

ORANGE WATER AND SEWER AUTHORITY  
WORK SESSION OF THE BOARD OF DIRECTORS

JUNE 11, 2015

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in a Work Session on Thursday, June 11, 2015, at 6:00 PM in OWASA's Community Room at 400 Jones Ferry Road, Carrboro.

Board Members present: Michael M. Hughes, P.E., Vice Chair; Heather Payne, Secretary; Terri Buckner; Stephen (Steve) Dear; Quinton Harper, David (Dave) Moreau; Ruchir Vora and Amy Witsil. Board Member absent: John A. Young, Chair

OWASA staff present: Ed Kerwin; Denise Battle; Stuart Carson; Mary Darr; Greg Feller; Jeremy Fireline; Stephanie Glasgow; John Kiviniemi; Andrea Orbich; Todd Taylor; Stephen Winters; and Robert Epting, Esq., Epting and Hackney.

Others present: Randy Foulke, AECOM; and Meg Holton, Water, Wastewater, and Stormwater Manager, University of North Carolina at Chapel Hill

There being a quorum present, Michael Hughes called the meeting to order.

MOTIONS ACTED UPON

1. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the Resolution Adopting the Schedule of Rates, Fees and Charges Applicable to All Customers On and After October 1, 2015. (Resolution so titled attached hereto and made a part of these minutes. Motion by Terri Buckner, second by Steve Dear and unanimously approved.)
2. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the Resolution Adopting the Annual Budget for Orange Water and Sewer Authority for the Fiscal Year July 1, 2015 through June 30, 2016. (Resolution so entitled attached hereto and made a part of these minutes. Motion by Heather Payne, second by Amy Witsil and unanimously approved.)
3. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the Resolution Approving the Capital Improvements Program and Budget for Fiscal Years 2016-2020. (Resolution so titled attached hereto and made a part of these minutes. Motion by Dave Moreau, second by Quinton Harper and unanimously approved.)
4. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the Capital Project Resolution for Fiscal Year 2016 Infrastructure Improvements. (Resolution so titled attached hereto and made a part of these minutes. Motion by Dave Moreau, second by Terri Buckner and unanimously approved.)
5. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the Resolution Awarding a Construction Contract for the Rehabilitation of the Mason Farm Wastewater

Treatment Plant Digesters. (Resolution so titled attached hereto and made a part of these minutes. Motion by Dave Moreau, second by Amy Witsil and unanimously approved.)

6. Dave Moreau made a motion to elect John Young as Chair of the Board of Directors for corporate year 2015-2016, seconded by Ruchir Vora and unanimously approved.

7. Steve Dear made a motion to elect Michael Hughes as Vice Chair of the Board of Directors for corporate year 2015-2016, second by Dave Moreau and unanimously approved.

8. Dave Moreau made a motion to elect Heather Payne as Secretary of the Board of Directors for corporate year 2015-2016, second by Michael Hughes and unanimously approved.

## ANNOUNCEMENTS

### Announcements by the Vice Chair

Michael Hughes 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.

Mr. Hughes said that on June 25, 2015 staff will report on OWASA's Baseline Assessment of Energy and Potential Goals and Objectives for Energy Use and the Board will receive comments from citizens.

Mr. Hughes said that Jonathan Howes, an OWASA Board Member from 1976 to 1978 and Chair from 1977 to 1978, passed away on May 31, 2015.

Mr. Hughes said the Chapel Hill Town Council appointed Jeff Danner to serve on the OWASA Board and he may take his oath of office on July 9, 2015.

Mr. Hughes also reminded Board Members to continue to notify the Clerk to the Board in advance of absences from Board and Committee meetings.

### Orange County's Commission for the Environment

Terri Buckner said that Ed Kerwin and she attended the June 8<sup>th</sup> Orange County Commission for the Environment meeting. The Commission is interested in participating in a public event regarding energy management by local governments, the University, etc. She and staff will meet with additional local entities to determine their interest in participating.

