

ORANGE WATER AND SEWER AUTHORITY
WORK SESSION OF THE BOARD OF DIRECTORS
FEBRUARY 11, 2016

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a Work Session on Thursday, February 11, 2016 at 6:00 PM in the OWASA Community Room, 400 Jones Ferry Road, Carrboro.

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

OWASA staff present: Ed Kerwin; Mary Darr; Patrick Davis; Greg Feller; Stephanie Glasgow; Robin Jacobs; Andrea Orbich; Johnny Riley; Ruth Rouse; Kelly Satterfield; Todd Taylor; Mary Tiger; and Robert Epting, Epting and Hackney.

Others present: Tammy Grubb, Chapel Hill News; Ben Poulson, Associate Director of Energy Services and Meg Holton, Water, Wastewater, and Stormwater Manager, University of North Carolina (UNC) at Chapel Hill; Forrest Orr, North Carolina Wildlife Resources Commission; Eric Barnhardt; Jim Flynn, National Wild Turkey Federation; Shadi Eskaf and Lexi Herndon, Environmental Finance Center at UNC; John Anzivino and Ann Antonsen, Springsted Incorporated.

MOTIONS ACTED UPON

1. Terri Buckner made a motion that the Board of Directors' support the intention of the petition but that the fishing day for veterans be held when Cane Creek Reservoir is open for recreation; second by Heather Payne and unanimously approved.
2. Jeff Danner made a motion to edit page 4 of the Executive Director's Performance Goals to replace the acronym "TBD" with "Leadership Initiatives" then accept the Executive Director Performance Goals as revised; second by Dave Moreau and unanimously approved.
3. Terri Buckner made a motion to accept the proposed Draft Philosophy for employee compensation and move forward with the next phase of the Employee Total Compensation Study; second by Robert Morgan and the motion passed with a vote of seven to two with Jeff Danner and John Young opposed.
4. Dave Moreau made a motion that there is not a compelling cost of service or any other basis to separate the University of North Carolina at Chapel Hill in its own rate class; second by Robert Morgan and unanimously approved.

ANNOUNCEMENTS

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; none were disclosed.

Mr. Young said that on February 1, 2016, Dave Moreau, Ed Kerwin and he provided an OWASA orientation for new Chapel Hill Town Council Member Jessica Anderson.

Mr. Young announced that Terri Buckner, Barbara Foushee and he will provide an OWASA annual update to the Orange County Board of Commissioners at their February 16, 2016, meeting.

Mary Tiger, Sustainability Manager, provided an update on discussions with the University of North Carolina, Orange County, Chapel Hill-Carrboro City Schools, the Towns of Carrboro, Chapel Hill, and Hillsborough to partner in generating renewable energy from biogas generated at the Mason Farm Wastewater Treatment Plant.

PETITIONS AND REQUESTS

Forrest Orr petitioned the Board to allow a fishing day for veterans at the Cane Creek Reservoir on Saturday, March 19, 2016. Eric Barnhardt and Alan Tom also petition the Board in supported of Mr. Orr's petition. After discussion, the Board agreed that staff would work with Mr. Orr to find a suitable day for the event when Cane Creek Reservoir is open to public.

Terri Buckner made a motion that the Board of Directors' support the intention of the petition but that the fishing day for veterans be held when Cane Creek Reservoir is open for recreation; second by Heather Payne and unanimously approved. Please see Motion 1 above.

ITEM ONE: APPROVE EXECUTIVE DIRECTOR PERFORMANCE GOALS

Jeff Danner made a motion to edit page 4 of the Executive Director's Performance Goals to replace the acronym "TBD" with "Leadership Initiatives" then accept the Executive Director Performance Goals as revised; second by Dave Moreau and unanimously approved. Please see Motion 2 above.

ITEM TWO: DISCUSSION OF DRAFT EMPLOYEE TOTAL COMPENSATION PHILOSOPHY

After discussion, the Board accepted the philosophy as a draft presented by Springsted Incorporated. Jeff Danner concurred with moving forward with the project but opposed accepting a "draft" philosophy. John Young said the philosophy was generic and additional Board discussion was needed prior to approval.

Staff and Springsted will work together to develop a draft scope of work for the next phase of the Employee Total Compensation Study to include the key work tasks and deliverables for the Board's review.

Terri Buckner made a motion to accept the proposed Draft Philosophy for employee compensation and move forward with the next phase of the Employee Total Compensation Study; second by Robert Morgan and the motion passed with a vote of seven to two with Jeff Danner and John Young opposed. Please see Motion 3 above.

ITEM THREE: DISCUSSION OF POTENTIAL RATE STRUCTURE MODIFICATIONS

Dave Moreau made a motion that there is not a compelling cost of service or any other basis to separate the University of North Carolina at Chapel Hill in its own rate class; second by Robert Morgan and unanimously approved. Please see Motion No. 4 above.

The Board agreed to move forward with four separate rate classes: Single-Family Residential; Multi-Family, Master-Metered; Irrigation; and General Service.

Heather Payne requested information on the number of irrigation meters used by multi-family, master-metered customers; staff will follow up.

After considerable discussion, the Board agreed to evaluate modifications to the seasonal water rates that apply to the new rate class of multi-family, master-metered customers. The purpose of the modifications will be to improve customer understanding and address affordability issues. This will be brought back to the Board at a future meeting.

ITEM FOUR: REVIEW BOARD WORK SCHEDULE

No changes noted.

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

Ed Kerwin summarized the key action items for staff as follows:

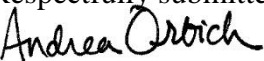
- Staff will work with Forest Orr regarding his petition to have a fishing day for veterans at Cane Creek when Cane Creek is open for recreation.
- Staff will work with Springsted Incorporated to develop a draft scope of work for the next phase of the Employee Total Compensation Study to include the key work tasks and deliverables for the Board's review.
- Staff will provide the Board information on the number of irrigation meters used by multi-family, master-metered customers.
- Staff will prepare an evaluation of modifications to the seasonal water rates that apply to the new rate class of multi-family, master-metered customers for the Board's review.

ITEM SIX: CLOSED SESSION

Without objection, the Board of Directors convened in a Closed Session for the purpose of discussing a personnel matter.

The meeting was adjourned at 9:47 PM.

Respectfully submitted by:


Andrea Orbich

Executive Assistant/Clerk to the Board