

# Orange Water and Sewer Authority

## Meeting of the Board of Directors

September 14, 2017

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in work session on Thursday, September 14, 2017, at 6:00 p.m. in OWASA's Community Room, 400 Jones Ferry Road, Carrboro.

Board Members present: Robert Morgan (Chair), Heather Payne (Vice Chair), Yinka Ayankoya (Secretary), Jeff Danner, Ray DuBose, Barbara Foushee, John N. Morris, Ruchir Vora, and John A. Young.

OWASA staff present: Denise Battle, Mary Darr, Robert Epting, Esq., (Epting and Hackney), Greg Feller, Vishnu Gangadharan, Stephanie Glasgow, Ed Kerwin, Andrea Orbich, Dustin Rhodes, Nicolas Rogers, Ruth Rouse, Kelly Satterfield, Todd Taylor, Mary Tiger, Rosa Valdez, Stephen Winters and Millie Zeno-Chapman.

Others present: Margaret Holton (Water, Sewer and Reclaimed Water Coordinator) and Ben Poulson (Associate Director of Energy Services) of the University of North Carolina at Chapel Hill; and Braxton Foushee.

### Motions

1. Heather Payne made a motion to approve the Minutes of the August 10, 2017 Work Session of the Board of Directors; second by Jeff Danner and unanimously approved.
2. Heather Payne made a motion to approve the Minutes of the August 10, 2017 Closed Session of the Board of Directors; second by Jeff Danner and unanimously approved.
3. Ruchir Vora made a motion that staff prepare a letter to Wells Fargo stating OWASA's displeasure with their banking practices as it pertains to the Dakota pipeline; second by Barbara Foushee and the motion failed with a vote of three to six with Jeff Danner, Ray DuBose, John Morris, Robert Morgan, Heather Payne and John Young opposed.
4. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Updating the Schedule of Employee Classification and Authorized Compensation; Adjusting Affected Employees' Compensation to the Minimum of the Pay Range; and Authorizing Cost of Labor and Merit Pay Increases for Eligible Employees and allowing for the Executive Director to provide up to 15% of the organization for Exceptional performance reviews. (Motion by John Young, second by Jeff Danner and unanimously approved.)
5. Ruchir Vora made a motion that the Board of Directors convene in a Closed Session for the purpose of discussing a personnel matter; second by John Morris and unanimously approved.

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Announcements

Robert Morgan asked if any Board Member knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight to disclose the same at this time; none were disclosed.

Mr. Morgan said he and Yinka Ayankoya provided an OWASA annual update to the Carrboro Board of Alderman on September 5, 2017, that included discussion about Advanced Metering Infrastructure and drinking water fluoridation. Without objection, the Board agreed to continue discussion of water fluoridation under Item Eight A., Review Board Work Schedule, Request(s) by Board Committees, Board Members and staff.

John Young said the Natural Resources and Technical Systems Committee will meet on September 26<sup>th</sup> at 4 PM in the OWASA Boardroom to discuss biogas-to-energy opportunities and potential land disposition.

Heather Payne said the Chapel Hill Town Council's OWASA Committee will meet with Chapel Hill appointees to the OWASA Board on October 5, 2017, at 8:00 a.m. in the OWASA Boardroom. Mayor Pam Hemminger and Roger Stancil, Chapel Hill Town Manager, as well as OWASA Chair Robert Morgan are expected to attend.

Item One: Annual Report on Disposal of Surplus Personal Property

The Board accepted the Annual Report on Disposal of Surplus Personal Property as an information item.

Item Two: Minutes

Heather Payne made a motion to approve the Minutes of the August 10, 2017 Work Session of the Board of Directors; second by Jeff Danner and unanimously approved. Please see Motion No. 1 above.

Item Three: Minutes

Heather Payne made a motion to approve the Minutes of the August 10, 2017 Closed Session of the Board of Directors; second by Jeff Danner and unanimously approved. Please see Motion No. 2 above.

Item Four: Resolution Awarding a Construction Contract for the Administration Building Heating, Ventilation, and Air Conditioning (HVAC) Replacement Project

Vishnu Gangadharan introduced Dustin Rhodes, OWASA's new Utilities Engineer.

Barbara Foushee arrived at 6:13 p.m.

After discussion, the Board requested additional information on the evaluation of alternatives for this project and agreed to defer consideration of approval of the resolution to the Board's September 28, 2017 meeting.

