

Peachtree City Water and Sewerage Authority

April 8, 2019

The Peachtree City Water and Sewerage Authority held its monthly meeting on Monday, April 8, 2019, in the conference room of the John W. Gronner Administrative Center. The following individuals were present: Chairman Vanessa Fleisch, Vice-Chairman Mike King, Treasurer/Secretary Terry Ernst, Board Member Phil Prebor, Board Member Kevin Madden, Ms. Melissa Griffis (attorney with Rosenzweig, Jones, Horne & Griffis), Mr. Dan Davis (ISE), Ms. Leslie Baer (ISE), Mr. Charlie Hawkins (The Hawkins Firm, LLC), Mr. Nathan Brooks (WASA staff), Mr. Larry Michaels (WASA staff), Mr. John Dufresne, Mr. Vic Hardy, Ms. Vicki Hardy, Ms. Corinne Kehayes, Mr. Chris Stanley, Ms. Cindy Kelly, Mr. Jimmy Kelly, and Ms. Robin Lorber.

Ms. Fleisch called the meeting to order at 6:30 pm, and began with the Pledge of Allegiance.

Ms. Fleisch opened the meeting up for public comment. There were no public comments.

Ms. Fleisch asked for a motion to approve the March 4, 2019 regular meeting minutes. Mr. King made the motion, seconded by Mr. Madden. Motion carried.

Ms. Fleisch asked for a motion to approve the March 20, 2019 special called meeting minutes, and noted a change to the minutes. Mr. King made a motion to approve the minutes with the change noted, seconded by Mr. Madden. Motion carried.

Mr. Dan Davis provided a report as the General Manager. Mr. Dan Davis stated that all vacant staff positions are now filled.

Ms. Griffis stated the attached Agreement with Planterra Ridge covers the time period of 4/19/2019 to 10/31/2019. This Agreement edits some of provisions of the prior agreement (dated 4/20/2005). Planterra Ridge is looking for other availability for their reuse; this Agreement will get them through their current season. The Agreement language was drafted by Club Corp and reviewed by Mr. Dan Davis and Ms. Griffis. The prior agreement did not accurately reflect actual WASA costs. This Agreement is in-line with calculated cost by the WASA team and includes the 20% markup. Mr. Ernst made a motion to approve the Agreement with Planterra Ridge, seconded by Mr. King. Motion carried.

Mr. Dan Davis discussed the Wilksmoor Woods/Century Communities Memorandum of Understanding (MOU). Mr. Dan Davis stated in the Westside Village/Wilksmoor there is a parcel of land uphill from Everton which is under construction. Wilksmoor Woods needs access to public sewer, which is currently not available to the site; a gravity sewer line can be constructed in the next 6 to 12 months. The developer has asked to construct a temporary pump station (built to WASA standards) which can discharge into a gravity sewer line. The developer will extend the gravity sewer line to connect into a new gravity sewer line when access is available. The developer will provide a bond which if needed will cover the cost of construction and condemnation. Mr. King asked if there are any occupancy issues in the area. Mr. Dan Davis responded that nothing is built yet; it is a raw piece of land. Ms. Griffis stated the request is that the Board authorize Ms. Fleisch to sign the MOU once reviewed and approved by Mr. Dan Davis and Ms. Griffis. The MOU is to include: temporary pump station to WASA standards which allows developer to achieve sewer service in their subdivision for a temporary basis; at the time gravity sewer is available

through the adjacent subdivision the developer will connect within three months; the developer has up to five years to make this transition; and a cash bond for construction cost, value of the land, and legal (condemnation) and engineering cost if necessary. Mr. Prebor confirmed that WASA does not need the pump station. Mr. Dan Davis confirmed, stating that the downstream project is not far enough along to connect to the upstream project. Mr. Dan Davis stated the lift station will be designed to handle all homes being built. Mr. Dan Davis stated the lift station will be WASA's responsibility to maintain, but will be removed when the gravity line construction is complete. Ms. Robin Lorber stated that if Pulte builds Phase 6, then they should be able to tie-in. Mr. Dan Davis stated that they would be able to connect to gravity sewer, if approved. Mr. King asked if condemnation of the property could delay this process. Mr. Dan Davis was referring to the property to connect that is not owned by this development. Ms. Griffis stated yes, condemnation could delay the process. Mr. Dan Davis confirmed if that were to happen, the development will still be on the pump station. Mr. King made a motion to authorize Ms. Fleisch to execute a MOU between WASA and Wilksmoor Woods/Century Communities upon Mr. Dan Davis and Ms. Griffis approval of the terms discussed, seconded by Mr. Ernst. Motion carried.

