

ORANGE WATER AND SEWER AUTHORITY

MEETING OF THE BOARD OF DIRECTORS

MAY 14, 2009

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in regular session on Thursday, May 14, 2009, at 7:00 P.M., in OWASA's Community Room.

Directors present: Randy Kabrick, P.E., Chair; Gordon Merklein, Vice Chair; Braxton Foushee, Secretary; Fred Battle; Michael A. (Mac) Clarke; Joyce C. Preslar; and William R. Stott. Directors absent: Gene Pease and Alan Rimer, P.E.

OWASA staff: Ed Kerwin; John Greene; Mason Crum; Patrick Davis; Greg Feller; Ed Holland; Heidi Lamay; Andrea Orbach; Kevin Ray; and Robert Epting, Esq., Epting and Hackney.

Others present: Meg Holton, Water, Wastewater, and Stormwater Manager, University of North Carolina at Chapel Hill.

There being a quorum present, Chair Randy Kabrick called the meeting to order.

MOTIONS ACTED UPON

1. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Resolution Authorizing Renewal of Property, Liability, Workers' Compensation, Inland Marine, Automobile, Boiler and Machinery, Crime, and Excess Liability and Umbrella Liability Insurance Policies through the North Carolina Municipalities Risk Management Services." (Resolution so titled attached hereto and made a part of these minutes. Motion by William Stott, second by Braxton Foushee and carried by unanimous vote.)

2. William Stott made a motion to approve the Minutes of the March 26, 2009 Board Meeting; the motion was seconded by Braxton Foushee and carried by unanimous vote.

3. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Resolution of Orange Water and Sewer Authority to Amend the Schedule of Employee Classification and Authorized Compensation to Eliminate 12 Positions and Reclassify Six Positions Effective May 14, 2009." (Resolution so titled attached hereto and made a part of these minutes. Motion by Braxton Foushee, seconded by Fred Battle and carried by unanimous vote.)

ITEM ONE: ANNOUNCEMENTS

CONFLICT OF INTEREST

Randy Kabrick 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. There were none.

COMMITTEE MEETINGS

Gordon Merklein said that the Finance Committee met before the Board meeting to review the Quarterly Financial Report for the quarter ended March 31, 2009. The quarterly report noted that staff now estimates water demand in Fiscal Year (FY) 2010 will be about 200,000 gallons less per day than earlier projected.

The Finance Committee will meet again on Tuesday, May 26, 2009 at 5:00 P.M. in the OWASA Boardroom to discuss matters related to the budgets and rates for FY 2010.

Ed Kerwin said that the Natural Resources Technical System Committee will meet on Monday, June 1, 2009 at 4:30 P.M. to discuss biosolids and an update of OWASA's Long Range Water Supply Plan.

RECLAIMED WATER SYSTEM DEDICATION

Ed Kerwin said the University sponsored a Reclaimed Water System celebration on Monday, May 11, 2009, 10:00 A.M., at the Gary R. Tomkins Chilled Water Operations Center. OWASA was represented by current and former Board members and Mr. Kerwin expressed appreciation and gratitude to the University for their role in this event.

Randy Kabrick also expressed his appreciation to the University for their leadership in the reclaimed water project.

BOARD INTERVIEWS WITH MUNICIPAL FINANCIAL SERVICES GROUP

Ed Kerwin said that Mr. Bob Miller of the Municipal Financial Services Group, the consultant performing OWASA's financial review, will conduct individual interviews with Finance Committee members and other Board members if desired. Staff will arrange a time that is suitable for each Board member.

ITEM TWO: PETITIONS AND REQUESTS

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

ITEM THREE: RESOLUTION AUTHORIZING RENEWAL OF PROPERTY, LIABILITY, WORKERS' COMPENSATION, INLAND MARINE, AUTOMOBILE, BOILER AND MACHINERY, CRIME, AND EXCESS LIABILITY AND UMBRELLA LIABILITY INSURANCE POLICIES THROUGH THE NORTH CAROLINA MUNICIPALITIES' RISK MANAGEMENT SERVICES

William Stott made a motion to adopt the resolution; the motion was seconded by Braxton Foushee and carried by unanimous vote. Please see Motion No. 1 above.