### Care to Share

Ms. Buckner presented a new logo for OWASA's Care to Share customer assistance program (formerly Taste of Hope) and Care to Share information on the website of the Inter-Faith Council. The Board approved the new logo and staff will incorporate it as necessary.

June 2, 2015 Carrboro Board of Aldermen Meeting

Steve Dear and Quinton Harper reported on their June 2, 2015 presentation to the Carrboro Board of Aldermen regarding various OWASA initiatives which was well received.

Committees

Mr. Dear said the Community Engagement Committee will meet on June 23, 2015 at 5:30 PM to discuss the 12-month progress report on OWASA's Affordability Outreach Pilot Program.

Affordability Outreach Pilot Program

Denise Battle, Customer Service Manager, said OWASA representatives will meet with local agency partners to discuss the Affordability Outreach Pilot Program at 2:00 PM on June 15, 2015 in the OWASA Community Room.

ITEM ONE: REVIEW INFORMATION AND OPTIONS FOR EMPLOYEE MERIT PAY FOR FISCAL YEAR 2016

After considerable Board discussion on the alternatives, the Board asked staff for additional information and agreed to have further discussion and possible approval at the Board's June 25, 2015 meeting.

In advance of the June 25<sup>th</sup> meeting, staff will provide information on new merit pay scenarios.

ITEM TWO: APPROVAL OF THE SCHEDULE OF RATES, FEES AND CHARGES; ANNUAL BUDGET; AND FIVE-YEAR CAPITAL IMPROVEMENTS PROGRAM (CIP)

Terri Buckner made a motion to approve the Resolution Adopting the Schedule of Rates, Fees and Charges Applicable to All Customers on and After October 1, 2015; second by Steve Dear and unanimously approved. Please see Motion 1 above.

Heather Payne made a motion to approve the Resolution Adopting the Annual Budget for Orange Water and Sewer Authority for the Fiscal Year July 1, 2015 through June 30, 2016; second by Amy Witsil and unanimously approved. Please see Motion 2 above.

Dave Moreau made a motion to approve the Resolution Approving the Capital Improvements Program and Budget for Fiscal years 2016-2020; second by Quinton Harper and unanimously approved. Please see Motion 3 above.

Dave Moreau made a motion to approve Capital Project Resolution for Fiscal Year 2016 Infrastructure Improvements; second by Terri Buckner and unanimously approved. Please see Motion 4 above.

ITEM THREE: RESOLUTION AWARDING A CONSTRUCTION CONTRACT FOR THE REHABILITATION OF THE MASON FARM WASTEWATER TREATMENT PLANT DIGESTERS

Dave Moreau made a motion to approve the Resolution Awarding a Construction Contract for the Rehabilitation of the Mason Farm Wastewater Treatment Plant Digesters; second by Amy Witsil and unanimously approved. Please see Motion 5 above.

Staff will begin to include historical minority participation data in future semi-annual Capital Improvement Project progress reports.

ITEM FOUR: REVIEW DRAFT SCOPE OF WORK FOR DESIGN OF THE SEWER SYSTEM FOR THE HISTORIC ROGERS ROAD AREA

After discussion, the Board concurred that staff will work with the consultant to finalize the scope of work for the Historic Rogers Road Area sewer design. In doing so, staff will consider feedback and suggestions from Michael Hughes.

ITEM FIVE: REQUEST(S) BY BOARD COMMITTEES, BOARD MEMBERS AND STAFF

Steve Dear requested that the Board reevaluate Board compensation and consider a higher amount.

Ruchir Vora requested that the construction project agenda items outlines background and options staff may have considered in developing the scope of the project, as well as providing pictures and graphs.

ITEM SIX: REVIEW BOARD WORK SCHEDULE

The Board and staff reviewed the draft June 25<sup>th</sup> agenda and agreed that it include: continue discussion of employee merit pay for FY 2016; baseline assessment of energy use and management efforts and potential goals and objectives for the Energy Management Plan; Update on 12-Month Progress Report on Affordability Outreach Pilot Project; and review of Board Self-Assessment.

