015 Meeting of the Board of Directors, second by Barbara Foushee and unanimously approved.

4. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the Resolution Awarding a Construction Contract for the Cane Creek Permanganate Facility Project. (Motion by Terri Buckner, second by Barbara Foushee and unanimously approved.)

5. Terri Buckner made a motion that the Board of Directors approve the Revised Charter for the Energy Management Plan and authorize staff to proceed with this project in accordance with the approach described therein; second by Dave Moreau and unanimously approved.

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ANNOUNCEMENTS

Conflict Of Interest

John Young said any Board Member who knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight is asked to disclose the same at this time. None were disclosed.

Natural Resources and Technical Services (NRTS) Committee

Dave Moreau said that the NRTS Committee will meet on June 8, 2016, at 5:30 P.M. in the OWASA Board Room to discuss chloramines and related drinking water considerations important to customers.

Nominating Committee

Dave Moreau said that the Nominating Committee meet on May 23, 2016, to consider nominations for officers for Fiscal Year 2017. He noted that while nominations are incomplete, it is likely that multiple nominations will be considered for each officer position.

Request to Service on Town of Chapel Hill Advisory Board

Andrea Orbich announced that the Town of Chapel Hill boards and commissions are looking for new members. Interested residents are encouraged to apply immediately. For additional information and to apply online, please visit www.townofchapelhill.org/boards or contact Town staff in the Communications and Public Affairs office.

ITEM ONE: CONCURRENT PUBLIC HEARINGS ON THE PRELIMINARY ANNUAL OPERATING AND CAPITAL IMPROVEMENTS BUDGET AND PROPOSED RATES, FEES AND CHARGES

John Young opened the concurrent Public Hearings on the Preliminary Annual Operating and Capital Improvements Budget and the proposed Rates, Fees and Charges for Fiscal Year (FY) 2017.

Ed Kerwin began the presentation by noting that after receiving customers' feedback, the Board will close the public hearings and continue deliberations on next year's budget and rates. If the Board approves the proposed FY 2017 budget and rates on June 9, 2016, it will be the fifth year in a row with no increase in monthly water, wastewater and reclaimed water rates. This accomplishment was achieved through proactive measures and investments to improve efficiencies in operations while ensuring consistent high quality and reliable services.

Mr. Kerwin mentioned that the proposed capital improvements program includes a project to install Advanced Metering Infrastructure (AMI). AMI will enable water meters to be read remotely, provide detailed information about water use to customers, improve OWASA staff's ability to provide excellent customer service, help identify leaks, reduce vehicle use, and save

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water and money. He said that OWASA continues to look for ways to reduce costs and we are working to achieve our goal to reduce purchased electricity by 35% by 2020. We are also updating OWASA's 50-year water supply plan in order to help ensure a reliable and high quality water supply for the community.

Stephen Winters said a key objective of OWASA's strategic plan is to secure financial stability for the long-term sustainability of the community's water and wastewater systems. Budget and rate-setting assumptions must meet requirements of OWASA's founding documents and agreements, Bond Order, Financial Management Policy and State law. The organization's revenue comes solely from customer fees; OWASA is required to charge customers the full cost of providing water and wastewater services.

Mr. Winters noted that OWASA does not expect an increase in the volume of drinking water sales for FY 2017. Projected total revenue is about $37.9 million. The budget includes $21 million for operating expenses and $6.9 million for debt service payments. The CIP budget is projected to be $13.6 million. Over the next five years, total CIP spending is expected to be about $87 million with over 80% to be spent on rehabilitation and replacement, about 8% on expanding the system's capacity, and approximately 12% for system enhancement.

Mr. Winters reiterated that the Board is considering approving a budget that, for the fifth consecutive year, includes no increase in monthly water, wastewater and reclaimed water rates. Long-term planning indicates that OWASA is sustainable and water resources will meet expected demand for the next 50 years under most circumstances. Current planning also indicates that the water and wastewater treatment plants will not have to be expanded for at least 15 years.

Mr. Young opened the concurrent Public Hearings for public comments; none were received.