Ms. Baer discussed the Verizon Connect Contract as a means of tracking WASA vehicle location and maintenance. There was previously a similar system installed on the vehicles. The Verizon Connect Contract is to reinstall similar type devices in order to track where vehicles have been but also to track various maintenance needs for all the vehicles. Mr. Dan Davis added that this is also a safety issue. Ms. Baer confirmed that at some point the previous system was discontinued. The one-time and recurring costs are outlined in the contract. Ms. Griffis stated the request is to approve Mr. Philip Abbott, as WASA's IT consultant, to sign the Verizon Connect Contract. Mr. Ernst made a motion to approve the Verizon Connect Contract, seconded by Mr. Prebor. Motion carried.

Mr. Dan Davis discussed the draft Employee Handbook and Employee Pay Ranges. Mr. Dan Davis noted he will present preliminary findings of the Compensation Resources Benefits and Salary Study and Mr. Hawkins will present a draft of the Employee Handbook. Mr. Dan Davis noted the Handbook draft is based on the SHRM template modified for Georgia law and some of WASA's current policies, and taking into consideration previous studies (Mercer Study/Update and Whit Perrin Study). Mr. Dan Davis stated the team also looked at the benefits of the City of Peachtree City.

Mr. Dan Davis stated the 2006 Mercer Study shows WASA pay rates at 62% of the market, however no benefits were studied. In 2013 Mercer updated the study; pay rates at this time were determined to be 2.96% below the market. The Mercer update looked at benefits; it was determined that WASA was competitive in all areas with the exception of Vision and Short-term Disability insurance. As a result, the pay plan was updated to bring WASA's pay to 50% of the market. The 2017 Whit Perrin study covered compensation and benefits, as well as HR policies utilizing data from AWWA. Salaries were found to be below the market at 88.6% on average from the midpoint of the 75<sup>th</sup> percentile. The Whit Perrin study noted that longevity pay is typically only awarded for staff that have reached the max of their pay grade; few organizations offered some form of attendance bonuses typically as a small percentage of annual pay; few organizations offer comparable longevity pay; and WASA longevity pay represents a significant portion of an employee's pay after they reach the five-year mark. The 2017 Whit Perrin study showed WASA healthcare and dental benefits were competitive. The study found few employers offer retirement defined benefit plans (pension) and of the defined contribution plans offered, the company match was 1% to 12% of salary with an average of 5% match. Mr. King inquired as to WASA's current retirement matching program. Mr. Dan Davis responded that WASA currently has a defined contribution plan with 8% to a retirement account and match 100% of employee contributions up to 8%; for a total possible WASA contribution of 16%. The study also found the following with regard to other benefits:

- Two weeks per year paid leave with increases for service is typical.
- Typically 10 paid holidays; WASA currently provides for 11.
- Life insurance typically paid 100% by the employer. WASA currently provides two times the employee salary plus \$15,000.
- Long-Term Disability and Short-Term Disability typically covered by the employer.