#### Change to the Agenda

Without objection, the Board agreed to move up Items Seven and Eight (Discuss Key Performance Indicator Report and Review Board Work Schedule) so that all Board Members would be in attendance for Items Five and Six (Diversity and Inclusion Program Progress Report and Equal Employment Opportunity/Affirmative Action Report for Fiscal Year 2017 and Discuss Employee Merit Pay for Fiscal Year 2018).

#### Item Seven: Discuss Key Performance Indicator Report

The Board reviewed and discussed monthly Key Performance Indicators, provided feedback and agreed to have further discussion in January 2018.

#### Item Eight: Review Board Work Schedule

After discussion, the Board agreed that staff will propose a process for the periodic review of guidance from professional organizations regarding fluoridation for discussion at the October 26, 2017 Board meeting.

Jeff Danner, Chair of the Finance Committee, noted that Ray DuBose agreed to serve on the audit firm selection committee. Either Heather Payne or Ruchir Vora will also participate once a schedule of audit firm interviews is known.

The Board agreed that the Finance Committee will schedule a meeting this fall to discuss the budget process for next fiscal year.

Yinka Ayankoya arrived at 7:14 p.m.

The Board agreed that staff will issue a Request for Proposals in the spring of 2018 for banking services, and the Board will provide input on the criteria to be considered in selecting the best-qualified bank.

Ruchir Vora made a motion that staff prepare a letter to Wells Fargo stating OWASA's displeasure with their banking practices as it pertains to the Dakota pipeline; second by Barbara Foushee and the motion failed with a vote of three to six with Jeff Danner, Ray DuBose, John Morris, Robert Morgan, Heather Payne and John Young opposed. Please see Motion 3 above.

The Board received an update from Ed Kerwin regarding the 40<sup>th</sup> Anniversary Open Houses scheduled for Saturday, October 21, 2017 at Cane Creek Reservoir and Saturday, November 4, 2017 at the Jones Ferry Road campus. The Board agreed with Mr. Kerwin's recommendation to waive the Lake Use Fee for the October 21<sup>st</sup> event at Cane Creek for Orange County residents.

The Board agreed that John Morris will explore options to capture more of OWASA's history.

The Board requested more information and deferred until the September 28, 2017 agenda the Resolution Awarding a Construction Contract for the Administration Building HVAC Replacement Project.

Item Five: Diversity and Inclusion Program Progress Report and Equal Employment Opportunity/Affirmative Action Report for Fiscal Year 2017

Stephanie Glasgow provided an overview of staff's work with the consulting firm of VISIONS, Inc. on OWASA's Diversity and Inclusion Program. Nicholas Rogers (Assistant Distribution and Collection System Manager), Rosa Valdez (Clerk Cashier), Millie Zeno-Chapman (Water Treatment Plant Operator) and Todd Taylor (General Manager of Operations) provided comments on their experiences.

Ms. Glasgow provided additional information on the Equal Employment Opportunity/Affirmation Action Report. She asked the Board what they liked about the work to date? If there were suggested improvements? If Board Members where interested in a focus group meeting? Does the Board desire a training session with the consultant?

The Board agreed to schedule training by VISIONS and requested recommendations on the timing and length of training. The Board also agreed to participate in a focus group meeting as part of the organizational climate assessment work.

Item Six: Discuss Employee Merit Pay for Fiscal Year 2018

Stephanie Glasgow restated the Human Resources (HR) Committee's recommendation to:

- a) approve a 1% cost of labor increase for eligible employees who have earned a "Successful" or "Exceptional" Performance review during the October 2017 annual review process and adjust by the same percentage the salary ranges in the Schedule of Employee Classification and Authorized Compensation;
- b) approve a merit increase to employees earning a performance review rating of "Successful" during the October 2017 annual review by increasing base pay 3%; and
- c) approve a merit increase to employees earning a performance review rating of "Exceptional" during the October 2017 annual review by increasing base pay by 6%.

After discussion, the Board agreed with the HR Committee's recommendation and resolved to approve a 4% (total of cost of labor and merit increases) for eligible employees earning a performance review rating of Successful during the October 2017 annual review, a 7% increase for eligible employees earning a performance review rating of Exceptional during the October 2017 annual review and adjusting the Schedule of Employee Classification and Authorized Compensation by 1%.

John Young made a motion to approve the Resolution Updating the Schedule of Employee Classification and Authorized Compensation; Adjusting Affected Employees' Compensation to

the Minimum of the Pay Range; and Authorizing Cost of Labor and Merit Pay Increases for Eligible Employees and allowing for the Executive Director to provide up to 15% of the organization for Exceptional performance reviews; second by Jeff Danner and unanimously approved. Please see Motion 4 above.