The Board and staff reviewed the draft July 9<sup>th</sup> agenda and agreed that it include: possible Oath of Office to new Board Member(s); discussion of priorities and work schedule for key strategic initiatives; revisit Board members' suggestions regarding lake recreation activities; and approval of Scope of Work for Employee Total Compensation Study.

The Board agreed to cancel the July 23 and August 13, 2015 meetings.

ITEM SEVEN: REPORT FROM THE NOMINATING COMMITTEE AND ELECTION OF OFFICERS

Amy Witsil said that the Nominating Committee met on Thursday, June 4, 2015 and recommends the following slate of officers for corporate year 2015-2016 beginning on July 1, 2015: John Young, Chair; Michael Hughes, Vice Chair; and Heather Payne, Secretary.

Ms. Witsil opened the floor for further discussion or nominations for Chair of the Board; there were none.

Dave Moreau made a motion to elect John Young as Chair of the Board of Directors for corporate year 2015-2016, second by Ruchir Vora and unanimously approved. Please see Motion No. 6 above.

Ms. Witsil opened the floor to further discussion or nominations for Vice Chair of the Board; there were none.

Steve Dear made a motion to elect Michael Hughes as Vice Chair of the Board of Directors for corporate year 2015-2016, second by Dave Moreau and unanimously approved. Please see Motion No. 7 above.

Ms. Witsil open opened floor was open for further discussion or nominations for Secretary of the Board; there were none.

Dave Moreau made a motion to elect Heather Payne as Secretary of the Board of Directors for corporate year 2015-2016, second by Michael Hughes and unanimously approved. Please see Motion No. 8 above.

#### ITEM EIGHT: SUMMARY OF BOARD WORK SESSION ACTION ITEMS

Ed Kerwin summarized the key action items for staff as follows:

- Staff will work with Terri Buckner to contact additional potential partners about an energy management event.
- Staff will publicize the Care to Share program including the new logo.
- Staff will provide the Board information on attrition and prepare new pay scenarios.
- Staff will include overall minority participation data in future semi-annual CIP progress reports.
- Staff will work with Michael Hughes to complete the scope of work for the Historic Rogers Road Area sewer design.
- For future agenda items for capital projects, staff will include a brief overview which discusses background and options staff may have considered in developing the scope of the project, and provide pictures and graphs.
- Staff will promote the Board's discussion on June 25<sup>th</sup> regarding the 12-month report on the affordability outreach pilot program.

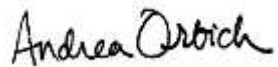
The meeting was adjourned at 9:15 PM.

Orange Water and Sewer Authority

June 11, 2015

Page 6

Respectfully submitted by:

A handwritten signature in black ink that reads "Andrea Orbich". The signature is written in a cursive, flowing style.

Andrea Orbich

Executive Assistant/Clerk to the Board

Attachments

**RESOLUTION ADOPTING THE SCHEDULE OF RATES, FEES, AND CHARGES  
APPLICABLE TO ALL CUSTOMERS ON AND AFTER OCTOBER 1, 2015**

**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) 2016 budget, and after hearing citizen comments in the May 28, 2015 public hearings it held concerning the FY 2016 budget, the Board of Directors determined that it is not necessary to increase the rates OWASA's charges for monthly water, sewer, and reclaimed services in order to provide sufficient revenues to fund ongoing operations, debt service and the Capital Improvements Program. Certain other fees have been adjusted based on changes in the costs of providing the services.


**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, 2015.
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 11th day of June 2015.

  
Michael M. Hughes, P.E., Vice Chair

ATTEST:

  
Heather Payne, Secretary

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

APPLICABLE TO ALL BILLINGS AND SERVICES ON AND AFTER OCTOBER 1, 2015

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, 2014, which became effective on October 1, 2014.



