

ORANGE WATER AND SEWER AUTHORITY
WORK SESSION OF THE BOARD OF DIRECTORS
SEPTEMBER 11, 2014

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a Work Session on Thursday, September 11, 2014, at 6:00 PM in OWASA's Community Room at 400 Jones Ferry Road, Carrboro.

Board Members present: John A. Young, Chair; Michael M. Hughes, P.E., Vice Chair; Heather Payne, Secretary; Terri Buckner; Stephen (Steve) Dear; David (Dave) Moreau; and Amy Witsil. Board Members excused: Quinton Harper and Ruchir Vora.

OWASA staff present: Ed Kerwin, Denise Battle, Mary Darr, Patrick Davis, Greg Feller, Stephanie Glasgow, Andrea Orbich, Dan Przybyl, Ruth Rouse, Todd Taylor and Stephen Winters; and Robert Epting, Esq., Epting and Hackney.

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

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

ANNOUNCEMENTS

Heather Payne announced that the UNC School of Law and Institute for the Environment will host "The Clean Power Plan: What EPA's Carbon Rules Mean for North Carolina" on Friday, September 19, 2014 from 1:00 PM to 4:30 PM. The forum is designed to provide participants with an overview of the proposed U.S. Environmental Protection Agency (EPA) carbon regulations, starting with EPA's own perspective on how the rules could impact North Carolina. The event will be held at UNC School of Law, Van Hecke-Wettach Hall, Room 5042, on Ridge Road in Chapel Hill. The event is free, open to the public and no registration is required.

Patrick Davis announced that OWASA will host another meeting regarding the Affordability Outreach Pilot Project with partners on Monday, September 22, 2014 from 2:00 PM until 3:30 PM in the OWASA Community Room. Key topics include updates on the following: business process reviews; billed water use reviews of partner properties including field water use audits; partner agencies' follow-up efforts; pursuing funding support for this effort; and other potential strategies for helping OWASA customers, especially those customers in financial need.

ITEM ONE: EMPLOYEE COMPENSATION FOR FISCAL YEAR (FY) 2015

The Board discussed employee compensation for FY 2015 and agreed it would consider the following for discussion and possible action at its September 25, 2014 Board meeting:

- Adjust the Schedule of Employee Classification and Authorized Compensation upward by 1.5% effective November 3, 2014.

- Move employees who are being paid less than the minimum of their new salary range to the minimum effective November 3, 2014.
- Provide a 2% merit increase in salary to eligible employees receiving an October 2014 annual performance review rating of “Successful” effective November 3, 2014.
- Provide a 3% merit increase in salary to eligible employees receiving an October 2014 annual performance review rating of “Exceptional” effective November 3, 2014.
- Provide no increase for employees receiving October 2014 annual performance review ratings of “Needs Improvement” or “Unsuccessful” effective November 3, 2014.
- Staff will explain to employees that the methodology for pay adjustments for FY 2016 may change and that the Board expects to hire a consultant to evaluate “total compensation” on a to-be-determined schedule.

The Board indicated its support for the Executive Director should he decide to slightly adjust the current 10% threshold for the number of employees eligible to receive an “Exceptional” performance review rating for FY 2015.

The Board requested additional information for discussion at the October 9, 2014 Work Session about the potential schedule and process for accelerating completion of the total compensation study.

ITEM TWO: DRAFT CHARTER FOR THE ADVANCE METERING INFRASTRUCTURE (AMI) PROJECT

The Board discussed staff’s draft Charter for the AMI project and suggested staff consider the following:

- “Make the business case” for AMI in the Charter.
- Improving the relationship with our customers should be emphasized.
- Identify Board review/decision points throughout the project.
- Consider an “early out” feasibility study by the consultant that provides more certainty about costs and other considerations about the project.
- Clarify what the Board will approve and what authority staff is seeking.

The Board also discussed, but did not reach a consensus on whether to solicit customer/ community feedback before committing to completing the AMI project. However, the Board fully embraced and expects to work proactively with customers and the community to keep them informed throughout the project to ensure its success.

The Board agreed that it would further discuss and consider approval of a revised AMI Charter at its September 25, 2014 Board meeting.

ITEM THREE: DRAFT SCHEDULE FOR ADDRESSING THE STRATEGIC PLAN AND OTHER KEY INITIATIVES

- a. 12 Month Board Meeting Schedule – the Board agreed that the 12 Month Board Meeting Schedule is a useful tool and it will be reviewed at each work session and updated as needed.

In response to a Board Member question, staff said it will address Jordan Lake water quality at the November 13, 2014 Work Session.

One of the action items in the Strategic Plan is to evaluate Capital Improvements Program (CIP) investment practices to help ensure that the level of CIP investment is appropriate to support system reliability and sustainability. Staff is incorporating the results of our work on asset management into this process and plans to address CIP investment practices with the Board as part of the process of developing the FY 2016 budget.

- b. September 25, 2014 Business Meeting – The Board agreed with the proposed agenda except that it considered the Framework for OWASA Board and Committee Roles and Work Session Purpose and Format at this Work Session (see Item 4).
- c. October 9, 2014 Work Session – the Board agreed with the proposed agenda and agreed that future work sessions on second Thursdays will begin at 6:00 PM.

ITEM FOUR: FRAMEWORK FOR OWASA BOARD AND COMMITTEE ROLES AND WORK SESSION PURPOSE AND FORMAT

The Board accepted both documents without change.

ITEM FIVE: REQUEST(S) BY BOARD COMMITTEES, BOARD MEMBERS AND STAFF

Staff will work with Terri Buckner and Steve Dear to complete the Communications Plan for the Care to Share customer assistance program.

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

Ed Kerwin summarized the Work Session key items as contained in these minutes.

After considering the previous matters, the Board, without objection, proceeded in closed session to consider a personnel evaluation matter.

The meeting was adjourned at 10:08 PM.

Respectfully submitted by:


Andrea Orbich
Executive Assistant/Clerk to the Board