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: Human Resources Committee
Braxton Foushee, Chair
Fred Battle
Joyce C. Preslar
Gordon Merklein
Randy Kabrick (Ex Officio)

FROM: Ed Kerwin

DATE: May 17, 2010

SUBJECT: **Human Resources (HR) Committee Meeting on Wednesday, May 19, 2010 at 5:30 P.M. in the OWASA Boardroom**

Agenda

1. **Improved Efficiencies for OWASA's Human Resources Functions**
   Staff recommends that the draft memorandum (Attachment A) be on the Board's May 27, 2010 agenda for discussion and action.

2. **Draft Succession Plan for Executive Director**
   This information was provided to the Board of Directors on April 29, 2010. Draft #2 is provided to address some of the comments received from Mac Clarke (Attachment B).

3. **Verbal Update on Health and Dental Insurance and Employee Compensation for Fiscal Year 2011**

4. **Other Business**

Thank you,

Ed Kerwin
Executive Director

Attachment
c: Stephanie Glasgow, Interim Human Resources Director
John Greene, General Manager of Operations
Mason Crum, Director of Engineering and Planning
Stephen Winters, Director of Finance and Customer Service
Dan Przybyl, Director of Information Technology

Attachment A

M E M O R A N D U M

TO: Board of Directors

FROM: Ed Kerwin

DATE: May 21, 2010

SUBJECT: IMPROVED EFFICIENCIES FOR OWASA'S HUMAN RESOURCES FUNCTIONS

To reduce costs and achieve greater organizational efficiencies, staff recommends that the vacant Human Resources Director position be eliminated and the Safety and Training Administrator position be reclassified to the new position of Human Resources and Safety Manager. Any position reclassification must be approved by the Board of Directors.

After our former Human Resources Director (Gwen Burston) announced she would leave OWASA to take another position, staff carefully evaluated our needs and available resources. This is consistent with our ongoing practice of exploring options for reducing costs and improving efficiencies. Based on our review, we recommend the following:

1. Eliminate the vacant Human Resources Director position (Grade 33; $74,292 - $107,723).
2. Reclassify the existing Safety & Training Administrator position held by Stephanie Glasgow (Grade 22; $49,353 - $71,562) to the new position of Human Resources and Safety Manager (Grade 28; $59,326 – $86,023). Ms. Glasgow has nearly 20 years of human resources experience at OWASA and is well qualified for this new position.
3. Reorganize the human resources functions from the Office of the Executive Director to the Finance and Customer Service Department (proposed organizational chart attachment #1). The new Human Resources and Safety Manager (Stephanie Glasgow) will report to the Director of Finance and Customer Service (Stephen Winters, CPA). This reorganization will provide efficiencies by combining similar functions and responsibilities while providing greater flexibility for meeting the needs of the organization.

If approved, these changes will reduce the number of staff to support human resources functions from 3.5 to 2.5 positions (with a net 12 month savings of about $80,000). We will ensure no reduction of essential human resources and safety services for our employees as a result of these changes.

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Staff recommends that the Board of Directors approve the Resolution of Orange Water and Sewer Authority to Eliminate the Human Resources Director Position and to Reclassify the Safety and Training Administrator Position (attachment #2).