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
3”	\$265.15

<u>Meter Size</u>	<u>Monthly Service Charge</u>
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:

Complete Water Service Installation, 5/8" meter	\$3,570
Complete Water Service Installation, 3/4"	\$3,695
Combination Fire and Domestic Service Meter	
Complete Water Service Installation, 1" meter	\$3,805
Meter Only Installation, 5/8" meter	\$280
Meter Only Installation, 3/4" Combination Fire and Domestic Service Meter	\$400
Meter Only Installation, 1" Combination Fire and Domestic Service Meter	\$420
Meter Only Installation, 1" meter	\$355
Meter Only Installation, 1-1/2" meter	\$600
Meter Only Installation, 1-1/2" Combination Fire And Domestic Service Meter	\$620
Meter Only Installation, 2" meter	\$790
Meter Only Installation, 2" Combination Fire And Domestic Service Meter	\$715
Remote Read Box with 5/8" Detector Meter	\$485

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 \$140.00 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 \$340.

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.

\$290 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 \$340.

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 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 <sub>3</sub> -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 <sub>3</sub> -N)	\$3.04 per pound for all NH <sub>3</sub> -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 per event  
\$80 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
Dishonored Draft:	\$25

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 per event, during OWASA's normal business hours  
\$80 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 per event, during OWASA's normal business hours  
\$80 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 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 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/ trip, plus
Volume Charge and High Strength Surchage	\$140/ 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:

- NH<sub>3</sub>-N = Ammonia Nitrogen
- CBOD = Carbonaceous Biochemical Oxygen Demand
- TSS = Total Suspended Solids
- P = Phosphorus

Administrative Charge of \$30 / trip, plus Volume and High Strength Surchage calculated as follows:

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

A = pounds of NH<sub>3</sub>-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 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**

<u>Day Use</u>	
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 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 \$160 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.

#### 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 \$125 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.

	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. For amounts exceeding \$1,500, 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, 2015 THROUGH JUNE 30, 2016**

**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:

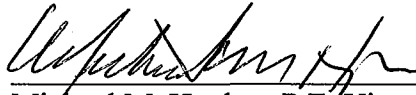
**NOW, THEREFORE, BE IT RESOLVED:**

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, 2015 through June 30, 2016.


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 11<sup>th</sup> day of June 2015.

  
\_\_\_\_\_  
Michael M. Hughes, P.E., Vice Chair

ATTEST:

  
\_\_\_\_\_  
Heather Payne, Secretary

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

	<u><b>FY 2016 Annual Budget</b></u>
<b>Operating Revenue</b>	
Water	\$17,990,169
Sewer	16,794,115
Reclaimed Water	452,250
Service Initiation Fee	158,421
Other	1,048,487
Refunds and Adjustments	<u>(232,207)</u>
<b>Total Operating Revenue</b>	<b>\$36,211,235</b>
<b>Operating Expense</b>	
General and Administrative	6,805,436
Operations	<u>13,983,021</u>
<b>Total Operating Expense</b>	<u>20,788,457</u>
<b>Net Operating Income</b>	<b>15,422,778</b>
<b>Non-operating Revenue</b>	
Customer Fees	959,582
Interest	<u>34,571</u>
<b>Total Net Income</b>	<u><u>\$16,416,931</u></u>
<b>Debt Service</b>	
Existing	\$8,316,327
New	<u>0</u>
<b>Total Debt Service</b>	<u>8,316,327</u>
<b>Net Income Less Debt Service</b>	<u><u>\$8,100,604</u></u>
<b>Debt Coverage Ratio</b>	<b>2.0</b>