The Board agreed that the HR Committee will meet this fall to discuss compensation options for next fiscal year.

Item Nine: Executive Director Will Summarize the Key Staff Action Items from the Work Session

Ed Kerwin said items for staff follow-up are:

- Provide additional information on the evaluation of alternatives of improvements for the Administration Building Heating, Ventilation, and Air Conditioning Replacement project.
- Key Performance Indicators discussion will be scheduled for a January 2018 meeting.
- Propose a process for the periodic review of guidance from professional organizations regarding fluoridation for discussion at the October 26, 2017 Board meeting.
- Schedule interviews of potential audit firms.
- Schedule a Finance Committee meeting this fall to discuss the budget process and planning assumptions for next fiscal year.
- Issue a Request for Proposals in the spring of 2018 for banking services and seek the Board's input on the criteria to be considered in selecting the best-qualified bank.
- VISIONS, Inc. will provide the Board options for Diversity and Inclusion training as well as participate in a focus group meeting.
- Schedule an HR Committee meeting this fall to discuss options for employee compensation for next fiscal year.

Item Ten: Closed Session

Ruchir Vora made a motion that the Board of Directors convene in a Closed Session for the purpose of discussing a personnel matter; second by John Morris and unanimously approved. Please see Motion No. 5.

The Board came out of closed session and the work session was adjourned at 9:27 p.m.

Respectfully submitted by:



Andrea Orbich  
Executive Assistant/Clerk to the Board

Attachment

**RESOLUTION UPDATING THE SCHEDULE OF EMPLOYEE CLASSIFICATION  
AND AUTHORIZED COMPENSATION; ADJUSTING AFFECTED EMPLOYEES'  
COMPENSATION TO THE MINIMUM OF THE PAY RANGE;  
AND AUTHORIZING COST OF LABOR AND MERIT PAY INCREASES  
FOR ELIGIBLE EMPLOYEES**

**WHEREAS**, the Orange Water and Sewer Authority maintains a Schedule of Employee Classification and Authorized Compensation which provides the appropriate number of properly classified and compensated employees to efficiently and effectively fulfill the organization's duties and responsibilities; and

**WHEREAS**, the Board of Directors has determined that it is necessary to increase the compensation provided in the various pay ranges of the Schedule of Employee Classification and Authorized Compensation in order to achieve and maintain a reasonable competitiveness with the compensation being paid in the relevant market; and

**WHEREAS**, the Board of Directors has determined that it is reasonable and necessary to provide Merit Increases in the present salary levels of qualified employees in order to reward their good work and encourage their continued performance in doing the work necessary for the operation of the OWASA service system:

**NOW THEREFORE, BE IT RESOLVED:**

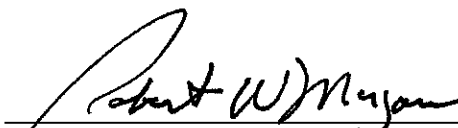
1. That the Board of Directors hereby approves a 1 % Cost of Labor increase for eligible employees who have earned a Successful or Exceptional Performance review during the October 2017 annual review process and the Executive Director is directed to adjust and implement the same percentage increase across the salary ranges in the Schedule of Employee Classification and Authorized Compensation.
2. That the Board of Directors hereby approves a Merit increase to employees earning a performance review rating of "Successful" during the October 2017 annual review process by increasing each qualified employee's present salary level by 3%.
3. That the Board of Directors hereby approves a Merit increase to employees earning a performance review rating of "Exceptional" during the October 2017 annual review process by increasing each qualified employee's present salary level by 6%.
4. That employees whose salaries fall below the minimum amount of the new pay ranges shall be brought up to the minimum of her or his respective pay range regardless of the performance rating earned.
5. That the pay adjustments will be effective October 30, 2017.

Resolution Updating the Schedule of Employee Classification and Authorized Compensation;  
Adjusting Affected Employees' Compensation to the Minimum of the Pay Range; and  
Authorizing Cost of Labor and Merit Pay Increases for Eligible Employees

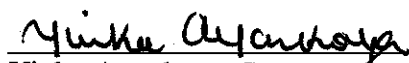
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Adopted this 14<sup>th</sup> day of September 2017.

  
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Robert Morgan, Chair

ATTEST:

  
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Yinka Ayankoya, Secretary