



ORANGE WATER AND SEWER AUTHORITY

*A public, non-profit agency providing water, sewer and reclaimed water services
to the Carrboro-Chapel Hill community.*

AGENDA **MEETING OF THE OWASA BOARD OF DIRECTORS** **THURSDAY, JUNE 12, 2014, 7:00 P.M.** **OWASA COMMUNITY ROOM**

In compliance with the "Americans with Disabilities Act," interpreter services are available with five days prior notice. If you need this assistance, please contact the Clerk to the Board at 919-537-4217 or aorbich@owasa.org.

The Board of Directors appreciates and invites the public to attend and observe its meetings. Public comment is invited either by petition upon topics not on the Board's agenda, or by comments upon items appearing on the Board's agenda. Speakers are invited to submit more detailed comments via written materials, ideally submitted at least three days in advance of the meeting to the Clerk to the Board via email or US Postal Service (aorbich@owasa.org/400 Jones Ferry Road, Carrboro, NC 27510).

Public speakers are encouraged to organize their remarks for delivery within the three-to-five minute time frame allowed each speaker. Additional time may be allowed at the discretion of the Board of Directors.

Administer Oath of Office to Quinton A. Harper, Town of Carrboro Appointee **Announcements**

1. Announcements by the Chair
 - A. 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 at this time.
 - B. OWASA Orientation for Bethany Chaney, New Carrboro Board of Alderman, will be held on Wednesday, June 18, 2014 at 4:00 PM in the OWASA Boardroom
 - C. June 26, 2014 OWASA Board of Directors' Meeting is Cancelled and the Board's Summer Recess includes Cancelling the July 24, 2014 and August 14, 2014 Board Meetings
2. Announcements by Board Members
 - A. Update on May 29, 2014 Community Engagement Committee (Steve Dear)
 - B. Update on the June 4, 2014 Natural Resources and Technical Systems Committee (Terri Buckner)
 - C. Update on the June 12, 2014 Human Resources Committee Meeting (Will Raymond)
 - D. Community Engagement Committee will meet on Thursday, July 10, 2014 at 5:30 PM in the OWASA Boardroom (Steve Dear)
3. Announcements by Staff

Petitions and Requests

1. Public
2. Board
3. Staff

CONSENT AGENDA

Action

1. Approval of the Minutes of the May 8, 2014 Meeting of the Board of Directors (Andrea Orbich)

REGULAR AGENDA

Discussion and Action

2. Approval of Schedule of Rates, Fees and Charges; Annual Budget; and Five-Year Capital Improvements Program (CIP) (Stephen Winters)
 - A. Resolution Adopting Schedule of Rates, Fees and Charges Applicable to All Customers On and After October 1, 2014
 - B. Resolution Adopting the Annual Budget for Orange Water and Sewer Authority for Fiscal Year (FY) July 1, 2014 Through June 30, 2015
 - C. Resolution Approving the CIP and Budget for Fiscal Years 2015-2019
3. Discussion on Employee Deferred Compensation (457) Plan (Will Raymond/ Stephanie Glasgow)

Discussion

4. Update on Evaluations of Customer Billing and Financial Management Systems (Dan Przybyl/Stephen Winters)

Election Of Officers (Effective July 1, 2014)

5. Report of the Nominating Committee and Election of Officers (Alan Rimer)
 - A. Chair of the Board
 - B. Vice Chair of the Board
 - C. Secretary

Summary of Board Meeting Action Items

6. Executive Director will summarize the key action items from the Board meeting and note significant items for discussion and/or action expected at the next Board meeting

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ORANGE WATER AND SEWER AUTHORITY

MEETING OF THE BOARD OF DIRECTORS

MAY 8, 2014

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a regular meeting on Thursday, May 8, 2014, at 7:00 PM in OWASA’s Community Room at 400 Jones Ferry Road, Carrboro.

Board Members present: Alan Rimer, P.E., Chair; Michael M. Hughes, P.E., Secretary; Terri Buckner; Stephen Dear; Heather Payne; Will Raymond; and Amy Witsil. Board Member excused: John A. Young, Vice Chair.

OWASA staff present: Ed Kerwin; Stuart Carson; Mary Darr; Patrick Davis; Stephanie Glasgow; Andrea Orbich; Todd Taylor; Stephen Winters; and Robert Epting, Esq., Epting and Hackney.

Others present: Ben Poulson, Associate Director of Energy Services and Meg Holton, Water, Wastewater, and Stormwater Manager, University of North Carolina at Chapel Hill; Lee Storrow, Chapel Hill Town Council Member; Stephen Leitch, Hazen and Sawyer; and Chapel Hill residents Mac Clarke and Esther Miller.

There being a quorum present, Chair Alan Rimer called the meeting to order.

* * * * *

MOTIONS ACTED UPON

1. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled, Resolution Designating Agent to Represent Orange Water and Sewer Authority as Claimant for Reimbursable Damages Related to Declared Winter Storm Emergency. (Resolution so titled, attached hereto, and made a part of these minutes. Motion by Will Raymond, second by Steve Dear and unanimously approved.)

2. Will Raymond made a motion to approve the Minutes of the April 10, 2014 Board meeting; second by Steve Dear and unanimously approved.

3. Will Raymond made a motion to approve the April 24, 2014 Minutes of Closed Session of the Board of Directors; second by Steve Dear, and unanimously approved.

4. Will Raymond made a motion that the Board of Directors authorize OWASA to enter into the proposed Interlocal Agreement relating to OWASA’s assistance to Orange County in planning for extension of wastewater system improvements to service the Rogers Road area; second by Steve Dear and unanimously approved.

5. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled, Resolution Awarding a Construction Contract for the Ridge Road Water Main

Rehabilitation Project. (Resolution so titled, attached hereto, and made a part of these minutes. Motion by Amy Witsil, second by Terri Buckner and unanimously approved.)

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ITEM ONE: ANNOUNCEMENTS

CONFLICT OF INTEREST

Alan Rimer 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 at this time. There were none.

FINANCE COMMITTEE

Alan Rimer said the Finance Committee will meet on Thursday, May 22, 2014 at 5:30 PM in the OWASA Boardroom.

NATURAL RESOURCES AND TECHNICAL SYSTEMS (NRTS) COMMITTEE

Terri Buckner said that the NRTS Committee met on May 7, 2014 to hear a report from Dr. Greg Characklis, Department of Environmental Sciences and Engineering at the University of North Carolina at Chapel Hill, on modeling scenarios regarding current water supply, future demands and hydrologic conditions for the Cary, Durham, OWASA and Raleigh water systems. Ms. Buckner said the next NRTS Committee meeting will be on Wednesday, June 4, 2014 at 5:30 PM to discuss an Energy Management Plan.

HUMAN RESOURCES (HR) COMMITTEE

Will Raymond said the HR Committee met prior to the Board meeting tonight to discuss two topics: health/dental insurance and employee deferred compensation (457). Mr. Raymond said the HR Committee will recommend approval of the proposed renewal contracts with Blue Cross Blue Shield of North Carolina maintaining current benefit levels for health and dental insurance with an added recommendation to start earlier in 2015 to review options on how employees may share costs. This will be a discussion and action item at the Boards' May 22, 2014 meeting; proposed health and dental insurance premiums increase 8.2% and 4.2% respectively. A brief discussion was held regarding employee deferred compensation (457) and will be further discussed at the HR Committee's meeting on Tuesday, May 20, 2014 at 5:30 PM in the OWASA Boardroom. Mr. Raymond encouraged all Board Members to attend the May 20th meeting.

"TAKE THEM TO THE BOX" SIGNS

Terri Buckner said that "Take Them to the Box" signs, sponsored by the Chapel Hill/Carrboro/Hillsborough Police Departments, are posted on local buses and now at OWASA. The Police Departments began this "drop box" program earlier this year for the safe disposal of expired, unused, and/or unwanted medication.

TASTE OF HOPE

Terri Buckner said that she spoke with a graphic designer who volunteered to design possible website information and related materials for the new Taste of Hope customer donation options. Once the drafts are ready Ms. Buckner will distribute them for feedback from the Board.

TWO: PETITIONS AND REQUESTS

Ester Miller, Chapel Hill resident, petitioned the Board for clean drinking water and shared a January, 2014 article from the News and Observer titled “Why Obamacare will never work.” Ms. Miller encouraged the Board to study what is being put into the water and to keep harmful toxins out.

The Board received Ms. Miller’s petition and took no action. The Board will stay abreast of scientific developments, changes in best management practices, and accepted public health practices and recommendations regarding drinking water.

Will Raymond requested the Board add to the end of regular agenda, a Resolution Authorizing a one-time Performance Bonus to the Executive Director; there was no objection.

Alan Rimer asked for petitions and requests from staff; there were none.

ITEM THREE: RESOLUTION DESIGNATING AGENT TO REPRESENT ORANGE WATER AND SEWER AUTHORITY AS CLAIMANT FOR REIMBURSABLE DAMAGES RELATED TO DECLARED WINTER STORM EMERGENCY

Will Raymond made a motion to approve the resolution; second by Steve Dear, and unanimously approved. Please see Motion No. 1 above.

ITEM FOUR: MINUTES

Will Raymond made a motion to approve the April 10, 2014 Minutes of the Board of Directors; second by Steve Dear, and unanimously approved. Please see Motion No. 2 above.

Will Raymond made a motion to approve the April 24, 2014 Minutes of Closed Session of the Board of Directors; second by Steve Dear, and unanimously approved. Please see Motion No. 3 above.

ITEM FIVE: BOARD APPROVAL FOR OWASA TO ENTER INTO AN INTERLOCAL AGREEMENT RELATING TO OWASA’S ASSISTANCE TO ORANGE COUNTY IN PLANNING FOR EXTENSION OF WASTEWATER SYSTEM IMPROVEMENTS TO SERVICE THE ROGERS ROAD AREA

After discussion by the Board and staff, Will Raymond made a motion that the Board of Directors authorize OWASA to enter into the proposed Interlocal Agreement relating to OWASA's assistance to Orange County in planning for extension of wastewater system improvements to service the Rogers Road area; second by Steve Dear and unanimously approved. Please see Motion No. 4 above.

