



HOW DOES OWASA USE YOUR DOLLARS?

The largest single cost in our monthly bill is for replacing, renewing and improving the community's water and sewer system facilities and equipment, or "infrastructure."

Of a typical residential bill for \$75 for 5,000 gallons of service, about \$34 is for infrastructure costs, including debt payments for bonds issued to help pay for completed projects and cash funding for current capital projects.

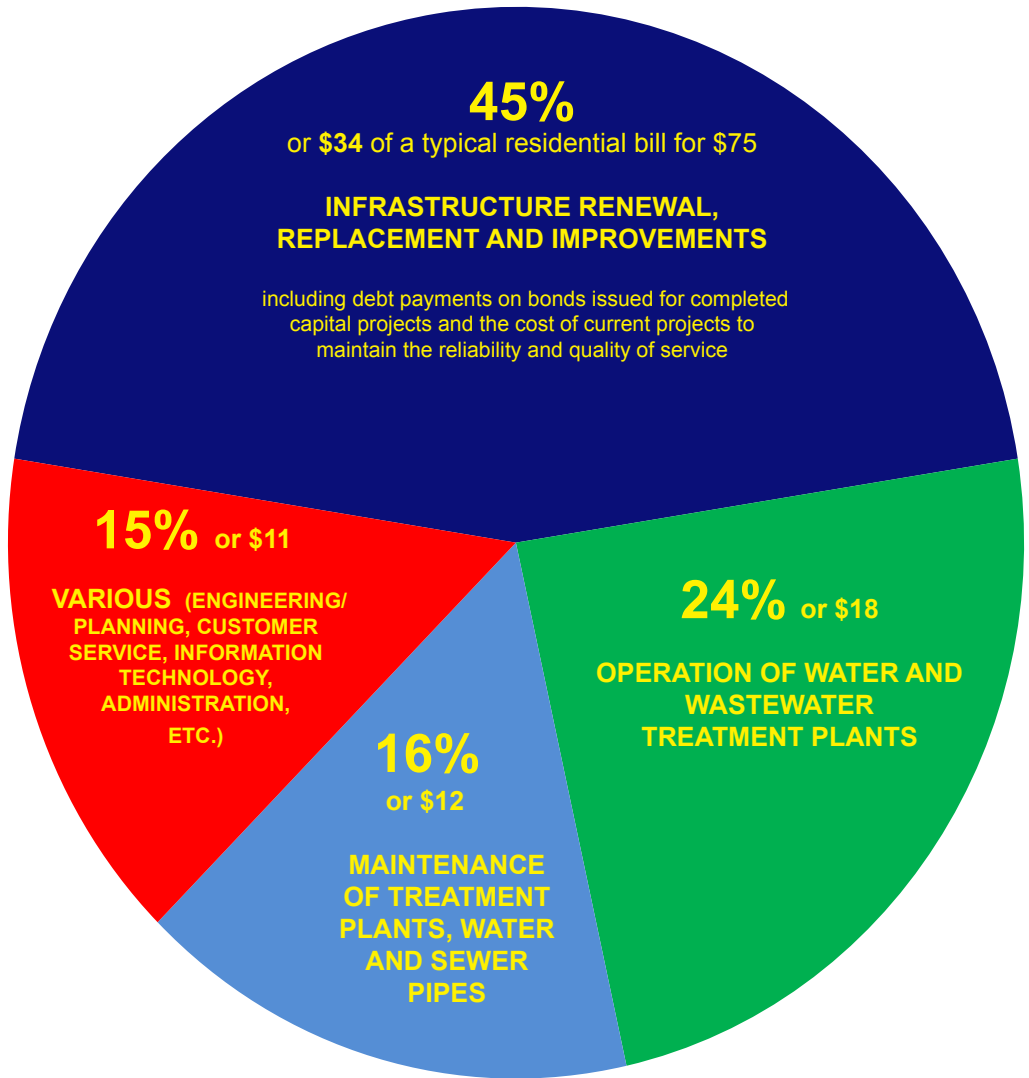
Infrastructure is the largest cost component of our monthly bill because of the importance of renewing, replacing and otherwise improving the water and sewer systems to ensure reliable, high quality service.

The need to replace and maintain water utility infrastructure is a national issue. Many utilities across the U.S. are facing financial difficulties as facilities built decades ago show their age and need to be either replaced or maintained more frequently at a higher cost.

In the last 10 years, we invested \$220 million in infrastructure projects. We issued \$100 million of long-term bonds so that customers who will benefit from infrastructure projects in coming decades will help pay for them as the bonds are paid off over time.