ITEM FOUR: MINUTES

William Stott made a motion to approve the Minutes of the March 26, 2009 Board Meeting; the motion was seconded by Braxton Foushee and carried by unanimous vote. Please see Motion No. 2 above.

ITEM FIVE: VERBAL UPDATE ON OWASA'S PREPARATIONS FOR THE H1N1 FLU VIRUS

John Greene said that during a pandemic or any disaster, continued provision of water and sewer service is essential. When a potential H1N1Flu outbreak started approximately a month ago, OWASA's Safety and Training Administrator, Stephanie Glasgow, was appointed as OWASA's coordinator. She has participated in daily conference calls with health, emergency, and other local town and county officials; shared information with OWASA staff through emails; and will continue conference calls on an "as needed" basis as new information becomes available.

Staff action includes obtaining supplies to minimize or mitigate the potential spread of the flu virus among OWASA's workforce. Educational materials have been e-mailed to all employees; hand sanitizer has been placed throughout the organization; disposable gloves and protective masks were made available for those who wish to have added protection.

Mr. Greene said that before the H1N1 announcement, OWASA's Comprehensive Emergency Management Plan (CEMP) was undergoing an update. The CEMP defines procedures and responsibilities and includes information on system operation, staff contacts, primary and secondary chemical and equipment suppliers and other private contractors. The revision of the CEMP will be available to staff by the end of May. Mr. Greene also noted that OWASA staff will continue to look for opportunities to cross train employees to provide a more flexible workforce; and provide training to staff on use of the revised CEMP document; and to test, exercise and evaluate departmental plans for continued operation.

ITEM SIX: DRAFT ANNUAL BUDGETARY REPORTS FOR FISCAL YEAR 2010 AND DISCUSSION OF THE RATE INCREASE PROPOSAL

Gordon Merklein, Finance Committee Chair, reported that the Finance Committee supports staff's recommendation to publish the schedule of proposed monthly rate increase of

about 9.75 percent and other rate changes for public hearings on Thursday, May 28, 2009 at 7:00 P.M. at Chapel Hill Town Hall.

William Stott commented that the amount of work put into the budget process this year has been tremendous and essential projects have been placed on hold to reduce the previously projected 17 percent rate increase. He said that he would like to ensure the community understands that lowering the proposed monthly rate increase to 9.75 percent was largely due to compassion for customers because of the difficult economic constraints everyone is under, and that he hopes this approach will ensure community trust and faith in the OWASA Board and staff.

Joy Preslar echoed Mr. Stott's comments and said she would like to encourage continued community education on the OWASA budget process.

The Board concurred with the Finance Committee's recommendation to move forward and publish the schedule of proposed rate increases for the budget and rate public hearings scheduled for Thursday, May 28, 2009, 7:00 P.M., at Chapel Hill Town Hall.

ITEM SEVEN: RESOLUTION OF ORANGE WATER AND SEWER AUTHORITY TO AMEND THE SCHEDULE OF EMPLOYEE CLASSIFICATION AND AUTHORIZED COMPENSATION TO ELIMINATE 12 POSITIONS AND RECLASSIFY SIX POSITIONS EFFECTIVE MAY 14, 2009

Ed Kerwin provided a brief update on the proposed organizational changes, which he said will provide efficiencies, enhance cross training and teamwork.

Braxton Foushee made a motion to adopt the resolution; the motion was seconded by Fred Battle and carried by unanimous vote. Please see Motion No. 3 above.