ITEM SIX: RESOLUTION AWARDING A CONSTRUCTION CONTRACT FOR THE RIDGE ROAD WATER MAIN REHABILITATION PROJECT

Stuart Carson gave a presentation on plans for water line replacement/rehabilitation on Ridge Road in Chapel Hill. Most of the work will involve a cured-in place pipe (CIPP) method to line the inside of the existing pipe with a woven textile fabric and epoxy; a small part of the line will be replaced.

Will Raymond requested that additional information about the CIPP technology be posted on OWASA's website.

Amy Witsil made a motion to approve the resolution; second by Terri Buckner, and unanimously approved. Please see Motion No. 5 above.

Board Members expressed interest in viewing the CIPP installation process.

ITEM SEVEN: APPOINTMENT OF THE NOMINATING COMMITTEE

Alan Rimer appointed the following Board Members as the Nominating Committee:

- Alan Rimer, Chair
- Steve Dear
- Amy Witsil

Mr. Rimer said that if any Board Member desires to be considered for nomination of a position, she or he should inform a member of the Nominating Committee as soon as possible. The election of new officers will occur at the Board of Directors' meeting on June 12, 2014.

ITEM EIGHT: RESOLUTION AUTHORIZING A ONE-TIME PERFORMANCE BONUS TO THE EXECUTIVE DIRECTOR

Will Raymond said that the Board recently completed an extensive and updated annual performance review process to ensure fairness to the General Counsel and Executive Director. Mr. Raymond expressed appreciation to both employees for their patience during this process.

Mr. Raymond noted that it has been a while since executive pay was increased and requested the Board approve the following resolution authorizing a one-time performance bonus to the Executive Director:

Whereas, the Board of Directors evaluated the performance of the Executive Director;
and

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Whereas, the Board of Directors determined that based on the Executive Director's performance, a one-time bonus equal to 4% of his current annual base salary is appropriate;

Now, therefore, be it resolved, that the Orange Water and Sewer Authority Board of Directors has approved and directed payment to the Executive Director of a one-time performance bonus equal to 4% of his current annual base salary effective May 8, 2014.

Terri Buckner made a motion to approve the resolution; second by Michael Hughes, and unanimously approved. Please see Motion No. 6 above.

ITEM NINE: EXECUTIVE DIRECTOR WILL SUMMARIZE THE KEY ACTION ITEMS FROM THE BOARD MEETING AND NOTE SIGNIFICANT ITEMS FOR DISCUSSION AND/OR ACTION EXPECTED AT THE NEXT BOARD MEETING

Ed Kerwin summarized the significant items requested for future discussion or action as follows:

- The May 22, 2014 Board meeting will include:
 - Public Hearings on the draft annual budget, draft capital improvements budget and proposed rates, fees and charges;
 - Discussion of employee health and dental insurance;
 - Discussion on deferred compensation for employees;
 - Update on maintenance and sustainability of drinking water storage tanks; and
 - Possibly swear in the new Carrboro appointee to the OWASA Board.

There being no further business to come before the Board, the meeting was adjourned at 8:35 PM.

Respectfully submitted,

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Andrea Orbich
Executive Assistant/Clerk to the Board

Attachments

AGENDA ITEM

- APPROVAL OF SCHEDULE OF RATES, FEES AND CHARGES; ANNUAL BUDGET; AND FIVE-YEAR CAPITAL IMPROVEMENTS PROGRAM (CIP):
 - A. RESOLUTION ADOPTING SCHEDULE OF RATES, FEES AND CHARGES APPLICABLE TO ALL CUSTOMERS ON OR AFTER OCTOBER 1, 2014;
 - B. RESOLUTION ADOPTING BUDGET FOR ORANGE WATER AND SEWER AUTHORITY FOR FY 2015; AND
 - C. RESOLUTION APPROVING THE CIP FOR FY 2015-2019 AND THE ACCOMPANYING FY 2015 CAPITAL PROJECT RESOLUTION

BACKGROUND

- North Carolina General Statutes and OWASA's Bond Order require that on or before July 1 of each fiscal year, OWASA must adopt an Annual Budget for the ensuing year. Following discussions with the Finance Committee and consideration of comments received from the public, the Board of Directors directed staff to present for adoption an Annual Budget for FY 2015 that provides funding for \$19.8 million in operating expenses, \$8.3 million in debt service payments, and \$12 million for capital improvements expenditures (\$10.8 million for CIP and \$1.2 million for capital equipment).
- The attached Annual Budget is substantially unchanged from the budget considered during the public hearing held on May 22, 2014.
- The proposed Annual Budget includes projected operating revenues which are based on no increase in OWASA's rates, fees and charges. The Board of Directors and staff have developed a proposed Schedule of Rates, Fees and Charges to become effective October 1, 2014.
- Board approval of the CIP formally indicates the Board's endorsement of the proposed projects and identified needs, and funding for the first year of the CIP is formally adopted as part of the annual budget ordinance.

RECOMMENDATION/ACTION NEEDED

- Approval of the resolutions adopting: (a) the Schedule of Rates, Fees and Charges applicable to all customers on or after October 1, 2014; (b) the Annual Budget for FY 2015; (c) the CIP for FY 2015-2019 and the accompanying capital project resolution.

June 12, 2014



ORANGE WATER AND SEWER AUTHORITY

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MEMORANDUM

TO: Board of Directors

THROUGH: Ed Kerwin 

FROM: Stephen Winters, CPA

DATE: June 6, 2014

SUBJECT: **Approval of the Schedule of Rates, Fees and Charges (Rate Schedule), Annual Budget, and Five-Year Capital Improvements Program (CIP) for Fiscal Year (FY) 2015**

Purpose

This memorandum and attachments are provided to the Board of Directors as a basis for discussion and approval of the Rate Schedule, the Annual Budget, and the CIP for FY 2015.

Background

The Board of Directors held a public hearing on May 22, 2014 for the purpose of receiving stakeholder input on the FY 2015 budget and rate adjustment. After the close of the public hearing and subsequent discussion, the Board directed staff to present the budget and rates for adoption at the June 12, 2014 Board Meeting.

The Board plans to approve a Rate Schedule that will go into effect on October 1, 2014 that includes no increase in rates, fees and charges.

The Finance Committee and Board of Directors have previously discussed drafts of the FY 2015 Budget. No substantive changes have been made to the budget information previously reviewed by the Board.

Annual Budget

The Annual Budget agenda package includes the resolution to adopt the Annual Budget and the budget ordinance and accompanying fund schedules.

Capital Improvements Program

The total Five-Year CIP for FY 2015-2019 is approximately \$72 million and FY 2015 spending is budgeted to be about \$10.8 million. The dollar amounts presented in the attached resolutions are consistent with previous discussions and direction of the Finance Committee and the Board of Directors.

STAFF RECOMMENDATIONS FOR BOARD ACTION

Staff requests the Board's approval of the attached resolutions.



Stephen Winters, CPA
Director of Finance and Customer Service

Attachments: Resolutions and supporting documents relating to approval of the Rates Schedule,
Annual Budget and Five-Year CIP

RESOLUTION ADOPTING SCHEDULE OF RATES, FEES, AND CHARGES APPLICABLE TO ALL CUSTOMERS ON AND AFTER OCTOBER 1, 2014

WHEREAS, Orange Water and Sewer Authority has an adopted *Schedule of Rates, Fees, and Charges* as permitted under North Carolina General Statute 162A-9 and Section 7.04 of OWASA's Amended and Restated Bond Order (Bond Order); and

WHEREAS, General Statute 162A-6(9) and Section 7.04 of OWASA's Bond Order empower and direct the Authority to fix and revise from time to time and to collect rates, fees and other charges for the use of or for the services and facilities furnished by any system operated by the Authority; and

WHEREAS, during the preparation of the Fiscal Year (FY) 2015 budget, and after hearing citizen comments in the May 22, 2014 Public Hearings it held concerning the FY 2015 budget, the Board of Directors determined that it is not necessary to increase OWASA's rates, fees and charges in order to provide sufficient revenues to fund ongoing operations, debt service and the Capital Improvements Program.

NOW, THEREFORE, BE IT RESOLVED:

1. That the attached *Schedule of Rates, Fees, and Charges* is hereby adopted by the Board of Directors of Orange Water and Sewer Authority.

2. That the rates shown on the attached schedule shall become effective for all service billings rendered on and after October 1, 2014.

3. That the Executive Director is authorized in his discretion to make findings and determinations as necessary in the application of the *Schedule of Rates Fees and Charges*, and otherwise as necessary to resolve customer inquiries or appeals arising thereunder, subject to the customer's right of appeal to the Board of Directors.

4. That the Executive Director is hereby directed to give proper notice as required by the Sale and Purchase Agreements and to take the necessary steps to implement the *Schedule of Rates, Fees, and Charges*.

Adopted this 12th day of June 2014.

Alan Rimer, Chair

ATTEST:

Michael Hughes, P.E., Secretary

ORANGE WATER AND SEWER AUTHORITY
SCHEDULE OF RATES, FEES, AND CHARGES

APPLICABLE TO ALL BILLINGS AND SERVICES ON AND AFTER OCTOBER 1, 2014

SECTION I: SCHEDULE OF WATER RATES AND FEES.....Pg. 2 to Pg. 8

SECTION II: SCHEDULE OF SEWER RATES AND FEES.....Pg. 9 to Pg. 13

SECTION III: SCHEDULE OF RECLAIMED WATER RATES AND FEES.....Pg. 14 to Pg. 15

SECTION IV: SCHEDULE OF MISCELLANEOUS CHARGES.....Pg. 16 to Pg. 22

Background and Authorization

In providing essential public water, sewer and reclaimed water services to Chapel Hill, Carrboro and portions of southern Orange County, Orange Water and Sewer Authority (OWASA) incurs substantial operating and capital expenses. As a community-owned non-profit public utility, OWASA has no authority to levy taxes, nor does it receive tax revenues from local governments for ongoing operations. OWASA finances its water, sewer and reclaimed water operations and extensive capital improvements almost entirely through customer paid fees and charges.