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

**FY 2016  
Annual Budget**

<b>General Fund</b>		
Resources		
Transfer From Revenue	<u>\$8,100,604</u>	
<b>Annual Income Available for Capital</b>		\$8,100,604
Transfer from Construction Fund (Bond Proceeds)		<u>0</u>
<b>Total Available for Capital</b>		<u>8,100,604</u>
<b>Capital Expenditures</b>		
Project ordinances		
General Fund Contribution	10,615,000	
Funded by Bond Proceeds	<u>0</u>	
Total Project Resolutions		10,615,000
Capital Equipment		<u>875,000</u>
<b>Total Capital Outlay</b>		<u>11,490,000</u>
<b>Annual General Fund Balance</b>		(3,389,396)
<b>General Fund Beginning Balance</b>		<u>24,829,978</u>
<b>General Fund Ending Balance</b>		21,440,582
Project Funding	6,682,382	
Reserves		
Rate/Revenue Stabilization	1,750,000	
Capital Improvements	2,800,000	
Working Capital	<u>10,208,200</u>	<u>21,440,582</u>
<b>Unallocated General Fund Balance</b>		<u><u>\$0</u></u>



**REVENUE FUND**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>Fund Balance July 1, 2015</b>			\$0
<b>Receipts</b>			
<b>Operating Revenue</b>			
Customer Billings	\$17,990,169	\$16,794,115	34,784,284
Reclaimed Water	452,250	-	452,250
Service Initiation Fee	79,211	79,210	158,421
Other	524,243	524,244	1,048,487
Refunds and Adjustments	(116,104)	(116,103)	(232,207)
<b>Total Operating Revenue</b>	18,929,769	17,281,466	36,211,235
<b>Non-operating Revenue</b>			
Customer Fees	419,703	539,879	959,582
Interest Income	17,285	17,286	34,571
<b>Total Non-operating Revenue</b>	436,988	557,165	994,153
<b>Total Receipts</b>	19,366,757	17,838,631	37,205,388
<b>Expenditures</b>			
Current Expense	(10,624,980)	(10,163,477)	(20,788,457)
Debt Service	(5,405,613)	(2,910,714)	(8,316,327)
<b>Total Expenditures</b>	(16,030,593)	(13,074,191)	(29,104,784)
<b>Net Revenue</b>			8,100,604
<b>To General Fund</b>			(8,100,604)
<b>Fund Balance June 30, 2016</b>			<u>0</u>
<b>Change in Available Balance</b>			<u><u>\$0</u></u>

**BOND SERVICE FUND**

<b>Fund Balance July 1, 2015</b>		\$0
<b>Receipts</b>		
Transfers from Revenue Fund	\$8,316,327	
Interest		
	<hr/>	
<b>Total Receipts</b>		8,316,327
<b>Expenditures</b>		
Debt Service	8,316,327	
	<hr/>	
<b>Total Expenditures</b>		<hr/> (8,316,327)
<b>Fund Balance June 30, 2016</b>		<hr/> 0
<b>Change in Available Balance</b>		<hr/> <hr/> \$0

**GENERAL FUND**

**Fund Balance July 1, 2015** \$24,829,978

**Receipts**

Transfer From Revenue fund	8,100,604
Transfer From Construction Fund (Loan Proceeds)	0
Interest	0
Assessments	0
Grants and contributions	0
	<hr/>

**Total Receipts** 8,100,604

**Total Balance Before Expenditures** 32,930,582

**Expenditures**

Capital Equipment/Leases	875,000
Project Resolutions	10,615,000
Transfer to Revenue Fund	0
	<hr/>

**Total Expenditures** (11,490,000)

**Fund Balance June 30, 2016** \$21,440,582

**Allocation of Fund Balance June 30, 2016**

Project Funding	6,682,382
Capital Reserves	14,758,200
	<hr/>

**Total Allocation** \$21,440,582

**Unallocated General Fund Balance June 30, 2016** 0

**Change in Available Balance** (\$3,389,396)

**RESOLUTION APPROVING THE CAPITAL IMPROVEMENTS PROGRAM AND BUDGET  
FOR FISCAL YEARS 2016-2020**

**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 2016-2020 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 28, 2015;

**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 2016-2020 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 2016-2020 is as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2016	\$10,615,000
2017	20,270,000
2018	13,807,000
2019	16,964,000
2020	<u>18,038,000</u>
Total	<u>\$79,694,000</u>

Adopted this 11<sup>th</sup> day of June 2015.