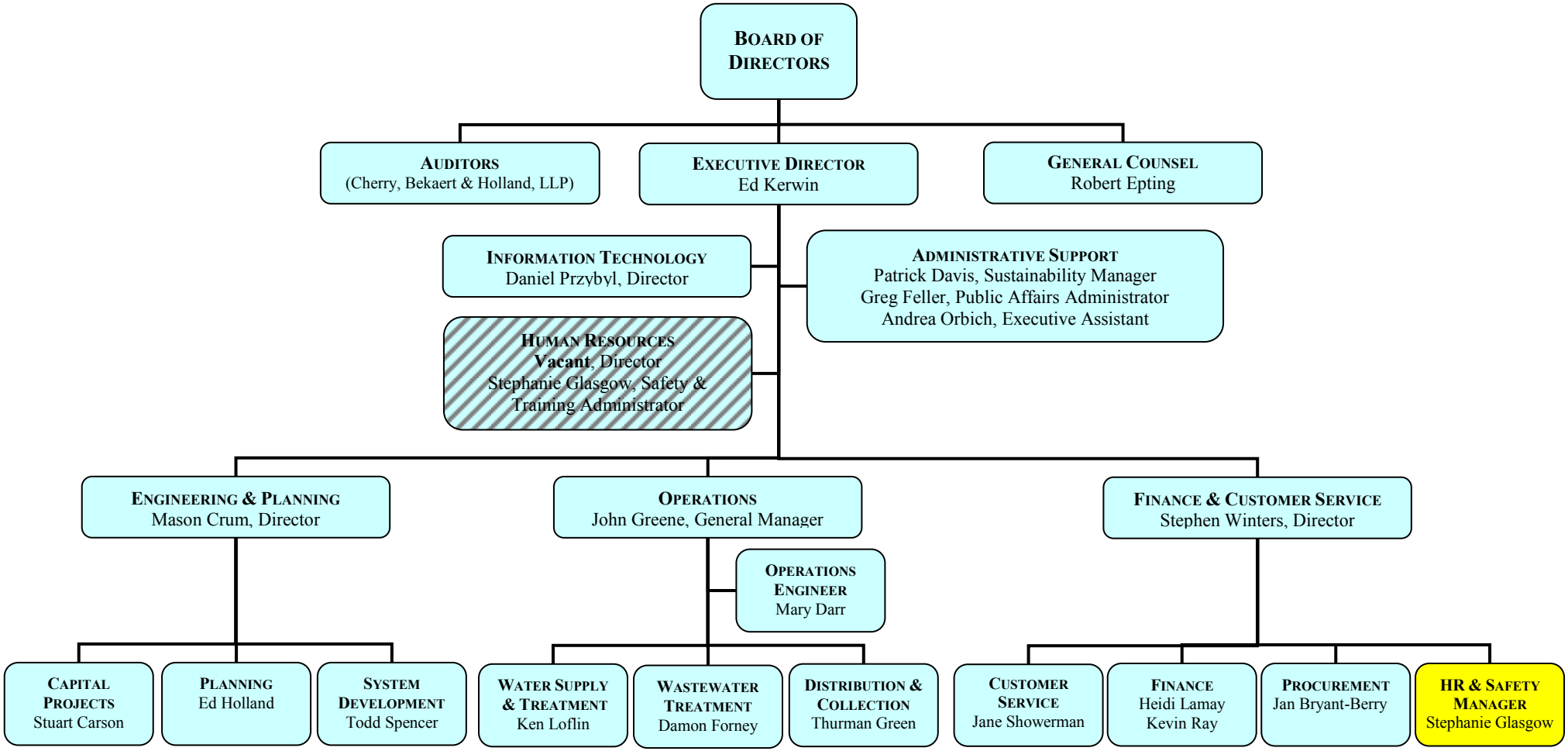
_____
Ed Kerwin
Executive Director

Attachments

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Attachment #1

Orange Water and Sewer Authority (Proposed)



May 21, 2010

Attachment #2

RESOLUTION OF ORANGE WATER AND SEWER AUTHORITY TO ELIMINATE THE HUMAN RESOURCES DIRECTOR POSITION AND TO RECLASSIFY THE SAFETY AND TRAINING ADMINISTRATOR POSITION

WHEREAS, the Executive Director has reviewed the staffing requirements to support the organization's human resources functions; and

WHEREAS, the Executive Director has determined that efficiencies can be achieved by eliminating the vacant Human Resources Director position and reclassifying the Safety and Training Administrator position to the new position of Human Resources and Safety Manager:

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

1. Eliminate the vacant Human Resources Director position (Grade 33; $74,292 - $107,723).

2. Reclassify the existing Safety and Training Administrator position (Grade 22; $49,353 - $71,562) to the new position of Human Resources and Safety Manager (Grade 28; $59,326 – $86,023).