North Carolina G.S. 162A-9 requires that OWASA's "rates, fees and charges shall be fixed and revised so that the revenues of the Authority, together with any other available funds, will be sufficient at all times" to fund operating and maintenance expenses and to pay the principal and interest on all debt issued or assumed by OWASA. OWASA's rates are established under cost-of-service rate-making methodology. OWASA's customers pay for the cost of providing the services and/or facility capacity required to meet customer demand.

The OWASA Board of Directors has determined that the provisions in the attached Schedule of Rates, Fees, and Charges are necessary to adequately sustain OWASA's near-term and long-range utility operations. Revenues generated by these rate adjustments will provide OWASA with the financial resources necessary to: (1) fund operating costs; (2) adequately maintain existing water, sewer, and reclaimed water facilities; (3) fully comply with increasingly stringent environmental and public health standards; (4) meet debt service requirements; (5) create additional facility capacity to stay abreast of water, reclaimed water and sewer service demand in a growing, dynamic community; and (6) maintain adequate reserves.

The attached Schedule of Rates, Fees, and Charges will replace the schedule adopted on June 13, 2013, which became effective on October 1, 2013.

SECTION I: WATER RATES AND FEES

MONTHLY WATER RATES

Water charges are billed monthly at approximately 30-day intervals. Charges are due upon receipt of the bill, and become delinquent 21 days after the billing date. Monthly water rates consist of two components; a monthly service charge and a commodity (volume) charge.

Water Service Charge

This charge recovers costs related to certain direct and indirect customer service efforts, meter and lateral maintenance, and capital costs associated with supplying water to the customer’s property. Applicable to all metered water accounts, independent of the quantity of water consumed, the monthly charge is based on meter size as follows:

<u>Meter Size</u>	<u>Monthly Service Charge</u>
5/8”	\$14.70
3/4" Combination Fire and Domestic Service Meter	\$15.20
1”	\$29.53
1" Combination Fire and Domestic Service Meter	\$30.03
1-1/2”	\$63.86
2”	\$96.38
3”	\$198.22
4”	\$323.58
6”	\$704.66
8”	\$1,002.06

Water Irrigation Service Charge

(NOTE: In accordance with State law, all new in-ground irrigation systems installed on lots platted and recorded in the office of the register of deeds in the county or counties in which the real property is located after July 1, 2009 and supplied by a public drinking water system are required to have a separate meter to measure the volume of water used through the irrigation system.)

This charge is calculated to recover certain direct and indirect customer service, meter and lateral maintenance, and capital costs associated with supplying water for irrigation through irrigation-only meters. Applicable to all metered irrigation water accounts, regardless of the quantity of water consumed, the monthly charge is based on meter size as follows:

<u>Meter Size</u>	<u>Monthly Service Charge</u>
5/8”	\$23.54
1”	\$47.05
1-1/2”	\$87.10
2”	\$133.96

<u>Meter Size</u>	<u>Monthly Service Charge</u>
3"	\$265.15
4"	\$407.02
6"	\$800.67
8"	\$1,273.30

Monthly service charges for compound meter arrangements are based on the largest meter in the grouping. In addition to the applicable charge for the primary meter, existing OWASA-owned sub-meters are billed according to the above schedule. OWASA-owned sub-meters are no longer available and no additional sub-meters will be installed.

Meter readings and service charges for first and final bills are prorated based on days of service.

Water Commodity Charge

This charge recovers the direct and indirect costs of water supply and treatment, water distribution, general administration and capital costs not recovered by the monthly service charge. This charge is applicable to all water accounts based on meter readings of water consumed. When a billing period includes a change in commodity rates, the charges are prorated based on the ratio of days in the billing period at the old and new rates. Metered monthly consumption will be billed in thousand gallon increments rounded down to the nearest thousand gallons. Unbilled consumption due to rounding will be carried forward and billed in the month when the next thousand gallon increment is registered by the meter.

When no meter reading is available due to an inoperative, damaged or inaccessible meter, consumption will be estimated based on prior usage at the location.

Individually Metered Residential Accounts Except Irrigation-Only Accounts

Individually metered residential accounts will be billed under an increasing block rate structure designed to encourage efficient water use by applying increasing commodity charges (rate per thousand gallons) to incremental increases in water use.

	<u>Volume of Use (Gallons)</u>	<u>Commodity Rate per 1,000 Gallons</u>
Block 1	1,000 to 2,000	\$2.63
Block 2	3,000 to 5,000	\$6.39
Block 3	6,000 to 10,000	\$7.83
Block 4	11,000 to 15,000	\$10.94
Block 5	All use 16,000 and up	\$19.79

Conservation Water Commodity Charges Under Mandatory Water Use Restrictions

Water commodity charges will be temporarily increased during periods of declared Water Shortages and mandatory water use restrictions regardless of the time of year. These applicable surcharges are summarized in the following table.

**WATER COMMODITY SURCHARGES
APPLICABLE UNDER WATER SHORTAGE DECLARATION STAGES**

Individually-Metered Residential Accounts						Non-Residential and Irrigation-Only
Block:	Res. Block 1	Res. Block 2	Res. Block 3	Res. Block 4	Res. Block 5	
Use Level: (gallons)	1,000 to 2,000	3,000 to 5,000	6,000 to 10,000	11,000 to 15,000	16,000 and up	
Stage 1	No surcharge	No surcharge	1.25 times normal Block 3 rate	1.5 times normal Block 4 rate	2 times normal Block 5 rate	1.15 times seasonal and irrigation-only rate.
Stage 2	No surcharge	1.25 times normal Block 2 rate	1.5 times normal Block 3 rate	2 times normal Block 4 rate	3 times normal Block 5 rate	1.25 times seasonal and irrigation-only rate.
Stage 3 and Emergency	No surcharge	1.5 times normal Block 2 rate	2 times normal Block 3 rate	3 times normal Block 4 rate	4 times normal Block 5 rate	1.5 times seasonal and irrigation-only rate.

Non-residential Accounts Except Irrigation-Only Accounts

To achieve demand reduction during peak water use periods, a seasonal conservation rate structure will be applied to all non-residential accounts other than irrigation-only accounts. A reduced water commodity charge is in effect during lower demand months (October through April), and a higher commodity charge is in effect during high demand months (May through September).

Off-peak seasonal rate per 1,000 gallons (October through April)	\$4.16
Peak seasonal rate per 1,000 gallons (May through September)	\$7.91
Equivalent Uniform Water Commodity Charge	\$6.02

Irrigation-Only Accounts

To promote conservation of water used for irrigation and to achieve greater equity between rates for irrigation-only use and irrigation use through a domestic meter, irrigation-only accounts shall be charged the following year-round commodity rate.

\$8.51 per thousand gallons

INTERLOCAL WATER TRANSFER CHARGES

The purpose of this charge is to recover costs associated with the provision of supplemental water supply under contractual agreement with other water purveyors. The specific rates to be charged will be negotiated with the other party based upon specific conditions using the cost-of-service rate-making approach and approved by OWASA.

TEMPORARY HYDRANT METER CHARGE

Subject to availability, a Customer may obtain a temporary hydrant meter from OWASA for a period of up to 60 days. A customer may submit a written request to use the hydrant meter for one additional 60 day period but granting said request will be subject to availability and is at OWASA's sole discretion. Service from a fire hydrant is subject to interruption when the hydrant is needed for fire protection, compliance with water conservation standards, and other applicable law. For situations where temporary water service is needed for a period longer than 120 days, the user can purchase a metering device of a size, make and model specified by OWASA. A \$300.00 service charge, payable in advance, shall be collected for setting and removing the meter. In addition, a security deposit shall be required in accordance with the following schedule:

Security Deposit
\$1,000

Monthly billings for temporary hydrant meters consist of two charges: (1) a service charge for that size meter, and (2) the seasonal commodity charge, including surcharges where applicable, based on monthly readings of the meter. When the hydrant meter is returned, the security deposit shall be applied to the final bill plus any damages. The Customer is responsible for paying OWASA for damages that exceed the amount of the Security Deposit. Any credit balance will be refunded within thirty (30) days.

WATER AVAILABILITY FEE

Water availability fees are calculated to recover a portion of the capital costs of providing water system facility capacity. The availability fee is applicable to each new connection to a water main, regardless of who may have paid for the installation of the water main to which the connection is to be made. For the purpose of availability fees, customer accounts are divided into three categories: (1) Single-family Residential, (2) Multi-family Residential, Individually-metered; and (3) Non-residential. The Non-residential category includes master-metered multi-family customers and all commercial, University, and other institutional accounts. The use of these categories is justified by distinctive patterns of water and sewer consumption.

5/8" Meter or 3/4" Combination Fire and Domestic Service, Single-family Residential:	
<1300 square feet	\$1,265
1300-1700 square feet	\$1,545
1701-2400 square feet	\$1,956
2401-3100 square feet	\$3,344
3101-3800 square feet	\$4,546
>3800 square feet	\$7,631
1" Meter, Single-Family Residential (all square footages)	\$9,260
5/8" Meter or 3/4" Combination Fire and Domestic Service Meter, Multi-family Residential	\$1,363
1" Meter, Multi-Family Residential (all square footages)	\$9,260
5/8" Meter or 3/4" Combination Fire and Domestic Service Meter, Non-residential*	\$3,704
1" Meter, Non-residential*	\$9,260
1-1/2" Meter, Non-residential*	\$18,519
2" Meter, Non-residential*	\$29,631
3" Meter, Non-residential*	\$59,262
4" Meter, Non-residential*	\$92,596
6" Meter, Non-residential*	\$185,192
8" Meter, Non-residential*	\$296,308

* Same fee for Irrigation-Only accounts.

A person or party completing a development or re-development project may be eligible to request and receive a credit on the Water Availability Fees due if their project directly results in the permanent abandonment of previously existing water meters which were connected to residences, buildings or facilities connected to and having a documented demand on the OWASA water system.

If OWASA determines that a credit is due, the amount of the credit shall be based on the current Water Availability Fees that would apply to the size of the water meters that are permanently abandoned as a direct result of the project. However, the credit due shall not exceed the amount of the Water Availability Fees that would otherwise apply to the development or re-development project.

If an existing water meter is removed from service and/or is replaced with a smaller meter, OWASA will not issue any credit or refund to the customer for any previously paid Availability Fees.

Availability Fee credits are not transferrable to any other project or property.

WATER SERVICE AND METER INSTALLATION CHARGE

This charge is to recover costs of extending service from the OWASA distribution system to individual properties, and includes the installation of a service connection from the water main to the meter and the setting of the meter to serve the customer's premises, subject to satisfactory easement or license being provided by the applicant. Where a suitable OWASA stub-out for service has been made and is available, the "meter-only" charge shall apply. Customer requested meter/water service relocations shall be performed on a time and materials basis. Complete new and/or additional water service installation and meter-only charges are as follows:

	<u>Existing</u>
Complete Water Service Installation, 5/8" meter	\$3,165
Complete Water Service Installation, 3/4"	\$3,255
Combination Fire and Domestic Service Meter	\$3,340
Complete Water Service Installation, 1" meter	\$235
Meter Only Installation, 5/8" meter	\$320
Meter Only Installation, 3/4" Combination Fire and Domestic Service Meter	\$390
Meter Only Installation, 1" Combination Fire and Domestic Service Meter	\$300
Meter Only Installation, 1" meter	\$650
Meter Only Installation, 1-1/2" meter	\$615
Meter Only Installation, 1-1/2" Combination Fire And Domestic Service Meter	\$770
Meter Only Installation, 2" meter	\$710
Meter Only Installation, 2" Combination Fire And Domestic Service Meter	\$370
Remote Read Box with 5/8" Detector Meter	

Complete installation costs are determined on a time and materials basis for 1-1/2 inch and 2- inch meters. For 3-inch and larger meters, the applicant shall be responsible for providing a meter box or vault constructed to OWASA standards. All meters, regardless of size, shall be purchased from OWASA at cost plus 10%. A \$135.00 delivery fee for 3-inch and larger meters shall also apply.

A remote read box and 5/8" detector meter shall be required on all private fire protection service connections. The remote read box shall be purchased from OWASA and installed by the applicant. OWASA shall install the 5/8" detector meter at the applicant's expense.

WATER MAIN TAPPING FEE

This charge is for making a tap into an OWASA water main. The tap fee shall be paid in advance of OWASA performing the work, with a minimum of 48 hours advance notice given to OWASA.

The applicant shall be responsible for opening the ditch, providing adequate working clearance at the point of tap, adequately shoring the trench sidewalls, dewatering and such other

associated activities as may be needed to provide a suitable and safe condition for OWASA personnel to complete the tap. Additionally, the applicant shall be responsible for providing an appropriate size tapping sleeve and tapping valve, and a backhoe or similar device shall be available on-site for lowering the tapping unit into the ditch line. All permits, bonds and paving shall be the responsibility of the applicant. The charge shall be for time and equipment plus an allowance for overhead, but not less than \$335.00.

The base fee noted above includes one (1) site visit by OWASA to determine if the applicant is ready for OWASA to perform the tap. A re-inspection fee of \$120.00 will be charged for each additional site visit required to determine if the water main is accessible and all required material and safety measures are in place. The tap will not be performed until any applicable reinspection fees are paid in full.

HYDRAULIC FIRE FLOW TESTING

This charge is calculated to recover the cost of hydrant 'fire flow' testing of the water distribution system. Test results provide data to developers and engineers to determine available flows and pressures in the systems they are designing for new developments.

\$280.00 per test

SECTION II: SEWER RATES AND FEES

MONTHLY SEWER RATES

Sewer charges are billed monthly at approximately 30-day intervals. Charges are due upon receipt of the bill, and become delinquent 21 days after the billing date. Monthly sewer rates consist of two components: a monthly service charge and a sewer commodity (volume) charge.

Sewer Service Charge

This charge is calculated to recover the direct and indirect customer service, service and inspection maintenance, and capital costs associated with providing sewer service to the customer's property. Meter readings and service charges for first and final bills are prorated based on days of service. Applicable to all sewer accounts, regardless of whether or not there is a commodity charge, the monthly service charge is based on the size of the meter where sewer usage is measured as follows:

<u>Meter Size</u>	<u>Monthly Service Charge</u>
5/8" or 3/4" Combination Fire and Domestic Service	\$12.00
1"	\$20.61
1-1/2"	\$35.53
2"	\$53.72
3"	\$101.58
4"	\$155.28
6"	\$284.70
8"	\$485.82

The monthly sewer service charge shall apply to any meter(s) used to directly or indirectly measure the volume of wastewater discharged from a customer's premises, regardless of whether the water source to the customer is from OWASA's drinking water and/or reclaimed water system, or a non-OWASA water source including but not limited to harvested rainwater or groundwater.

Sewer Commodity Charge

This charge is calculated to recover the remaining direct and indirect costs of wastewater treatment and collection, maintenance, inspection, customer service and administration and sewer capital costs not recovered by the monthly service charge. When a billing period includes a change in commodity rates, the charges are prorated based on the ratio of days in the billing period at the old and new rates. Metered monthly consumption will be billed in thousand gallon increments rounded down to the nearest thousand gallons. Unbilled consumption due to rounding will be carried forward and billed in the month when the next thousand gallon increment is registered by the meter. This charge is applicable to all accounts receiving sewer service based on the water meter reading, sewer meter reading if applicable, or estimated volume of discharge as determined by OWASA.

The sewer commodity charge is applicable to all customers discharging wastewater into the OWASA sewer system, regardless of whether or not that discharge results from the customer's use of OWASA's drinking water or reclaimed water, or their use of a non-OWASA water source, including but not limited to harvested rainwater or groundwater.

\$6.48 per thousand gallons

Individually-metered residential customers will not be charged for monthly sewer use in excess of 15,000 gallons.

INTERLOCAL WASTEWATER COLLECTION, TREATMENT AND DISPOSAL CHARGES

The purpose of this charge is to recover costs associated with the provision of wastewater collection, treatment and disposal services under contractual agreements with other wastewater service providers. The specific rates to be charged will be negotiated with the other party based upon specific conditions using the cost-of-service rate-making approach and approved by OWASA.

MONTHLY RATES FOR SEWER-ONLY ACCOUNTS

For sewer-only accounts where there is no OWASA meter for directly or indirectly measuring the volume of wastewater discharged by the customer, the monthly sewer service and commodity charges shall be fixed and be the total of:

- (1) a monthly service charge which shall be determined by the water meter size which would be required to supply water service to the property,

plus

- (2) a sewer commodity charge of \$6.48 per 1,000 gallons times the estimated volume of wastewater expected to be discharged by the customer (using national engineering standards as the basis); provided however, that in no case shall the billable quantity be less than 6,000 gallons per month.

For special commercial and industrial customer classifications where the proportion of water consumed to wastewater discharged is extremely large, a metered sewer account may be approved. Metered sewer accounts must also pay the appropriate monthly sewer service charge based on the sewer meter size.

If a customer that has a standard metered water and sewer service (sewer gallons billed are based on the water gallons billed) also discharges wastewater resulting from the use of OWASA reclaimed water, harvested rainwater, groundwater, or sources other than OWASA drinking water, that customer shall be billed a monthly service charge and commodity charges calculated in accordance the *OWASA Rainwater Harvesting Systems Requirements and Charges Policy* for said additional discharge; provided, however, that the minimum threshold for which the charges shall apply is 3,000 gallons per month. For this purpose, such systems serving

single-family residential customers are deemed to fall below this threshold, provided there is also a standard metered water and sewer service.

SEWER AVAILABILITY FEE

The purpose of this fee is to recover a portion of the capital costs of providing sewer system facility capacity. The availability fee is applicable to each new connection to a sewer main, regardless of who may have paid for the installation of the main to which the connection is to be made. For the purpose of the availability fee, customer accounts are divided into three categories: (1) Single-family Residential; (2) Multi-family Residential, Individually-metered; and (3) Non-residential. The Non-residential category includes master-metered Multi-family customers plus all other commercial, University, and other institutional accounts. The use of these categories is justified by distinctive patterns of water and sewer consumption.

5/8" Meter or 3/4" Combination Fire and Domestic Service, Single-family Residential:	
<1300 square feet	\$2,938
1301-1700 square feet	\$3,549
1701-2400 square feet	\$3,611
2401-3100 square feet	\$4,425
3101-3800 square feet	\$4,781
>3800 square feet	\$5,431
1" Meter, Single-Family Residential (all square footages)	\$12,301
5/8" Meter or 3/4" Combination Fire and Domestic Service, Multi-family Residential	\$3,183
1" Meter, Multi-Family Residential (all square footages)	\$12,301
5/8" Meter or 3/4" Combination Fire and Domestic Service, Nonresidential	\$6,317
1" Meter, Nonresidential	\$15,792
1-1/2" Meter, Nonresidential	\$31,584
2" Meter, Nonresidential	\$50,535
3" Meter, Nonresidential	\$101,070
4" Meter, Nonresidential	\$157,922
6" Meter, Nonresidential	\$315,844
8" Meter, Nonresidential	\$505,350

In addition to the sewer availability fee, an excess sewer capacity fee of four percent (4%) of the applicable sewer availability fee shall be charged to recover the costs of excess sewer capacity installed in an area covered by an agreement between OWASA and a developer for credit payments to the constructing developer. This fee shall apply to residential and non-residential customers.

A person or party completing a development or re-development project may be eligible to request and receive a credit on the Sewer Availability Fees due if their project directly results in the permanent abandonment of previously existing water meters and sewer services which were

connected to residences, buildings or facilities connected to and having a documented demand on the OWASA sanitary sewer system.

If OWASA determines that a credit is due, the amount of the credit shall be based on the current Sewer Availability Fees that would apply to the size water meters that are permanently abandoned as a direct result of the project. However, the credit due shall not exceed the amount of the Sewer Availability Fees that would otherwise apply to the development or re-development project.

If an existing water or sewer meter upon which consumption is based is removed from service and/or is replaced with a smaller meter, OWASA will not issue any credit or refund to the customer for any previously paid Availability Fees.