Dave Moreau made a motion to close the Public Hearings on the Preliminary Annual Operating and Capital Improvements Budget and the proposed adjustments to Rates, Fees and Charges; the motion was seconded by Quinton Harper, and unanimously approved. Please see Motion No. 1 above.

Mr. Young opened the discussion for Board comments.

Dave Moreau commented that OWASA has a capital intensive program.

Terri Buckner thanked staff for helping the Board keep customer rates low.

Mr. Young agreed with Ms. Buckner and Mr. Moreau's comments and noted that the Board may want to review the possibility of a longer horizon with no rate increase and what that would look like for OWASA customers. Mr. Young concluded that the Board will make a final decision on the budget and rates on June 9, 2016.

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ITEM TWO: PETITIONS AND REQUESTS:

John Young asked for petitions and requests from the public, Board and staff; none were received.

ITEM THREE: MINUTES

Terri Buckner made a motion to approve the Minutes of the April 14, 2016 Work Session of the Board of Directors; second by Barbara Foushee and unanimously approved. Please see Motion No. 2 above.

ITEM FOUR: MINUTES

Terri Buckner made a motion to approve the Minutes of the April 28, 2016 Meeting of the Board of Directors; second by Barbara Foushee and unanimously approved. Please see Motion No. 3 above.

ITEM FIVE: RESOLUTION AWARDING A CONSTRUCTION CONTRACT FOR THE CANE CREEK PERMANGANATE FACILITY PROJECT

Simon Lobdell, Utilities Engineer, provided a PowerPoint presentation on this item.

John Young inquired as to the other bidders' information on participation by minority and women owned business enterprises in the Cane Creek Permanganate Facility Project. Staff will provide this information.

Terri Buckner made a motion to approve the resolution; second by Barbara Foushee and unanimously approved. Please see Motion No. 4 above.

ITEM SIX: REVIEW THE REVISED CHARTER FOR THE ENERGY MANAGEMENT PLAN

Mary Tiger, Sustainability Manager, provided a PowerPoint presentation on this item, including an update on OWASA's historical energy use.

The Board requested to be updated on energy management activities that have been completed recently or are underway.

Terri Buckner made a motion that the Board of Directors approve the Revised Charter for the Energy Management Plan and authorize staff to proceed with this project in accordance with the approach described therein; second by Dave Moreau and unanimously approved. Please see motion No. 5 above.

ITEM SEVEN: DISCUSS STAFF PROPOSED UPDATE TO STRATEGIC PLAN

The Board agreed to reschedule discussion on this item to the June 9, 2016 meeting.

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ITEM EIGHT: EXECUTIVE DIRECTOR WILL SUMMARIZE THE KEY ACTION ITEMS FROM THE BOARD MEETING AND NOTE SIGNIFICANT ITEMS FOR DISCUSSION AND/OR ACTION EXPECTED AT THE NEXT BOARD MEETING

Ed Kerwin summarized staff action items as follows:

- June 9, 2016 Work Session will include the following agenda items:
    - Approval of the Schedule of Rates, Fees and Charges; Annual Budget; and Five-Year Capital Improvements Program
    - Discussion of Employee Merit Pay for Fiscal Year 2017
    - Discuss Staff's Proposed Update to Strategic Plan
    - Election of Officers
    - Discussion of 2016 Board Self-Assessment
- Staff will follow up on minority and women owned business enterprise participation information from other bidders for the Cane Creek Permanganate Facility Project.
- Staff will follow up with an update on energy management strategies that have been completed recently or are underway.

ITEM NINE: CLOSED SESSION

Without objection, the Board convened in the First Floor Conference Room in a closed session for the purpose of discussing a personnel matter.

The meeting was adjourned at 9:15 PM.

Respectfully submitted,

Andrea Orbich
Executive Assistant/Clerk to the Board

Attachments

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AGENDA ITEM

- Resolution Honoring the Service of Quinton Harper to the Chapel Hill-Carrboro-Orange County Community as a Member of the Orange Water and Sewer Authority's Board of Directors

BACKGROUND

- Since inception of Orange Water and Sewer Authority, the Board of Directors has adopted Resolutions of Appreciation for the service of a retiring member of the Board.