3. That the Schedule of Employee Classification and Authorized Compensation be amended as above effective May 27, 2010.

Adopted this the 27th day of May, 2010.

Randy Kabrick, P.E., Chair

ATTESTED:

Braxton Foushee, Secretary

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Attachment B

Succession Plan
OWASA Executive Director
~~April~~ May 2010
Draft #2 (proposed changes to address some comments made by Mac Clarke)

Purpose

This document provides the OWASA Board of Directors information and guidance in the event of a planned or unplanned extended absence or employment separation of the Executive Director.

Acting Executive Director

If the Executive Director becomes unavailable or unable to fulfill the duties and responsibilities as Executive Director and he/she hasn't named an Acting Executive Director in advance, the General Manager of Operations shall serve as Acting Executive Director and will inform the Board of Directors, General Counsel and staff of same.

If the General Manager of Operations is or becomes unavailable or unable to serve, the Director of Engineering and Planning shall serve as Acting Executive Director and will inform the Board of Directors, General Counsel and staff of same.

Should the duration of an Acting Director assignment exceed 30 days, the OWASA Board may want to meet to discuss same. The Board of Directors may select an alternative arrangement at any time.

Interim Executive Director

If the Executive Director position is or will become vacant, the Board of Directors will appoint an Interim Executive Director at a regular or special Board meeting. The Board of Directors may consult the former/outgoing Executive Director for his/her recommendation regarding appointment of an Interim Executive Director.

The Executive Director will prepare (and keep current with updates at least annually) information regarding the readiness of his/her direct reports to serve as Executive Director. This information is confidential under State law and will be kept in a sealed envelope with OWASA's General Counsel~~in the Executive Director's personnel file~~. If the former/outgoing Executive Director is unable to present this information to the Board of Directors, ~~the Human Resources Manager~~ OWASA's General Counsel will provide the sealed envelope to the Chair of the OWASA Board.

While the Board of Directors may appoint anyone, it is likely that the Board would select an existing OWASA employee as Interim Executive Director. It is reasonable to expect that the General Manager of Operations, Director of Engineering and Planning, and Director of Finance and Customer Service would all be capable of serving as Interim Executive Director until a permanent replacement has been selected.

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Recruitment for New Executive Director

It is recommended that the Board of Directors engage the services of a qualified consultant to assist the Board with the Executive Director recruitment and selection process.

The NC League of Municipalities has on staff a Human Resources Consultant who assists members in the process for recruiting managers, including development of a process and criteria for selecting a manager; preparing job advertisements, interview questions and evaluation forms; how to screen resumes; samples of employment contracts; etc. (The League staff does not participate in interviewing candidates or selection of a job candidate.) The League also maintains a list of executive search firms as a resource for cities and towns, but the League does not endorse executive search firms.

Prior to advertisement of the position, the Board of Directors should reach agreement on the recruitment/selection process for the Executive Director. The Board may also find it useful to seek feedback from OWASA staff including the outgoing Executive Director and Department Directors regarding needs, challenges and expectations for the position. Additionally, consulting with the Chapel Hill, Carrboro, and Orange County Managers may provide useful insights for the Board to consider. A draft job announcement is attached as Exhibit A. Suggested Core Competencies for the Executive Director are listed in Exhibit B.

Selection Process for New Executive Director

As a first step, the Board should reach agreement on the selection process to include the specific roles and/or responsibilities for Board members (Search Committee if formed, etc.), and an initial general timetable (subject to change) with a target date for a selection decision. The Board should also agree on the criteria for selecting the next Executive Director.

As part of the final selection process, it is important to address what each finalist will want to know about the job, which may include:

- Clear and honest understanding of the expectations and challenges of the job.
- Understanding the specific roles and responsibilities of the position including the division of authority between the Board and the Executive Director.
- The Mission and Values Statement, strategic plan, budgets, capital program, annual reports, Board policies, performance measurement reports, intergovernmental agreements, relevant statutes, etc.
- Meeting key staff and touring facilities.
- Understanding how he/she will be evaluated and provided feedback.