Availability Fee credits are not transferrable to any other project or property.

SEWER TAP CHARGE

This charge is for making a tap of the applicant's private sewer lateral into the main sewer line or sewer manhole of OWASA. The tap fee must be paid in advance of OWASA performing the work, with a minimum of 48 hours advance notice given to OWASA.

The applicant shall be responsible for opening the ditch, providing adequate working clearance at the point of tap, adequately shoring the trench sidewalls, dewatering and such other associated activities as may be needed to provide a suitable and safe condition for OWASA to connect the service lateral of the applicant into the facilities of OWASA. The minimum charge is based on a standard 4" service tap to the OWASA sewer line. All lines 6" in diameter and larger must be tapped into a manhole. All permits, bonds and pavement repairs are the responsibility of the applicant.

The charge shall be for time and equipment plus an allowance for overhead, but not less than \$325.00.

The base fee noted above includes one (1) site visit by OWASA to determine if the applicant is ready for OWASA to perform the tap. A re-inspection fee of \$120.00 will be charged for each additional site visit required to determine if the sewer main is accessible and all required material and safety measures are in place. The tap will not be performed until any applicable reinspection fees are paid in full.

HIGH STRENGTH WASTE SURCHARGE

The purpose of this charge is to recover operation and maintenance costs from customers whose wastewater discharge into the system is in excess of certain parameters for normal strength domestic wastewater as determined by OWASA. Based on local sampling and analysis, normal strength domestic wastewater has been determined to have the following pollutant characteristics.

Normal Strength Domestic Wastewater

Carbonaceous Biochemical Oxygen Demand (CBOD)	205 mg/l
Suspended Solids (SS)	235 mg/l

Ammonia Nitrogen (NH ₃ -N)	25 mg/l
Phosphorus (P)	6.5 mg/l

High Strength Waste Surcharges shall apply at the following rates to all wastes exceeding the above concentrations:

Carbonaceous Biochemical Oxygen Demand (CBOD)	\$0.43 per pound for all CBOD in excess of 205 mg/l
Suspended Solids (SS)	\$0.52 per pound for all SS in excess of 235 mg/l
Ammonia Nitrogen (NH ₃ -N)	\$3.04 per pound for all NH ₃ -N in excess of 25 mg/l
Phosphorus (P)	\$12.26 per pound for all P excess of 6.5 mg/l

SECTION III: RECLAIMED WATER RATES AND CHARGES

MONTHLY RECLAIMED WATER RATES

Reclaimed water charges will be billed monthly at approximately 30-day intervals. Charges are due upon receipt of the bill, and become delinquent 21 days after the original billing date. Monthly reclaimed water rates consist of two components: a monthly service charge and a commodity (volume) charge.

The University of North Carolina at Chapel Hill (UNC) funded the construction of the first phase of the reclaimed water system, and the methodology for determining reclaimed water charges applicable to UNC is stipulated by a contract between OWASA and UNC. For this reason, reclaimed water charges have been established for two major customer classes: UNC uses and non-UNC uses. As determined necessary by OWASA, and in accord with OWASA’s contractual obligations to UNC, reclaimed water service to non-UNC customers may be temporarily interrupted to ensure the UNC’s reclaimed water demand can be met from the facilities and capacity paid for by UNC.

Reclaimed Water Service Charge

This fixed monthly charge is calculated to recover direct and indirect costs including but not limited to customer service and billing, meter and lateral maintenance, general and administrative services, and fixed costs associated with supplying reclaimed water to the customer’s property. The Reclaimed Water service charge is applicable to all metered reclaimed water accounts, independent of the quantity of reclaimed water consumed. Meter readings and service charges for first and final bills are prorated based on days of service.

UNC Reclaimed Water Use (covers all UNC reclaimed water uses served by the facilities paid for by UNC) \$24,000 per month

Non-UNC RCW Customers	5/8” meter	\$8.37 per month
	1-inch meter	\$16.74 per month
	1.5-inch meter	\$30.96 per month
	2-inch meter	\$47.62 per month

Service charges for non-UNC reclaimed water meters larger than 2” will be determined on a case-by-case basis following an evaluation of the reclaimed water demands of the customer.

Reclaimed Water Commodity Charge

This charge is calculated to recover the direct costs for reclaimed water treatment and distribution and all other direct and indirect costs not recovered by fixed monthly service charges. This charge is applicable to all reclaimed water accounts based on meter readings of reclaimed water consumed.

When a billing period includes a change in commodity rates, the charges are prorated based on the ratio of days in the billing period at the old and new rates. Metered monthly consumption will be billed in thousand gallon increments rounded down to the nearest thousand gallons. Unbilled consumption due to rounding will be carried forward and billed in the month when the next thousand gallon increment is registered by the meter.

UNC Accounts	\$0.60 per 1,000 gallons
Non-UNC RCW Customers	\$2.18 per 1,000 gallons
Bulk (Tanker) Sales	\$0.00

RECLAIMED WATER SERVICE AVAILABILITY AND CONNECTION FEES

Reclaimed Water Availability Fees

The purpose of this fee is to recover the capital costs of providing reclaimed water system facility capacity and to fund future expansion of that capacity. Since the University (UNC) has paid to construct the reclaimed water system, UNC will not be required to pay a reclaimed water availability fee for UNC facilities that are connected to and can be served by capacity available in the reclaimed water facilities paid for by the UNC.

Reclaimed water availability fees are applicable to each non-UNC connection to the reclaimed water system, regardless of who may have paid for the installation of the main to which the connection is to be made. Reclaimed water availability fees for non-UNC customers are as follows:

<u>Meter Size</u>	<u>Fee</u>
5/8"	\$1,229
1"	\$3,073
1-1/2"	\$6,146
2"	\$9,833

Reclaimed water availability fees for connections to be served by meters larger than 2 inches shall be determined on a case-by-case basis following an evaluation of the reclaimed water demands of the customer.

Reclaimed Water Service Connection Fees

Reclaimed water service connection fees, including meter installation and meter fees, shall be the same as the fees applicable to potable water system service connections, as specified in Section I of this schedule.

SECTION IV: MISCELLANEOUS CHARGES

SERVICE INITIATION FEE

The purpose of this charge is to defray the labor and administrative costs associated with the establishment of a water and/or sewer account. This includes establishing service and account records for billing and is applicable to all accounts.

\$45.00 per event
\$80.00 per event, outside of normal business hours of OWASA

RETURNED CHECK CHARGE

Checks or automatic bank drafts made payable to OWASA are accepted as payment on account subject to collection. When a check or bank draft is not honored for payment by the bank or other institution on which it is drawn, a Returned Check Charge will be applied to the customer's account as follows:

Returned Check:	\$25.00
Dishonored Draft:	\$25.00

The customer will be notified of the returned check charge and instructed to pay the amount due immediately. Failure to respond within the time allowed will result in disconnection of water service and an additional charge for reconnection. The customer may also be required to pay a security deposit or an additional security deposit.

CHARGE FOR DELINQUENT ACCOUNTS

Disconnection of water, sewer and/or reclaimed water service for nonpayment may occur at the option of OWASA no sooner than 21 calendar days after the date of initial billing. The purpose of this charge is to offset the costs of special handling of delinquent accounts, which may include, but is not limited to, the disconnection and reconnection of service due to nonpayment of the customer's bill. This charge applies to all accounts scheduled for disconnection for nonpayment and is applicable on or after the specified disconnect date, regardless of whether the service was disconnected or not. Reconnection resulting from disconnection due to nonpayment will be made within 24 hours of receipt of full payment of the balance due plus the delinquency charge and applicable security deposit.

\$45.00 per event, during OWASA's normal business hours
\$80.00 per event, outside OWASA's normal business hours

CHARGE FOR TEMPORARY DISCONNECTION/SUBSEQUENT RECONNECTION AT CUSTOMER'S REQUEST

OWASA customers may request to have their service temporarily disconnected and subsequently reconnected. In emergency conditions, there will be no charge to the customer for this service. Additionally, no more than once in any twelve month period, a customer may request to have their service temporarily disconnected and subsequently reconnected at no charge for routine plumbing system maintenance. For requests to temporarily disconnect and subsequently reconnect service in any situation other than those listed above, the charges listed below will apply.

The purpose of this charge is to recover the cost to temporarily disconnect and subsequently reconnect water service at the request of a customer. In situations where charges apply, the charge may be waived if the customer provides documentation that a master cutoff valve has been installed within thirty (30) days of the date of the temporary service disconnection.

\$45.00 per event, during OWASA's normal business hours
\$80.00 per event, outside OWASA's normal business hours

LATE PAYMENT FEE

This fee is designed to recover a portion of the cost of delinquent payment collection efforts that arise prior to service termination and are not recovered by charges for reconnection of delinquent accounts, and to encourage customers to make timely payments, thereby reducing the overall cost of a delinquent account to the customer base. The late payment fee applies when a customer's account is delinquent as defined above.

Late Payment Fee: For past due balances of \$10.00 or more, \$2.40 plus 0.42% a month (5% APR) of the outstanding balance.

SECURITY DEPOSITS

OWASA requires security deposits from customers to ensure payment of the final bill. To offset administrative costs in handling these monies, no interest is paid on security deposits.

Security deposits shall be required on all accounts other than those of (1) residential customers, whether detached or attached units, who have a satisfactory credit history as determined by a credit check, and (2) local, State and Federal governments or agencies thereof. Security deposits shall be required for accounts other than those in (1) and (2) above and shall be \$50.00 or \$100 depending on credit worthiness for residential customers. All security deposits must be paid at the time application for service is made and in advance of service initiation.

Any residential customer whose service has been disconnected for non-payment of billing charges twice within a six month period and for whom OWASA does not have a security deposit will be required to pay a \$50.00 or \$100 deposit depending on credit worthiness prior to reconnection of service.

Non-residential security deposits are required based on credit worthiness and will be computed as one or two times the average monthly bill of the previous customer at the same location over the past calendar year. If there is no previous customer at the service location, the security deposit will be determined by OWASA based on the best information available, such as OWASA's experience with similar types, sizes, etc. of businesses.