- The adopted resolution would be specially printed and framed for presentation to Quinton Harper.

STAFF RECOMMENDATION

- Adopt the Resolution Honoring the Service of Quinton Harper to the Chapel Hill-Carrboro-Orange County Community as a Member of the Orange Water and Sewer Authority's Board of Directors.

June 23, 2016

RESOLUTION HONORING THE SERVICE OF QUINTON HARPER TO THE CHAPEL HILL-CARRBORO-ORANGE COUNTY COMMUNITY AS A MEMBER OF THE ORANGE WATER AND SEWER AUTHORITY'S BOARD OF DIRECTORS

WHEREAS, on May 20, 2014, the Carrboro Board of Aldermen appointed Quinton Harper to serve on the Board of Directors of the Orange Water and Sewer Authority (OWASA); and

WHEREAS, Mr. Harper served on the OWASA Board from June 12, 2014, to June 30, 2016; and

WHEREAS, Mr. Harper served on the Board's Community Engagement, Finance and Natural Resources and Technical Services Committees; and

WHEREAS, Mr. Harper gave freely of his time, energy, and talent in serving the community and OWASA customers with unselfish dedication and compassionate concern; and

WHEREAS, Mr. Harper brought to OWASA a passion for and insight into relationships and communications with the people we serve and the people who work at OWASA, and he strengthened the Board's deliberations with his intellect and his concise articulation of issues and needs;

NOW, THEREFORE, BE IT RESOLVED BY THE ORANGE WATER AND SEWER AUTHORITY BOARD OF DIRECTORS:

1. That the Board of Directors expresses to Mr. Quinton Harper the Board's sincere appreciation and deep gratitude for his outstanding service, leadership and stewardship as a Member of the OWASA Board; and the Board wishes for Mr. Harper much happiness in the years ahead.

2. That this resolution be recorded in the minutes of the OWASA Board of Directors and be part of the permanent records of OWASA, and that a copy of this resolution be transmitted to the Carrboro Board of Aldermen.

Adopted and presented this 23rd day of June, 2016.

_____
John A. Young, Chair

ATTEST:

_____
Andrea Orbich, Assistant Secretary

AGENDA ITEM

- Overview of the Mountains-to-Sea Trail and Discuss Staff Proposed Conditions for the Trail to be Located on OWASA Property

PURPOSE

- The purpose of this agenda item is to provide the Board of Directors an overview of the Mountains-to-Sea Trail (MST), Orange County's process to develop a potential trail route, and OWASA staff recommendations for conditions for use of OWASA land near the Cane Creek Reservoir for a proposed portion of the MST. A presentation will be made by staff from Friends of MST, Orange County, and OWASA.

BACKGROUND

- The MST is a trail that will extend from the Great Smoky Mountains to Jockey's Ridge State Park on the Outer Banks.
- From 2005-2007, the North Carolina Division of Parks and Recreation led stakeholder meetings to plan the trail through Alamance, Orange, and Durham Counties. OWASA staff participated in these early stakeholder meetings.
- In 2009, the Chair of the OWASA Board of Directors sent a letter to the Chair of the Orange County Board of Commissioners (BOCC) indicating that OWASA would allow the use of its property in the vicinity of Cane Creek Reservoir as long as three conditions were met:
    - There is no compromise of water quality in Cane Creek Reservoir
    - There is no expenditure of OWASA funds
    - Arrangements would be made to minimize any additional security risks associated with hikers using the property around the reservoir
- The BOCC approved a planning corridor for the trail in April 2010 that crosses OWASA land near Cane Creek Reservoir.
- Orange County staff are currently working with other groups and holding public meetings to transition the trail planning corridor to a proposed trail alignment(s).
- While the 2009 letter from the OWASA Board of Directors to the BOCC supports the use of OWASA land for the MST, the three conditions are broad. Providing more detailed conditions to Orange County on the use of our land for the MST during their public engagement and trail planning process will help the County determine the feasibility of using OWASA's land and identify a proposed trail alignment(s).