It is recommended that an Employment Contract be negotiated with the new Executive Director to include terms and conditions of employment including a notice requirement for separation. The OWASA General Counsel and/or consultant can assist the Board with this task.

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Transition to New Executive Director

If applicable, it may be desirable to have the new Executive Director work with the current Executive Director for 30-45 days to assist with knowledge transfer. During this transition period, the incumbent Executive Director should be in responsible charge of the organization.

Alternate Approach – Internal Candidate(s)

If there are one or more well-qualified internal candidate(s) for the Executive Director position, the Board may consider selecting the best qualified internal candidate and have that person serve as the Interim Executive Director for a trial period such as three to nine months. This would provide both the Board and the Interim Executive Director an opportunity to see if the Interim Executive Director is a good fit while preserving the option of returning the employee to his/her former position.

Succession Plan for Existing Staff for Executive Director Position

It is likely that the most qualified internal candidates for promotion to Executive Director would be one of the following senior management positions: General Manager of Operations; Director of Engineering and Planning; and Director of Finance and Customer Service. (Of course, other talented staff such as the Information Technology Director may be a potential candidate.)

The Executive Director will offer individual development planning for employees in the positions listed above to help motivated and capable individuals advance their knowledge and skills to become fully prepared to serve as Executive Director, Acting Executive Director and/or Interim Executive Director.

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Exhibit A

ORANGE WATER AND SEWER AUTHORITY

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

Draft Job Announcement: Executive Director of OWASA

Brief Position Description:

The ***Executive Director*** is appointed by the OWASA Board of Directors and serves as the organization's Chief Administrative Officer. The Executive Director is directly responsible for the overall leadership and general management of the organization.

About OWASA:

OWASA is a public, non-profit agency providing drinking water, wastewater (sewer), and reclaimed water services to the Carrboro-Chapel Hill-southeast Orange County community in the Research Triangle region of central North Carolina. OWASA has been in operation since 1977; has _____ employees; and serves about _____ people. OWASA's annual revenues are about $____ million. OWASA's largest customer is the University of North Carolina at Chapel Hill.

OWASA is governed by a nine-member Board of Directors, which is appointed by the elected boards of the Towns of Chapel Hill and Carrboro and Orange County. The OWASA Board adopts the annual budget; sets rates, fees and charges based on cost-of-service principles; adopts policies and plans; authorizes bond issues; and appoints the Executive Director, General Counsel and independent auditor.

OWASA's Mission Statement: *OWASA will provide our customers with high quality water and wastewater services through responsible, sustainable, and creative stewardship of the resources and assets we manage. We will do this with a productive, empowered, talented, and diverse work force, which strives for excellence.*

Responsibilities:

- Provides general management and administration of the organization in accord with policies, plans and budgets adopted by the OWASA Board; North Carolina law; Federal and State regulations; OWASA's (Revenue) Bond Order; and other agreements including those with the Towns of Carrboro and Chapel Hill, Orange County, and the University of North Carolina at Chapel Hill.

- Works closely with the Board of Directors to establish OWASA's strategic direction, and implements the adopted strategic plan.

- Oversees the planning, construction, operations, maintenance, evaluation and financing of services and projects consistent with the Board's principles of environmental, social and economic sustainability.

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- Prepares the draft annual operating and capital budgets and 15-year Capital Improvement Program and administers their implementation after adoption.

- Works closely with the Board, staff, customers, external agencies and other officials in the performance of his/her duties.

- Oversees administrative hiring and other human resource decisions.

The Desired Candidate:

The desired candidate will have a proven history of successfully leading people in the efficient, sustainable and effective operation of a water and/or wastewater utility operation. Prior leadership and management success will include building and inspiring teams of employees to excel in a continuous improvement culture. Well-qualified candidates will have exceptional communication skills and the proven ability to build relationships with diverse people and stakeholders internally and outside the organization, including intergovernmental relationships.