Mr. Dan Davis noted that overall WASA benefits were found to be competitive. Mr. Dan Davis noted that the team looked at WASA's benefits as compared to the City of Peachtree City. WASA currently offers longevity pay; the City does not offer bonuses or longevity pay. Mr. Dan Davis reviewed the accrual rates for WASA versus City employees; WASA employees can carry over a max of 50 days of vacation per year, and City employees can carry over a max of the employee's yearly accrual rate plus 20%. WASA's maximum sick time carry over is 80 days; the City maximum carry over is 30 days. Bereavement and Jury Duty policies are similar between the organizations. WASA life insurance provides two times the employee salary plus \$15,000; the City provides for one time employee salary. Short-term disability is optional and long-term disability is provided for both WASA and City employees. WASA has a defined contribution plan (as discussed) and the City has a defined pension plan – the two plans cannot be compared. Mr. Dan Davis stated the Compensation Resources (CR) report will be presented in May. The CR report will look at various data sources based on revenue, geography, industry, etc. CR will provide salary data at the 25<sup>th</sup> percentile and 75<sup>th</sup> percentile; and we have asked them to formulate the 70<sup>th</sup> percentile. If the Board chooses to adopt the 70<sup>th</sup> percentile, it will serve as the midpoint. The data will be adjusted to reflect geography and inflation. Shift differentials and longevity pay will be addressed. Mr. Dan Davis summarized by saying that it appears WASA employees are being underpaid. Preliminary employee pay ranges based on CR data were provided.

Mr. Hawkins discussed the draft Employee Handbook. Mr. Hawkins noted there are some changes to language and a couple items in the current handbook were removed because they don't apply to WASA (for example FMLA). FMLA applies to organizations with 50 or more employees. Since this policy does not apply to WASA, it has been removed. As well, the Grievance Procedure was removed because it is an unusual policy for this type of organization. A written On-Call policy has been added providing a clear policy. A vehicle use policy has been added as well. Mr. Hawkins noted that most employers now have a Paid Time Off (PTO) policy versus a Sick/Vacation policy. Starting next year we suggest WASA move to a PTO policy. The advantage of a PTO policy is that the employee can use the time for whatever they prefer. Mr. Hawkins suggested in order to minimize disruption, WASA could leave the current policy in place for the remainder of 2019; and beginning next year with a maximum rollover of 200 vacation hours and 50 sick hours; and at the end of 2020 limit the PTO carryover to 120 hours. Mr. Hawkins proposed the employees be paid one-half regular rate for vacation time lost due to the transition. Mr. Prebor asked if PTO is approved based on seniority. Mr. Hawkins stated time off should be planned in advance and if you are sick that is different; time off would be monitored in the same way it is now. Mr. Hawkins noted another issue to the current system is employees choosing to bank time instead of taking time; the intent of paid time off is to take vacation; there are many studies showing the various benefits of employees taking their vacation time. Mr. Prebor asked regarding how these changes will affect the rate payers and the budget. Mr. Dan Davis responded that we believe these changes can be implemented within the 2018 budget. Ms. Fleisch asked for clarity regarding the Grievance Procedure. Mr. Hawkins stated based on his experience this type policy is not seen in other similar organizations. Mr. Hawkins stated that certainly if an employee has a complaint, we will consider it. But the current policy creates more administrative work, and provides a structure allowing employees who should leave the ability to work the system thus prolonging their exit. Mr. Madden asked regarding the Confidentiality and Conflict of Interest policy; how do we determine the discipline/action. Mr. Hawkins stated the discipline policy provides some

flexibility/discretion to address these type issues, including immediate termination if necessary. Mr. Hawkins noted this issue is also discussed in the Social Media policy, admonishing people to not disclose confidential information.

Ms. Fleisch asked for a motion to adjourn into Executive Session for the purposes of Real Estate, Potential Litigation and Personnel. The motion was made by Mr. King and seconded by Mr. Madden. Motion carried. The meeting was adjourned into Executive Session at 7:24 pm.

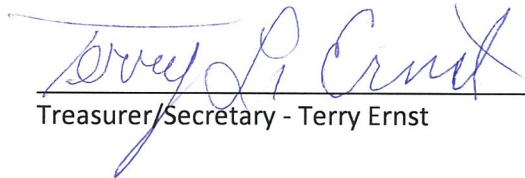
The meeting was reconvened at 8:34 pm.

Ms. Fleisch asked for a motion to adjourn. The motion was made by Mr. King and seconded by Mr. Ernst. Motion carried. The meeting was adjourned at 8:34 pm.



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Chairman - Vanessa Fleisch



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Treasurer/Secretary - Terry Ernst