ACTION NEEDED

- The Board will not take action on this item this evening. The Board will receive and discuss information on the MST, ask any questions they have on the material presented, and receive public comment about the information.

ORANGE WATER AND SEWER AUTHORITY

A public, non-profit agency providing water, sewer and reclaimed water services to the Carrboro-Chapel Hill community.

MEMORANDUM

TO: Board of Directors

THROUGH: Ed Kerwin

FROM: Ruth Rouse

DATE: June 17, 2016

SUBJECT: Overview of the Mountains-to-Sea Trail and Discuss Staff Proposed Conditions for the Trail to be Located on OWASA Property

BACKGROUND

The Mountains-to-Sea Trail (MST) is a trail that will extend over 1000 miles from the Great Smoky Mountains to Jockey's Ridge State Park on the Outer Banks. Over half the planned trail has been completed to date. The MST is a part of the state parks system, but different sections of the trail are managed by various groups or local governments. Other background information on the MST can be found on the Friends of the MST website.

PUBLIC NOTICE

A public notice of this Board meeting was mailed to approximately 100 landowners who have property adjacent to OWASA land near Cane Creek Reservoir on June 6. In addition, the notice was emailed to others who have expressed interest in the MST or recreation on OWASA property.

THE MST IN ORANGE COUNTY

In April 2010, the Orange County Board of Commissioners (BOCC) approved a wide trail corridor after working through the County's Intergovernmental Parks Work Group (Attachment 1). There are portions of the MST in Orange County that are completed and open for public use near the Town of Hillsborough.

On November 18, 2015 representatives from the North Carolina Division of Parks and Recreation presented the MST Statewide Master Plan to the BOCC. At that meeting the BOCC requested county staff to develop a draft plan to address the MST in Orange County. County staff presented a proposed process to the BOCC at its January 21, 2016 meeting. The BOCC approved the planned process at the meeting. Based on that approved process, Orange County staff are currently working with other groups and holding public meetings to transition the trail planning corridor to a proposed trail alignment(s). Additional information including a list of frequently asked questions is located on the County's website.

A portion of the proposed MST corridor is located on OWASA-owned land near Cane Creek Reservoir, one of OWASA's drinking water supplies. In December 2009, the chair of the OWASA Board of Directors sent a letter to Chair of the BOCC (Attachment 2) indicating that OWASA would allow the use of its property in the vicinity of Cane Creek Reservoir as long as three conditions were met:

- There is no compromise of water quality in Cane Creek Reservoir
- There is no expenditure of OWASA funds
- Arrangements would be made to minimize any additional security risks associated with hikers using the property around the reservoir

While the 2009 letter from the OWASA Board of Directors to the BOCC supports the use of OWASA land for the MST, the three conditions are broad. Thus, OWASA staff developed draft conditions to include portions of the MST on OWASA land for the Board of Directors to consider (Attachment 3).

At a future meeting the OWASA Board of Directors will determine whether the MST may be located on OWASA property and the detailed conditions that must be met. More details on the proposed process to site the MST on OWASA land and the opportunities for public input are provided in Attachment 4.

