

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.

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

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:

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

Attachment

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE
CONTRACTS WITH BLUE CROSS BLUE SHIELD OF NORTH CAROLINA
(BCBSNC) FOR EMPLOYEE HEALTH, DENTAL, LIFE, DEPENDENT LIFE,
ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D) AND LONG TERM
DISABILITY (LTD) INSURANCE**

WHEREAS, OWASA employees are provided health and dental insurance coverage, as well as Life, Dependent Life, AD&D and LTD Insurance through OWASA's contract with Blue Cross Blue Shield of North Carolina (BCBSNC), which will expire on June 30, 2016; and

WHEREAS, OWASA employees have expressed their satisfaction with their present coverage through BCBSNC, and the Board of Directors has determined that continuing the contract for such coverage with BCBSNC is desirable and in OWASA's best interests; and

WHEREAS, with the capable assistance of its insurance consultant Hill Chesson & Woody, OWASA has obtained proposals from BCBSNC for continuing the health coverage for an increase in annual premiums of 15%, renewal of its Dental coverage with no increase in rates, and for renewal of its Life, Dependent Life, AD&D and LTD for two years with no increase in premiums; and

WHEREAS, with the capable assistance HILL CHESSON & WOODY the Board of Directors has compared the BCBSNC proposals with proposals from others for like coverage, and has determined that the rates proposed by BCBSNC for continuation of its present coverages are reasonable and appropriate, and that it is in best interests of OWASA to accept the BCBSNC proposals;

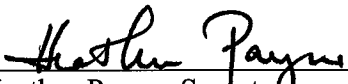
NOW, THEREFORE, BE IT RESOLVED:

1. That the Board of Directors has determined to accept the BCBSNC proposals for continuation of their present plans for health and dental insurance coverage, as well as Life, Dependent Life, AD&D and LTD Insurance.
2. That the term of the Health and Dental insurance plans shall be for a period of twelve months beginning July 1, 2016.
3. That the term of the Life, Dependent Life, AD&D and LTD insurance plans shall be for a period of twenty-four months beginning July 1, 2016.
4. That the Executive Director is hereby authorized and directed to execute the contract with BCBSNC.

Adopted this 12th day of May 2016.


John A. Young, Chair

ATTEST:


Heather Payne, Secretary