  
Michael M. Hughes, P.E., Vice Chair

**ATTEST:**

  
Heather Payne, Secretary

**CAPITAL PROJECT RESOLUTION  
FOR  
FISCAL YEAR 2016 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 \$10,615,000 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 and University Lake Sodium Permanganate Feed Systems	64,000
Cane Creek Office HVAC Replacement	18,000
Subtotal	<hr/> 102,000

**Water Treatment and Distribution Improvements:**

Water Treatment Plant and Adjacent OWASA Facilities Pavement Improvements	89,000
Water Treatment Plant Secondary Chemical Spill Containment	127,000
WTP Pulsator Controls Electrical Upgrades	70,000
WTP Generator Building Louvers Replacement	8,000
Nunn Mountain Pump Station Evaluation	58,000
Water Main Road Improvement Projects	250,000
Water Line Rehabilitation/Replacement Projects	1,407,000
Evergreen and Ridge Lanes Water Mains	376,000
Foxcroft Drive Water Main	35,000
Stancell Drive Water Main	119,000
Dobbins Drive Water Main	66,000
Advanced Meter Infrastructure (AMI) System	200,000
Galvanized Water Main Replacements	324,000
Barnes Street Water Main Valve Insertions	34,000
Brandywine Road Water Main	47,000
Emory Drive Water Main	249,000
Subtotal	<hr/> 3,459,000

**Wastewater Collection, Treatment and Disposal Improvements:**

Sanitary Sewer Rehabilitation (CIPP & MH)	1,057,000
Bolinwood Drive Interceptor (Bolin 1)	160,000
Little Creek Interceptor (Little 1)	833,000
Gravity Sanitary Sewer Creek Crossings Upgrades	273,000

Capital Project Resolution for Fiscal Year 2015 Infrastructure Improvements

June 11, 2015

Page 2

Rogers Road Gravity Sanitary Sewer Extension	370,000
(Credit for Rogers Road Sanitary Sewer Extension – expenditures paid by local municipalities)	(370,000)
Easement Acquisition Program	30,000
Force Main Condition Evaluation	166,000
Eastowne Pump Station Rehabilitation	32,000
Rogerson Drive Pump Station Rehabilitation	348,000
Piney Mountain Pump Station Rehabilitation	105,000
Knolls Pump Station and Manning Drive Pump Station Sites Rehabilitation	139,000
Heritage Hills Pump Station and Eubanks Road Pump Station Rehabilitation	31,000
Comprehensive Coatings Program	300,000
WWTP Polymer Feed System and Replacement Gravity Belt Thickeners	56,000
WWTP Digesters #1 & #2 Rehabilitation	1,986,000
WWTP Intermediate Pump Stations (IPS) Rehabilitation/Replacement	40,000
WWTP Stormwater Pump Station Electrical System Rehabilitation	292,000
WWTP Non Drinking Water Pump Replacements	109,000
WWTP and WW PS LED Lighting Upgrades	74,000
WWTP Pavement Improvements	113,000
WWTP Administration Building Renovations	43,000
WWTP Secondary Clarifier Algae Sweep System Upgrade	70,000
WWTP Solids Handling Biofilter Rehabilitation/Replacement	70,000
WWTP Anoxic Zone Mixer Hyper-Pitch Blades Attachments	58,000
WWTP Piping Heat Tracing and Insulation	35,000
Comprehensive Roof Systems Replacement Program	264,000
WWTP Biosolids Conveyance and Loading Improvements	91,000
WWTP Filtrate Side Stream Treatment	194,000

Subtotal	6,969,000
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**Support Services Facilities Improvements:**

Administration Building HVAC System Upgrade	85,000
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Subtotal	85,000
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Total Expenditures	\$10,615,000
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**Revenues:**

Transfers from the General Fund, