



MEMORANDUM

To: Finance Committee

From: Rich Olson, City Manager

Date: August 5, 2013

Re: Consideration – Execution of Informal Settlement Agreement with Department of Labor

BACKGROUND:

On December 5, 2012, a compliance officer with the North Carolina Department of Labor, Division of Occupational Safety and Health, conducted an inspection of the City's water and waste water treatment plants. During the inspection, three (3) violations were observed. They are:

1. The process safety program and manuals at the water and waste water treatment plants were incomplete.
2. The City's written operating procedures did not contain all the necessary elements needed to comply with state and federal laws at the water and waste water treatment plants.
3. The City did not evaluate the contractor the City uses for compliance issues.

On May 22, 2013, the City received from the North Carolina Department of Labor an Informal Settlement Agreement, which called for the City to pay a fine of \$18,900. Pursuant to administrative rules, the City requested an informal telephone conference call with Mr. Thomas O'Connell, the Compliance Supervisor. That conference call was held on June 18, 2013. After a thorough discussion, staff was able to have the penalty reduced from \$18,900 to \$12,285.

ANALYSIS:

Attached, you will find a copy of the Informal Settlement Agreement between the City and the North Carolina Department of Labor. Pursuant to the agreement, the City's fine has been reduced to \$12,285. The City will be required to rewrite our Process Safety Manual and provide additional training to our employees. Paul Fredette has hired Municipal H₂O to rewrite the manual and provide the additional training required.

STAFF RECOMMENDATION:

By motion, recommend that the City Council authorize execution by Mayor Joseph W. Peel of the North Carolina Department of Labor Informal Settlement Agreement, as presented.

RCO/vdw