Repeated disconnections will require additional security deposits until the customer has accumulated a security deposit balance, which will cover an average of three months' billing charges.

Security deposits may be refunded upon written request after the customer has established a satisfactory payment history for twelve (12) consecutive months. Otherwise, security deposits will be applied to the final bill when a customer's account is terminated with any remaining balance refunded to the customer.

BULK WASTEWATER CHARGES

Normal Domestic Septage

The purpose of these charges is to recover the costs associated with the service rendered by OWASA to those customers who discharge normal domestic septic tank wastes into the wastewater treatment facilities of OWASA. Applicable to those customers who have an account established at OWASA's Customer Service Office, charges for handling normal domestic septage will be billed to the customer on a monthly basis. The monthly bill will include two components: (1) an administrative charge for special services required to receive this type waste and rendering the monthly bill; and (2) a charge for the treatment of the septage as determined by OWASA. This charge is calculated as follows:

Administrative Charge	\$30.00/ trip, plus
Volume Charge and High Strength Surcharge	\$140.00/ thousand gallons

Other High Strength Waste

Other wastes may be discharged to OWASA's septage facilities only with prior approval by OWASA and upon OWASA's direct inspection of the actual discharge. The costs associated with these services will be as follows:

- NH₃-N = Ammonia Nitrogen
- CBOD = Carbonaceous Biochemical Oxygen Demand
- TSS = Total Suspended Solids
- P = Phosphorus

Administrative Charge of \$30.00 / trip, plus Volume and High Strength Surcharge calculated as follows:

A + B + C + D + E = Calculated Dollars per Thousand Gallons, where:

A = pounds of NH₃-N/thousand gallons in waste x \$3.04/pound

B = pounds of CBOD/thousand gallons in waste x \$0.43/pound

C = pounds of TSS/thousand gallons in waste x \$0.52/pound

D = \$6.48/per 1,000 gallons Sewer Commodity Charge

E = pounds of P/thousand gallons in waste x \$12.26/pound

Waste concentrations shall be determined by OWASA.

TANK SALES OR BULK WATER SALES

The purpose of this charge is to recover the labor and administrative costs associated with the supply of bulk quantities of water to tank trucks or trailers from a metering point on the premises of OWASA. Applicable to all tank or bulk water sales, the following charges apply for each loading.

Administrative Charge \$25.00 per trip, plus

Commodity Charge \$6.02 per thousand gallons or portion thereof.

Bulk sales are subject to administrative regulations and controls for protection of the wastewater system and efficient operation. Water tank trucks or trailers are only authorized to withdraw water from locations approved by OWASA and for which adequate usage monitoring measures are provided. Charges for bulk sales are not subject to seasonal adjustments.

DIRECT SALES OF SUPPLIES

Applicable to the direct sale of supplies from inventory to municipalities or contractors, the supplies will be billed at the most recent cost plus a handling charge of 10%.

BOAT RENTAL AND LAKE USE FEES (changes effective March 1, 2014)

General Public

Fees are applicable to all persons using row boats and canoes on University Lake and Cane Creek Reservoir during scheduled hours of operation as established by OWASA. Boat rental and lake user charges are:

OWASA CUSTOMERS AND ORANGE COUNTY RESIDENTS

Day Use

Charge for each flat-bottomed boat or canoe rental \$4.50 for one-half day plus the applicable lake use fee for each person

Trolling motor rental \$15.00 for one-half day

Kayak rental \$15.00 for one-half day plus the applicable lake use fee for each person

Private Boat Launching Fee	\$3.50 per boat plus the applicable lake use fee for each person
Lake Use Fee, Under 12 Years Old	\$2.00 per person
Lake Use Fee, 12-64 Years	\$4.50 per person
Lake Use Fee, 65 Years and over	No charge
INDIVIDUAL SEASON PASS Boat or canoe rental	\$82.00 per person. Each additional person pays appropriate lake use fee.
Lake Use Pass – Adult	\$46.00
Boat with trolling motor rental	\$163.00 per person. Each additional person pays appropriate lake use fee.
GROUP SEASON PASS	
Boat or canoe rental	\$163.00 (maximum of 3 people per pass.) Each additional person pays appropriate lake use fee.
Boat with trolling motor rental	\$245.00 (maximum of 3 people per pass.) Each additional person pays appropriate lake use fee.

FOR VISITORS WHO ARE NOT OWASA CUSTOMERS OR ORANGE COUNTY RESIDENTS

Day Use

Charge for each flat-bottomed boat or canoe rental	\$8.00 for one-half day plus the applicable lake use fee for each person
Trolling motor rental	\$22.00 for one-half day
Kayak rental	\$20.00 for one-half day plus the applicable lake use fee for each person
Private Boat Launching Fee	\$7.00 per boat plus the applicable lake use fee for each person
Lake Use Fee, Under 13 years old	\$2.50 per person
Lake Use Fee, 13-64 Years	\$5.50 per person
Lake Use Fee, 65 Years and over	\$2.50 per person
UNC Men’s Crew Club and Women’s Rowing Team	By agreement between UNC-Chapel Hill and OWASA.

FIELD TEST OF 5/8" METER OR 3/4" COMBINATION FIRE AND DOMESTIC SERVICE METER

Upon a customer's written request, OWASA will conduct a special field test of the

customer's 5/8" water meter or 3/4" combination fire and domestic service meter. There will be no charge for testing meters (1) which have not been tested during the past five years, or (2) which are found to be over-registering. Over-registering meters will be replaced by OWASA at no charge to the customer.

If, however, the meter has been tested within the past five years and the results of the meter test indicate proper or under-registering, the customer will be charged \$100.00 for the meter test.

SHOP TESTING OF METER

Upon a customer's written request, OWASA will conduct a special shop test of water meters that are larger than 3/4 inches. There will be no charge for testing meters (1) which have not been tested during the past five years, or (2) which are found to be over-registering. Over-registering meters will be replaced by OWASA at no charge to the customer.

If, however, the meter has been tested within the past five years and the results of the meter test indicate proper or under-registering, the customer will be charged \$155.00 for the shop meter test.

FIELD TEST OF LARGE METERS

Upon a customer's written request, OWASA will conduct a special field test of water meters that are larger than 5/8 inches. There will be no charge for testing meters (1) which have not been tested during the past five years, or (2) which are found to be over-registering. Over-registering meters will be replaced by OWASA at no charge to the customer.

If, however, the meter has been tested within the past five years and the results of the meter test indicate proper or under-registering, the customer will be charged a meter test fee based on the actual time and equipment required to complete the field test. This charge shall not be less than \$260.00.

REINSPECTION FEE

OWASA will initially inspect grease traps, cross connections and water and sewer taps at no cost to the customer. Should a subsequent reinspection be required for any of these fixtures, a \$120.00 fee will apply to each reinspection.

PLAN REVIEW AND CONSTRUCTION OBSERVATION FEES

The purpose of this charge is to recover the operating cost for providing review of construction plans for the extension of water and sewer facilities. The charge also recovers the operating cost for providing field observation, water sampling, laboratory testing, video inspection, pressure testing, etc. associated with the installation of these facilities. The plan review and construction observation fees are applicable to all extensions of the public water and/or sewer system regardless of the party which may be undertaking the improvements. The fees will be applied separately to water main and sewer main extensions, but in no case shall the fee be less than \$100.00.

	WATER	SEWER
Plan Review:	\$3.63/lf	\$3.63/lf
Construction Observation:	\$3.69/lf	\$3.69/lf

CHARGES FOR MISCELLANEOUS SERVICES

Charges for miscellaneous services provided by OWASA shall be on a time and materials basis and include out-of-pocket expenses, cost of materials and services supplied by third parties, and overhead. Typical applications would be for repair of damages to water and sewer lines by outside parties, relocation of mains, services and meters, special services for billing information, expenses related to spill containment responses, etc.

TRANSFER OF CHARGES

Any unpaid balance from past due charges for water and/or sewer services of terminated accounts or Charges for Miscellaneous Services will be transferred to any available active account(s) through which the customer is receiving services. The payment status of the active account through which the customer is receiving service will be determined by the payment status of transferred accounts.

OWASA may temporarily withhold service from a customer, or refuse service to a customer when such a customer (including but not limited to individuals, corporations, or partnerships), owes OWASA any past due balance.

Accounts or portions of accounts, including charges for material or damaged property that are disputed and delinquent fees and delinquent assessment charges, may be submitted to the courts by the Executive Director, upon approval by General Counsel, for collection if such amounts do not exceed \$1,500.00. For amounts exceeding \$1,500.00, approval of the Board of Directors shall also be required prior to filing an action for collection.

**RESOLUTION ADOPTING THE ANNUAL BUDGET FOR
ORANGE WATER AND SEWER AUTHORITY FOR THE FISCAL YEAR
JULY 1, 2014 THROUGH JUNE 30, 2015**

WHEREAS, Section 7.05 of the Bond Order and North Carolina G.S. Chapter 159 require that on or before the first day of July in each fiscal year the Authority will adopt a Budget for the ensuing fiscal year; and

WHEREAS, such budget is to include estimates of revenues of the water, sewer and reclaimed water systems, current Operations and Maintenance expenses, estimated Interest Income and Debt Service costs, and disbursements from the General Fund for Capital Improvements and Equipment purchases.

NOW, THEREFORE, BE IT RESOLVED:

1. That pursuant to the provisions of North Carolina G.S. Chapter 159-13 the attached pages marked 2 through 6 be, and they hereby are, adopted as the official Budget of Orange Water and Sewer Authority of the Fiscal Year beginning July 1, 2014 through June 30, 2015.

2. That the appropriations for departments, functions, and projects as shown in the attached budget for the respective purposes and in the respective amounts therein specified are hereby made.

3. That the Executive Director shall administer the budget, and is hereby authorized to expend the funds for the purposes set forth therein.

Adopted this 12th day of June 2014.