For example, from 2004 to 2007, we spent \$54 million at the Mason Farm

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COSTS IN THE MONTHLY WATER AND SEWER BILL FOR A TYPICAL RESIDENTIAL CUSTOMER:

Infrastructure renewal, replacement and improvements	\$34
Water and wastewater plant operation	18
Maintenance of water and sewer pipes, treatment plants, etc.	12
Various other	<u>11</u>
	\$75

Este boletín informativo contiene información sobre los servicios de agua y alcantarillado de OWASA. Para obtener una traducción, por favor llame al 537-4221, mande un correo electrónico a webmaster@owasa.org, o visite la página de Internet www.owasa.org. ¡Muchas gracias!

INFRASTRUCTURE: \$34 OF A TYPICAL MONTHLY BILL

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Wastewater Treatment Plant (WWTP) to enhance the treatment processes, add back-up power, increase the plant's capacity and control odor.

We issued \$47 million of bonds for the WWTP work, the largest capital project in our history.

Annual bond debt payments total about \$9.7 million and they account for 28% of a monthly OWASA bill.

Cash-funded projects in our current budget account for 17% of the bill.

The basic system costs of treatment plant capacity, etc. to serve new development are funded with one-time fees paid by the customer or property owner.

Developers are also required to install and pay for the water and sewer mains and related equipment needed to serve a new development.

Our policy is that "growth pays for growth."

OPERATING THE WATER AND WASTEWATER TREATMENT PLANTS (24%)

The Jones Ferry Road Water Treatment Plant in Carrboro operates 24 hours every day.

Since 2005, we have received annual awards from the national Partnership for Safe Drinking Water.

The Partnership is a coalition of public and private utilities and the U.S. Environmental Protection Agency which recognizes excellence in water plant operations and management.

Utilities receive these awards by demonstrating that they exceed various standards and guidelines for water treatment, and have management processes for continuous evaluation and improvement.

We publish the results from laboratory testing of drinking water each spring in an annual report (coming soon), and in the Water Quality section of our website, www.owasa.org.

The Jones Ferry Road plant can treat up to 20 million gallons per day due to upgrades completed in the spring of 2002.

The Mason Farm WWTP near Morgan Creek and Finley Golf Course in southeast Chapel Hill operates 24 hours a day, 365 days a year, and recycles about 2.9 billion gallons per year or an average of 7.9 million gallons per day.

The WWTP has the capacity to treat an average of 14.5 million gallons per day.

With the enhanced treatment processes completed in 2007, our highly treated or "reclaimed" wastewater meets State standards for non-drinking uses such as cooling tower make-up water at chiller plants, which cool buildings on the University campus; irrigation; and non-residential toilet flushing.

(The capital, operating and maintenance costs of the reclaimed water system are funded by reclaimed water customers.)

Reclaimed water use is averaging about 400,000 gallons per day in the current budget year.

Most of our treated wastewater is recycled by releasing it to Morgan Creek, a tributary of Jordan Lake.

Jordan Lake is a water source for several communities in the region, including Durham, Cary, Apex, Morrisville and Chatham County.

We began planning the treatment process improvements several years ago in anticipation of higher State standards for Jordan Lake water quality.

MAINTENANCE (16%)

We maintain 391 miles of water mains;

322 miles of sanitary sewers; 21,500 manholes; 2,091 fire hydrants; 21 wastewater pump stations and five water storage tanks.

We mow and clear about 140 miles of off-street sewer easements to keep them clear for maintenance, repairs, etc. and to prevent roots from growing into and blocking sewers. When roots, grease, debris, etc. block a sewer, a sewage overflow may result.

Employees are on duty or on call 24 hours a day to respond to emergencies such as water main leaks and sewage overflows, when necessary.

VARIOUS OTHER SERVICES (15%)

These include engineering, planning, customer service, reading water meters (20,000 each month), information technology, financial management/reserve funds, human resource administration, general management and the portion of lake recreation costs not funded by user fees.

COST-OF-SERVICE RATES

OWASA is a non-profit, public agency, and our rates and fees are calculated to cover the costs of our services.

Our services are funded with revenues from our customers. Except for occasional State or Federal grants for special projects, we do not receive any taxes.

QUESTIONS OR COMMENTS?

We welcome your questions and comments about our budget, rates, budget process, financial management policies, services, etc.

Please feel free to contact us at 968-4421 or webmaster@owasa.org; send a fax to 968-4464; visit or write to us at 400 Jones Ferry Road, Carrboro; or visit our website, www.owasa.org, including the Rates/Budget section.