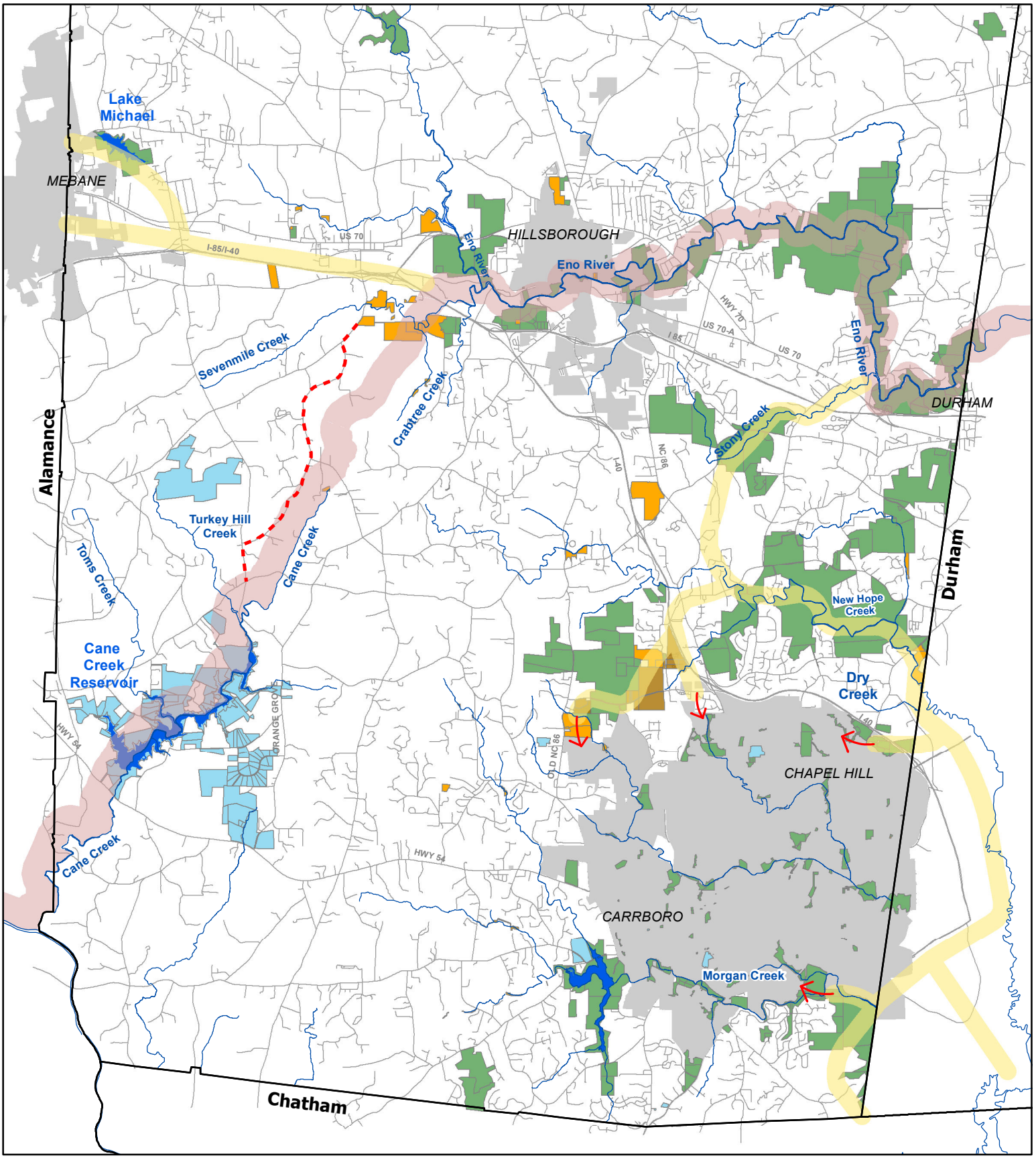
Ruth C. Rouse, AICP
Planning and Development Manager

Attachments:

1: Map of the MST Planning Corridor in Orange County
2: Letter from Randy Kabrick, Chair of OWASA Board of Directors to Valarie Foushee, Chair of BOCC dated December 10, 2009
3: Draft OWASA Conditions for Mountains-to-Sea Trail on its Land near Cane Creek Reservoir
4: Proposed Process to Site the MST on OWASA Land

NC Mountains-to-Sea Trail Corridor

Orange County Section



NC Mountains-to-Sea Trail (MST)

- MST Primary route
- MST Alternative route
- Linkage to town greenway system
- Proposed roadside alternative route
- Towns
- Streets
- OWASA land
- Non-county parkland & open space
- Orange County parkland & open space
- Other public land
- Reservoirs
- Major Streams

0 0.5 1 2 Miles

Orange County
Dept. of Environment,
Agriculture, Parks and Recreation
M Jones IT/GIS Division 6/20/2012
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ORANGE WATER AND SEWER AUTHORITY

A public, non-profit agency providing water, sewer and reclaimed water services to the Carrboro-Chapel Hill community.