The desired candidate will be a visionary and a strategic systems thinker who understands the water utility business and public administration. The desired candidate will have the utmost integrity and honesty and a genuine passion for his/her work.

Experience and Education:

Successful candidates will have no less than ten years of progressively responsible experience successfully leading a water and/or wastewater utility. Prior experience in a governmental utility is strongly desired. Bachelor's degree in related field is required; Master's degree desired.

Compensation:

[TBD]

How to Apply:

[TBD]

For more Information:

[TBD] Name, title, phone, e-mail; website: www.owasa.org

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Exhibit B

OWASA Executive Director
Core Competencies

Attribute	*Description*	*OWASA Specific*
Leadership:	Ability to lead; inspire; motivate; influence	• Effectively leads (guides, influences) staff. • Leadership abilities are demonstrated in OWASA Board and Committee meetings. • Effectively implements change when needed. • Is highly regarded and respected leader at all levels of the organization, in the Carrboro-Chapel Hill community, and the water resources profession. • Continuously works to enhance the skills and knowledge of employees. • Plays leadership role with external peers (Town and County Managers, UNC officials, etc.). • Sets example for all to follow.
Passion:	Cares; high level of effort; commitment; enthusiasm	• Consistently displays a high level of enthusiasm for OWASA's success. • Positive outlook at all times. • Expresses genuine enthusiasm in interactions with fellow employees, Board members, customers, and others. • Takes time to encourage and recognize success. • Unquestionable work effort; puts in extra hours when needed.
Communications:	Clearly expresses meaningful/compelling information to diverse people; listens; understands and respects different points of view	• Confident and effective speaker. Can explain complex utility matters to people with diverse backgrounds. • Makes effective presentations to the OWASA Board and other officials. • Written reports are accurate, complete and concise. • Always keeps his/her team informed.
Relationships:	Builds teams; facilitates cooperation and consensus; interpersonal skills	• Team builder. • Establishes and maintains effective relationships with internal and external peers/officials.

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Attribute	*Description*	*OWASA Specific*
Relationships continued:		• Builds relationships and facilitates cooperation/consensus with others – even when that may be difficult (angry customers/stakeholders). Always remains professional and helpful. • Values and effectively supports and promotes diversity.
Technical:	Has knowledge needed to perform; keeps current on technology	• Excellent understanding of the operational and business service requirements of leading a progressive water utility. • Stays current and regularly attends utility-related conferences and seminars. • Excellent, thorough understanding of OWASA Board Policies and Administrative Guides.
Action-oriented:	Takes on new challenges; self-starter; gets things done quickly; productive; anticipates work	• Makes timely decisions to keep the organization moving forward. • Always anticipates work that needs to be done. • Regularly and confidently delegates work and seeks assistance from others when needed. • Meets or beats deadlines. • Sets priorities; does first things first; tackles unpleasant tasks equally well.
Strategic thinker:	Decision maker; problem solver; creative; learns quickly; systematic; anticipates work	• Understands the big OWASA picture and thinks, plans and acts accordingly. • Understands complex technical issues and their relationship to people. • Develops and implements innovative and creative solutions to problems. Is seen as smart and innovative. • Makes excellent and timely decisions on complex utility matters. • Understands the importance of both processes and outcomes.
Vision:	Understands the future and how to get there to benefit the organization	• Understands where OWASA is going and how to get there – acts accordingly. • Consistently develops systems and strategies to improve the organization.
Customer Focus:	Committed to excellence in serving customers; quality services	• Provides excellent customer service. • Reaches out and makes personal contact with customers and other stakeholders, especially when there are concerns/problems.

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Attribute	*Description*	*OWASA Specific*
Self-Improvement:	Learns and improves; develops skills; seeks feedback	• Takes initiative to improve skills and abilities. Seeks out peers, mentors and OWASA employees for learning opportunities.
Integrity:	Honest; highest ethical standards; trustworthy; does what he/she says	• Sets the highest standard of integrity for OWASA. • Leads by example.

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