ITEM EIGHT: APPOINTMENT OF THE NOMINATING COMMITTEE

The Board agreed that the Nominating Committee members will be:

- Mac Clarke
- Gene Pease
- Randy Kabrick

Randy Kabrick said that any Board member not seeking a position is invited to participate with the Nominating Committee meetings. A meeting has been scheduled for Monday, May 18, 2009 at 9:00 A.M. in the OWASA Boardroom. The election of new officers will occur at the Board of Directors' meeting on June 11, 2009.

Mac Clarke said that if any Board member who wishes to be considered for nomination for a position should inform a member of the Nominating Committee as soon as possible.

There being no further business to come before the Board, the meeting was adjourned at 7:35 P.M.

Enclosures

**RESOLUTION AUTHORIZING RENEWAL OF PROPERTY, LIABILITY,
WORKERS' COMPENSATION, INLAND MARINE, AUTOMOBILE, BOILER
AND MACHINERY, CRIME, EXCESS LIABILITY AND UMBRELLA LIABILITY
INSURANCE POLICIES THROUGH THE NORTH CAROLINA LEAGUE OF
MUNICIPALITIES RISK MANAGEMENT SERVICES**

WHEREAS, Property, Liability, Inland Marine, Automobile, Boiler and Machinery, Crime, Workers' Compensation, Excess Liability and Umbrella Liability insurance policies in effect for Orange Water and Sewer Authority will expire on June 30, 2009; and

WHEREAS, Section 7.07 of the Bond Order and prudent business practice dictate that Orange Water and Sewer Authority maintain a practical insurance program which will afford adequate protection against damage to, or destruction of, the Water and Sewer System; and

WHEREAS, Section 7.07 of the Bond Order and prudent business practice dictate that Orange Water and Sewer Authority maintain such comprehensive public liability insurance for bodily injury and property damage resulting from the operation of the Water and Sewer System as OWASA deems to be adequate.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Board of Directors of Orange Water and Sewer Authority awards the renewal of Property, Liability, Workers' Compensation, Inland Marine, Automobile, Boiler and Machinery, Crime, Excess Liability and Umbrella Liability Insurance coverage to The North Carolina League of Municipalities Risk Management Services for one year beginning July 1, 2009 and ending June 30, 2010, in an amount not to exceed \$340,000, subject to normal audit adjustments.

2. That the Executive Director be, and he hereby is, authorized and directed to renew the above stated insurance policies.

Adopted this 14th day of May, 2009.

**RESOLUTION OF ORANGE WATER AND SEWER AUTHORITY (OWASA)
TO AMEND THE SCHEDULE OF EMPLOYEE CLASSIFICATION AND
AUTHORIZED COMPENSATION TO ELIMINATE 12 POSITIONS AND
TO RECLASSIFY SIX POSITIONS EFFECTIVE MAY 14, 2009**

WHEREAS, to adequately and appropriately provide water, sewer, and reclaimed water services to OWASA's customers, a sufficient and competent staff is necessary to perform the variety of services required; and

WHEREAS, OWASA has identified 12 positions that can be eliminated due to efficiency improvements that have been implemented; and

WHEREAS, OWASA has made organizational improvements which have resulted in the need to reclassify six positions:

NOW THEREFORE, BE IT RESOLVED:

1. That the Board of Directors hereby approves the amendments to the Schedule of Employee Classification and Authorized Compensation as shown on the attachment effective May 14, 2009.

Adopted this the 14th day of May, 2009.

**ORANGE WATER AND SEWER AUTHORITY
SCHEDULE OF EMPLOYEE CLASSIFICATION AND
AUTHORIZED COMPENSATION
Effective October 1, 2008
Revised May 14, 2009**