December 10, 2009

Valarie Foushee, Chair
Orange County Board of Commissioners
Post Office Box 8181
Hillsborough, NC 27278

SUBJECT: MOUNTAINS-TO-SEA TRAIL

Dear Chair Foushee:

I'm writing to express OWASA's support for the Mountains-to-Sea Trail (MST) initiative. We have met with Kate Dixon, Executive Director of the Friends of the MST, and we are confident that we can make the necessary arrangements that will allow use of OWASA's property in the vicinity of the Cane Creek Reservoir, consistent with our primary mission of providing safe and reliable drinking water for our customers. As such, conditional upon the Orange County Board of County Commissioner' approval of the initiative, our Board has directed OWASA staff to immediately begin working with Orange County Staff and the Friends of the MST to develop the necessary agreements and arrangements that will allow use of our property providing there is no compromise of water quality, no expenditure of OWASA funds and we are able to make the arrangements necessary to minimize any additional security risks associated with inviting hikers to use the property around the reservoir.

Additionally, although it is not a condition of our support for the trail, OWASA has a long history of notifying and receiving feedback from the public before finalizing any changes to recreational activities at the Cane Creek Reservoir, and we are hopeful that the County's process would include some level of public involvement prior to finalizing the plans for the trail.

We look forward to participating in this initiative and believe the MST will be a tremendous asset for all citizens of Orange County.

Best regards,



Randy Kabrick, P.E., Chair

c: Mr. Frank Clifton, Manager, Orange County
Mr. Roger L. Stancil, Manager, Town of Chapel Hill
Mr. Steven Stewart, Manager, Town of Carrboro
OWASA Board of Directors
Ed Kerwin, Executive Director

OWASA Staff Recommended Conditions for Mountains-to-Sea Trail on OWASA Land near Cane Creek Reservoir

Overview

OWASA land and conservation easements on private land in the Cane Creek watershed were acquired for watershed protection purposes to ensure a safe and high-quality supply of water in the Cane Creek Reservoir, the primary source of drinking water for the Carrboro-Chapel Hill community. Any use of OWASA-owned land must be done in such a way as to not negatively impact OWASA's core mission of watershed protection and be fully consistent with all applicable policies and requirements regarding use of OWASA's assets and resources.

Watershed Protection

1. The trail shall be a natural trail for hiking only.
2. The trail shall be no more than 3 feet wide and constructed of natural material (no impervious surfaces).
3. Trail planning, design, and construction should avoid removing large trees or rocks. Trees should be protected during construction.
4. The trail shall be at least fifty (50) feet from reservoir at normal pool elevation (500 feet).
5. No swimming or wading by humans or their pets.
6. Hikers must stay on the trail. Leaving the trail is considered trespassing.
7. There shall be signs on the trail where hikers enter OWASA land informing them of the trail use requirements.
8. There shall be no large equipment for trail construction.
9. The trail shall avoid wetlands and streams; when they cannot be avoided, cross them in narrower places and bridge the wetland/stream. Materials for bridges shall not contain materials that could leach and impact water quality. Bridge design shall not cause any upstream drainage issues.
10. There shall be no bridge crossings over portions of the Cane Creek Reservoir (lake conditions at normal pool elevation of 500 feet)[1].

[1] County staff have indicated that it may be difficult to site the trail near Apple Mill, and may need to request an exception to this condition after they have evaluated alternative trail alignments.

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11. The trail shall avoid steep slopes; where this is not feasible, the trail shall be constructed and maintained in a manner to prevent erosion.
12. Trail construction will not cause sediment runoff to Cane Creek Reservoir or tributaries.
13. Construction near streams and wetlands shall be completed during dry periods.
14. Slopes shall be stabilized as soon as reasonably possible.
15. Best management practices regarding watershed protection shall be followed for trail planning, design, construction, operation and maintenance.
16. All pets must be cleaned up after and leashed.
17. Any trash and food scraps must be packed out.