Alan Rimer, Chair

ATTEST:

Michael Hughes, Secretary

**ORANGE WATER AND SEWER AUTHORITY
STATEMENT OF INCOME, EXPENSE AND DEBT SERVICE
(OPERATING)**

	FY 2015 Annual Budget
Operating Revenue	
Water	\$17,487,472
Sewer	16,602,656
Reclaimed Water	466,955
Service Initiation Fee	193,240
Other	1,204,568
Refunds and Adjustments	(228,716)
Total Operating Revenue	\$35,726,175
Operating Expense	
General and Administrative	6,261,846
Operations	13,546,241
Total Operating Expense	19,808,087
Net Operating Income	15,918,088
Non-operating Revenue	
Customer Fees	782,373
Interest	54,590
Total Net Income	\$16,755,051
Debt Service	
Existing	7,988,875
New	328,000
Total Debt Service	8,316,875
Net Income Less Debt Service	\$8,438,176
Debt Coverage Ratio	2.01

**ORANGE WATER AND SEWER AUTHORITY
STATEMENT OF INCOME AND EXPENSE
(CAPITAL/NON-OPERATING)**

		FY 2015 Annual Budget
General Fund		
Resources		
Transfer From Revenue	<u>\$8,438,176</u>	
Annual Income Available for Capital		8,438,176
Transfer from Construction Fund (Bond Proceeds)		<u>6,560,000</u>
Total Available for Capital		<u>14,998,176</u>
Capital Expenditures		
Project ordinances		
General Fund Contribution	4,282,000	
Funded by Bond Proceeds	<u>6,560,000</u>	
Total Project Resolutions		10,842,000
Capital Equipment		<u>1,165,000</u>
Total Capital Outlay		<u>12,007,000</u>
Annual General Fund Balance		2,991,176
General Fund Beginning Balance		<u>19,552,236</u>
General Fund Ending Balance		22,543,412
Project Funding	10,000,812	
Reserves		
Rate/Revenue Stabilization	1,500,000	
Capital Improvements	2,400,000	
Working Capital	<u>8,642,600</u>	<u>22,543,412</u>
Unallocated General Fund Balance		<u><u>\$0</u></u>

	REVENUE FUND		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Fund Balance July 1, 2014			\$0
Receipts			
Operating Revenue			
Customer Billings	17,487,472	16,602,656	34,090,128
Reclaimed Water	466,955	-	466,955
Service Initiation Fee	96,620	96,620	193,240
Other	602,284	602,284	1,204,568
Refunds and Adjustments	(114,358)	(114,358)	(228,716)
Total Operating Revenue	18,538,973	17,187,202	35,726,175
Non-operating Revenue			
Customer Fees	337,053	445,320	782,373
Interest Income	27,295	27,295	54,590
Total Non-operating Revenue	364,348	472,615	836,963
Total Receipts	18,903,321	17,659,817	36,563,138
Expenditures			
Current Expense	(10,377,457)	(9,430,630)	(19,808,087)
Debt Service	(5,405,969)	(2,910,906)	(8,316,875)
Total Expenditures	(15,783,426)	(12,341,536)	(28,124,962)
Net Revenue			8,438,176
To General Fund			(8,438,176)
Fund Balance June 30, 2015			<u>0</u>
Change in Available Balance			<u><u>\$0</u></u>

BOND SERVICE FUND

Fund Balance July 1, 2014		\$0
Receipts		
Transfers from Revenue Fund	8,316,875	
Interest	<u> </u>	
Total Receipts		8,316,875
Expenditures		
Debt Service	<u>8,316,875</u>	
Total Expenditures		<u>(8,316,875)</u>
Fund Balance June 30, 2015		<u>0</u>
Change in Available Balance		<u><u>\$0</u></u>

GENERAL FUND

Fund Balance July 1, 2014		\$19,552,236
Receipts		
Transfer From Revenue fund	8,438,176	
Transfer From Construction Fund (Loan Proceeds)	6,560,000	
Interest	0	
Assessments	0	
Grants and contributions	0	
	<hr/>	
Total Receipts		<hr/> 14,998,176
Total Balance Before Expenditures		34,550,412
Expenditures		
Capital Equipment/Leases	1,165,000	
Project Resolutions	10,842,000	
Transfer to Revenue Fund	0	
	<hr/>	
Total Expenditures		<hr/> (12,007,000)
Fund Balance June 30, 2015		<hr/> <hr/> \$22,543,412
Allocation of Fund Balance June 30, 2015		
Project Funding	10,000,812	
Capital Reserves	12,542,600	
	<hr/>	
Total Allocation		<hr/> <hr/> \$22,543,412
Unallocated General Fund Balance June 30, 2015		<hr/> 0
Change in Available Balance		<hr/> <hr/> \$2,991,176

RESOLUTION APPROVING CAPITAL IMPROVEMENTS PROGRAM AND BUDGET FOR FISCAL YEARS 2015-2019

WHEREAS, a Five-Year Capital Improvements Program and Budget enables Orange Water and Sewer Authority to identify, assess, and project the water and sewer systems’ capital projects in an orderly, coordinated, and fiscally sound manner, and to plan for the replacement and repair of existing facilities; and

WHEREAS, the Capital Improvements Program and Budget for Fiscal Years 2015-2019 have been developed by the staff, reviewed by the Board of Directors, and revisions incorporated therein; and

WHEREAS, a Public Hearing on the Capital Improvements Program was held on May 22, 2014;

NOW, THEREFORE, BE IT RESOLVED:

1. The Board of Directors of Orange Water and Sewer Authority approves the Capital Improvements Program and Budget for Fiscal Years 2015-2019 as required by the Financial Management Policy.
2. That the Executive Director be, and is hereby, authorized to administer the planning, studies, design, and financing, and make recommendations to the Board of Directors for award of contracts, as appropriate, for the projects in the Capital Improvements Budget.
3. The Five-Year Capital Improvements Program Budget for Fiscal years 2015-2019 is as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2015	\$10,842,000
2016	15,613,000
2017	8,780,000
2018	19,481,000
2019	<u>17,395,000</u>
Total	<u>\$72,111,000</u>

Adopted this 12th day of June 2014.

Alan Rimer, Chair

ATTEST:

Michael Hughes, P.E., Secretary

**CAPITAL PROJECT RESOLUTION
FOR
FISCAL YEAR 2015 INFRASTRUCTURE IMPROVEMENTS**

WHEREAS, present infrastructure must be maintained and additional infrastructure developed to meet future needs; and

WHEREAS, Orange Water and Sewer Authority (OWASA) has determined that certain additional infrastructure improvements are needed, including improvements to the water supply system; water treatment and distribution system; wastewater collection, treatment and disposal system; reclaimed water system; and support services facilities; and

WHEREAS, adequate funds will be available for the completion of these improvements;

NOW, THEREFORE, BE IT RESOLVED:

1. A project fund of \$10,842,000 is hereby established and expenditures therefrom authorized for the following improvements:

Expenditures:

Water Supply Improvements:

Jordan Lake Raw Water Supply Allocation	\$5,000
Stone Quarry Reservoir Development	15,000
Cane Creek Reservoir Dock Replacement	101,000
Cane Creek Reservoir Dam Repairs	68,000
Cane Creek Reservoir and University Lake Sodium Permanganate Feed Systems	87,000
Subtotal	<hr/> 276,000

Water Treatment and Distribution Improvements:

Water Main Road Improvement Projects	357,000
Water Line Rehabilitation/Replacement Projects	771,000
Water Main Replacement – South Estes Drive and Willow Drive	1,383,000
Distribution System Pressure Monitors	32,000
Advanced Meter Infrastructure (AMI) System	1,225,000
Galvanized Water Main Replacements	63,000
Subtotal	<hr/> 3,831,000

Wastewater Collection, Treatment and Disposal Improvements:

Sanitary Sewer Condition Evaluation	107,000
Sanitary Sewer Rehabilitation	1,517,000
Sewer Main Replacement – Bolinwood Interceptor Replacement	30,000
Sewer Main Replacement – Little Creek Interceptor Replacement	1,056,000
Aerial Stream Crossing Replacements – Tom’s Creek and Morgan Creek	1,030,000
Gravity Sanitary Sewer Creek Crossings Upgrades	278,000
Rogers Road Gravity Sanitary Sewer Extension	130,000
Easement Acquisition Program	69,000
Rogerson Drive Pump Station Rehabilitation	96,000
WWTP Generator Building Louvers and Hypochlorite Facility	618,000
WWTP Aeration System/Odor Improvements	655,000
WWTP Nitrified Recycling	73,000
Comprehensive Coatings Program	290,000
WWTP Biosolids Facilities and Recycling Study/Rehabilitation	100,000
WWTP Digesters #1 & #2 Rehabilitation	243,000

Capital Project Resolution for Fiscal Year 2015 Infrastructure Improvements

June 12, 2014

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WWTP Intermediate Pump Stations (IPS) Rehabilitation/Replacement	100,000
WWTP SCADA System Upgrade	209,000

Subtotal	<hr/> 6,601,000
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Support Services Facilities Improvements:

Administration Building Chiller Replacement	84,000
Development of the Comprehensive Asset Management Plan	50,000

Subtotal	<hr/> 134,000
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Total Expenditures	<hr/> <hr/> \$10,842,000
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Revenues:

Transfers from the General Fund, Bond or Loan Proceeds, and Grants	<hr/> \$10,842,000
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2. That supplementary funds will be appropriated in future years for completion of the projects.
3. That this Resolution shall take effect upon its passage.
4. That this Resolution shall be entered in the Minutes of OWASA and within five (5) days after its adoption copies thereof shall be filed with the Finance Officer, the Budget Officer, and the Clerk to the Board of Directors as required by General Statute 159-13.2(d).

Adopted this 12th day of June 2014.

Alan Rimer, Chair

ATTEST:

Michael Hughes, P.E., Secretary

AGENDA ITEM**• DISCUSSION ON EMPLOYEE DEFERRED COMPENSATION (457) PLAN**PURPOSE

- Discuss options to improve the employee Deferred Compensation (457) Plan.