<u>Salary Grade</u>	<u>Authorized Positions</u>	<u>Salary Range</u>	<u>Classification Title</u>
9	0-5 2 0-33	\$27,113 – 39,315	Clerk/Cashier* Assistant Lake Warden Utility Mechanic I*
10	0-33	\$28,738 – 41,671	Utility Mechanic II*
11	1 0-4 0-5 1	\$30,363 – 44,027	Senior Assistant Lake Warden Accounting Technician I* Customer Service Representative* Field Service Representative
12	3 3 5 1	\$31,988 – 46,383	Utility Mechanic III Solids Handler Administrative Assistant Service Technician
13	0-4	\$33,614 – 48,740	Accounting Technician II*
14	0-9	\$35,242 – 51,102	Maintenance Mechanic*
15	0-9 6 1 2	\$36,865 – 53,456	Senior Maintenance Mechanic* Laboratory Analyst Sr. Customer Service Representative Engineering Technician
16	6 1 1 14 1	\$38,489 – 55,811	Crew Leader Human Resources Generalist Lakes Warden Treatment Plant Operator Solids Handler Supervisor
18	2 1	\$41,741 – 60,528	Information Services Technical Specialist Instrumentation Control Technician

OWASA Schedule of Employee Classification
 And Authorized Compensation
 Effective May 14, 2009
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<u>Salary Grade</u>	<u>Authorized Positions</u>	<u>Salary Range</u>	<u>Classification Title</u>
19	2	\$43,366 – 62,883	Construction Inspector
20	2 2 1 2 1 1	\$44,993 – 65,241	Plant Maintenance Supervisor Engineering Associate Executive Assistant Operations Supervisor Laboratory Supervisor Wastewater Specialist**
21	1 1	\$46,618 – 67,598	GIS Coordinator Public Affairs Administrator
22	1	\$48,243 – 69,953	Safety & Training Administrator
23	1	\$49,856 – 72,292	Assistant Distribution & Collection Systems Manager
25	0-2 1	\$53,116 – 77,019	Utilities Engineer* Network/Database Administrator
27	0-2	\$56,366 – 81,732	Utilities Engineer – Registered*
28	1 1 1	\$57,992 – 84,089	Procurement Manager Customer Service Manager Laboratory Manager
31	1 1 1 1 1 1 1	\$62,870 – 91,164	Engineering Manager, Systems Development Engineering Manager, Capital Projects Operations Engineer Distribution & Collection Systems Manager Plants Maintenance Manager Sustainability Manager Finance Manager
33	1 1	\$65,965 – 95,650	Water Supply & Treatment Manager Wastewater Treatment & Biosolids Recycling Manager
37	1 1	\$72,622 – 105,301	Business Information Services Director Human Resources Director
39	1	\$75,871 – 110,014	Planning & Development Director

<u>Salary Grade</u>	<u>Authorized Positions</u>	<u>Salary Range</u>	<u>Classification Title</u>
44	1 1	\$83,997 – 121,797	Finance and Customer Service Director Engineering & Planning Director
46	1	\$87,250 – 126,512	General Manager of Operations
Contract	1		Executive Director
Total of 139 positions			

* On June 14, 2007, the OWASA Board amended the Schedule of Employee Classification and Authorized Compensation to provide for skill-based pay progression for the following positions:

- Utility Mechanic I to Utility Mechanic II
- Maintenance Mechanic to Senior Maintenance Mechanic
- Accounting Technician I to Accounting Technician II
- Clerk/Cashier to Customer Service Representative
- Utilities Engineer to Utilities Engineer Registered

The Executive Director has established eligibility criteria and administrative procedures for the skill-based pay program.

While there is flexibility in the number of authorized positions in each skill-based pay position, the total number of authorized positions for each skill-based pay job family is as follows:

<u>Skill-based Pay Job Family</u>	<u>Total Authorized Positions</u>
Utility Mechanic I / Utility Mechanic II	33
Maintenance Mechanic / Senior Maintenance Mechanic	9
Accounting Technician I / Accounting Technician II	4
Clerk/Cashier / Customer Service Representative	5
Utilities Engineer / Utilities Engineer Registered	2

** Effective June 30, 2009, upon the employee’s retirement, the Wastewater Specialist position will be eliminated.