Minimize Risks from Trail Use

1. The trail hours will be from dawn to dusk.
2. No fires.
3. No camping.
4. No picnic areas.
5. No use of alcohol.
6. No smoking.
7. No fishing.
8. No hunting.
9. No horseback riding.
10. No boat launching.
11. No use of bicycles, motor bikes, ATVs or any other types of vehicles (barriers prohibiting such access may be required).
12. There shall be no access to the trail near the Cane Creek Reservoir Dam or spillway.
13. Trailheads and parking areas shall not be located on OWASA property[2].
14. Violation of any rule may result in legal action against the hiker(s).

[2] County staff have indicated that it is possible that County may want to approach the OWASA Board of Directors about conveying some land in the future for use as a trailhead or parking area.

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15. Establish written procedures and training for enforcement of rules and requirements, emergency management including EMS, police, and fire for trail security and emergency response.

General

1. The County or its designee shall obtain all necessary federal, state, and local permits.
2. Planning, design, construction, operation, maintenance and monitoring of the MST on OWASA land shall be the responsibility of the County or its designee and must be done in compliance with all federal, state, and local requirements. OWASA shall have the right to review design and construction plans prior to commencement of work on its land, and to stop work it deems not in compliance with its approvals.
3. OWASA retains the right to manage its land.
4. OWASA retains the right to close the trail for safety and security reasons.
5. OWASA seeks a Memorandum of Agreement, Interlocal Agreement, and/or trail easement which outlines terms and conditions of the trail on our property. OWASA reserves the right to revoke the agreement.
6. OWASA prefers that the trail be a minimum of fifty (50) feet inside our property boundary to provide some screening to our neighbors. If this is not feasible, the County shall work with the neighboring property owner to develop terms and conditions on use of the trail that will protect their interests.
7. The County shall secure easements from private land owners adjacent to the trail endpoints on OWASA land prior to opening the trail on OWASA land.

No Expenditure of OWASA funds

1. Consistent with its obligations and requirements, OWASA will not spend any funds for trail planning, design, construction, operation and maintenance, including the monitoring and enforcement of applicable requirements and regulations.

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OWASA staff proposes detailed conditions for the Mountains-to-Sea Trail (MST) to be located on OWASA property and related impacts for consideration by the OWASA Board.

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OWASA Board receives and considers public input regarding the staff proposed detailed conditions that must be met for MST to be located on OWASA property.

← OWASA invites public input June 23, 2016

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OWASA Board determines the detailed conditions that must be met for MST to be located on OWASA property or the Board determines it will not be located on OWASA property. OWASA informs Orange County and stakeholders of its decisions.

← OWASA invites public input

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If applicable, Orange County considers OWASA's MST conditions and determines if the MST is desired on OWASA property and, if so, the desired location of trail. Orange County informs OWASA.

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OWASA Board receives and considers public input and determines if OWASA's conditions have been satisfactorily met and determines where and under what final conditions the trail may be located on OWASA property. OWASA informs Orange County and stakeholders.

← OWASA invites public input

AGENDA ITEM

- Election of Secretary of the Board of Directors

BACKGROUND

- The Bylaws of Orange and Sewer Authority state that officers shall be elected annually at the Board's first regular meeting in June and shall hold office for one year or until their successors are elected and qualified.

- The Nominating Committee provided the following recommendation for the office of Secretary of the Board which was communicated to the Board of Directors on May 31, 2016:

    - Secretary of the Board: Barbara M. Foushee; Heather Payne

- On June 9, 2016, the Board was unable to reach a consensus for Secretary of the Board and agreed to continue the election for this office at the June 23, 2016, Board meeting.

- Nominations made by the Nominating Committee shall not preclude other nominations from the floor on June 23, 2016.

ACTION NEEDED

- Election of Secretary of the Board of Directors.

June 23, 2016