BACKGROUND

- The Human Resources (HR) Committee has met on four occasions to discuss and analyze options to improve the competitiveness of OWASA's Deferred Compensation (457) Plan.
- The HR Committee recommends that the Board authorize the following:
 - Amend the current Deferred Compensation (457) Plan to include a loan provision allowing employees to borrow up to 40% of their individual account balance.
 - Add a benefit tier of \$20 per pay period for employees with six months to less than four years of service.
 - Effective July 1, 2014, provide all employees with at least six months of service a one-time \$750 contribution to their Deferred Compensation (457) Plan account to improve competitiveness and serve as a bridge until additional alternatives are considered.
- At the May 22, 2014 Board of Directors' meeting, the Board instructed staff to provide two resolutions for consideration at the June 12, 2014 meeting (attached).

STAFF RECOMMENDATION

- Board discussion and possible action on the recommendations put forth by the HR Committee.

June 12, 2014



ORANGE WATER AND SEWER AUTHORITY

*A public, non-profit agency providing water, sewer and reclaimed water services
to the Carrboro-Chapel Hill community.*

MEMORANDUM

TO: Board of Directors

THROUGH: Ed Kerwin 

FROM: Stephanie S. Glasgow

DATE: June 6, 2014

SUBJECT: Discussion and Possible Approval of changes to the Deferred Compensation (457) Plan

PURPOSE

Discuss options to improve the competitiveness of OWASA's Deferred Compensation (457) Plan.

BACKGROUND

At the May 22, 2014 Board of Directors meeting, the Human Resources (HR) Committee put forth the following recommendations:

The HR Committee met four times and carefully considered about 10 different options to improve the competitiveness of our deferred compensation benefit (457) plan for our employees. It has been 13 years since the Board has conducted a substantive review of the program.

While we made important progress, this is a very complex issue involving a number of important values for our organization and for our employees. We have concluded that additional time is needed to more fully consider alternatives within the context of our employees' total compensation before we recommend significant changes to our current program.

We are recommending Board approval at our June 12th meeting of several improvements in our deferred compensation program for Fiscal Year 2015 as follows:

Amend the current Deferred Compensation (457) Plan to include a loan provision that will allow employees to borrow up to 40% of their account balance. This provision does not add to the cost of administering the program and will benefit employees who face fiscal challenges. About half of our peer employers offer a loan provision.

Add a new benefit tier of \$20 per pay period for employees with six months to less than four years of service. Under our current program, employees must complete four years of service to begin receiving the benefit. Most of our peer employers offer a retirement benefit for employees with less than four years of service. The cost for this benefit is about \$20,000 and can be absorbed into the proposed FY 2015 budget.

Effective July 1, 2014, provide all qualifying employees with at least six months of service a one-time \$750 contribution to their deferred compensation (457) account. The current deferred compensation (457) plan benefit levels have not been adjusted since 2001. This one-time contribution will improve our competitiveness in the job market and serves as a bridge until we can more fully consider future improvements and alternatives. The cost for this one-time contribution is about \$100,000 and can be absorbed into the proposed FY 2015 budget.

We recommend that additional discussions of changes to our Deferred Compensation (457) Plan consider the deferred compensation plan within the greater context of total compensation. We recommend that the Board direct the HR Committee to work with staff to develop a deferred compensation recommendation no later than May 1, 2015.

INFORMATION

At the May 22, 2014 Board of Directors' meeting, the Board instructed staff to provide two resolutions for consideration at the June 12, 2014 meeting.

- To authorize amending the current Deferred Compensation (457) Plan to include a loan provision allowing employees to borrow up to 40% of their account balance and to add an additional benefit tier of \$20 per pay period for employees completing six months to less than four years of service (Attachment 1).
- To provide all employees with six months of service on July 1, 2014 a one-time \$750 contribution to their Deferred Compensation (457) Plan account (Attachment 2).

RECOMMENDATION

Board discussion and action regarding the recommendations put forth by the HR Committee.



Stephanie S. Glasgow, MESH, PHR
Director of Human Resources and Safety

Attachments

**RESOLUTION TO AMEND THE CURRENT DEFERRED COMPENSATION (457)
PLANS BENEFIT FOR EMPLOYEES**

WHEREAS, the Orange Water and Sewer Authority currently makes biweekly contributions to the Deferred Compensation (457) Plans of employees who have been employed by OWASA for at least four years;

WHEREAS, OWASA's current Deferred Compensation (457) Plan does not allow employees to borrow from their accounts;

WHEREAS, the Human Resources (HR) Committee has recommended to the OWASA Board of Directors that beginning July 1, 2014, qualified employees with six months of service to less than four years of service should receive a Twenty Dollar (\$20.00) per pay period contribution to their Deferred Compensation (457) Plan; and

WHEREAS, the HR Committee has recommended that OWASA's current Deferred Compensation (457) Plans be amended to include a provision that will allow each employee to borrow up to forty percent (40%) of his or her account balance:

NOW, THEREFORE, BE IT RESOLVED:

1. That the Board of Directors approves contributing Twenty Dollars (\$20) per pay period to the Deferred Compensation (457) Plan of each employee with at least six months but less than four years of service.

2. That OWASA's current Employee Deferred Compensation (457) Plan provisions shall be and are amended to include a provision allowing each employee to borrow not more than forty percent (40%) of his or her account balance.

Adopted this 12th day of June 2014.

Alan Rimer, P.E., Chair

ATTEST:

Michael M. Hughes, P.E., Secretary

**RESOLUTION AUTHORIZING A ONE-TIME \$750 DEFERRED COMPENSATION
(457) CONTRIBUTION FOR EMPLOYEES WITH SIX MONTHS OF SERVICE
ON JULY 1, 2014**

WHEREAS, the Orange Water and Sewer Authority currently makes biweekly contributions to qualifying employees' Deferred Compensation (457) Plan accounts;

WHEREAS, the Human Resources (HR) Committee has recommended that OWASA make a one-time contribution in the amount of Seven Hundred Fifty Dollars (\$750.00) to the Deferred Compensation (457) Plan of every Qualified Employee (who has been a full-time employee of OWASA for at least six months as of July 1, 2014); and

WHEREAS, the Board of Directors has determined to approve this one-time payment in order to improve OWASA's competitive position in the job market while other alternatives are evaluated and further recommendations are developed;

NOW, THEREFORE, BE IT RESOLVED:

1. The Board of Directors directs that OWASA shall contribute to the Deferred Compensation (457) Plan for each Qualified Employee (who has been employed on a full-time basis for at least six months as of July 1, 2014) a one-time payment of Seven Hundred Fifty Dollars (\$750.00), on or after July 15, 2014.

Adopted this 12th day of June 2014.

Alan Rimer, P.E., Chair

ATTEST:

Michael M. Hughes, P.E., Secretary

AGENDA ITEM**• UPDATE ON EVALUATIONS OF CUSTOMER BILLING AND FINANCIAL MANAGEMENT SYSTEMS****PURPOSE**

- The customer billing and financial management system currently used by OWASA has been in place since 1999.
- Because of challenges we have experienced with the current systems, staff decided, and the Board agreed, that it was prudent to investigate other options.
- OWASA staff has conducted a thorough evaluation of potential customer billing and financial management systems.
- At the June 12, 2014 Board meeting, staff will provide an update on the results of our evaluations.

ACTION REQUESTED

- Board to provide feedback regarding staff's recommendation.

June , 2014



ORANGE WATER AND SEWER AUTHORITY

*A public, non-profit agency providing water, sewer and reclaimed water services
to the Carrboro-Chapel Hill community.*

MEMORANDUM

TO: Board of Directors

THROUGH: Ed Kerwin 

FROM: Daniel Przybyl and Stephen Winters

DATE: June 12, 2014

SUBJECT: **Discussion on Customer Billing and Financial Management Systems**

The OWASA Board of Directors has established as Strategic Initiative #3 the implementation of a new customer billing and financial management system.

The current customer billing and financial management system was implemented by OWASA in 1999. The system is mainly comprised of the Microsoft Dynamics GP financial management software and the Cogsdale Corporation CSM utility billing software plus additional third-party add-ons. These systems facilitate a broad range of business processes including payroll, accounts payable, fixed asset management, human resources, billing and payments, customer management and others. Ongoing challenges with these existing platforms led staff to investigate the possibility of selecting and implementing a new solution. The goal is to select a solution that better meets OWASA's business requirements and enables us to provide a better customer experience. An overview of this information was provided at the January 23, 2014 Board meeting.

Beginning over a year ago, staff began a thorough and objective process to evaluate candidate systems and compare their cost and functionality against OWASA's current software systems. This process included product demonstrations, extensive site visits and reference checks, evaluating compliance with business and functional requirements, detailed functional scenario evaluations and detailed price quotes. The detailed evaluation process included the current Dynamics GP/Cogsdale system and three additional vendors selected from an initial pool of 11 candidate systems.

At the June 12, 2014 Board meeting, staff will make a presentation to review our evaluation process, present results of our evaluation of the candidate systems, and offer our recommendation to the Board for the selected software system. Staff invites Board discussion of the evaluation and recommendation. While formal Board action is not required at this time, we seek the Board's concurrence that we are on the right path to enhancing our finance and customer billing systems.



Daniel D. Przybyl, CGCIO
Director of Information Technology



Stephen Winters, CPA
Director of Finance and Customer Service

AGENDA ITEM

- **REPORT OF THE NOMINATING COMMITTEE AND ELECTION OF OFFICERS**

BACKGROUND

- The Bylaws of Orange and Sewer Authority state that officers shall be elected annually at the Board's first regular meeting in June and shall hold office for one year or until their successors are elected and qualified.
- At the May 8, 2014 Board of Directors meeting, the Chair of the Board appointed a Nominating Committee consisting of the following Board members:
 - Alan Rimer, Chair
 - Amy Witsil
 - Steve Dear
- The purpose of the Nominating Committee is to propose a slate of officers for election. The Nominating Committee held meetings on May 28 and June 2, 2014, to discuss the nominations received for Chair, Vice Chair and Secretary.
- The Nominating Committee provided the following recommendations was communicated to the Board of Directors on June 5, 2014:
 - Chair of the Board – John A. Young
 - Vice Chair of the Board – Michael M. Hughes, P.E.
 - Secretary of the Board – Heather Payne
- Nominations can also be made from the floor.

ACTION NEEDED

- Election of officers by the Board of Directors.

June 12, 2014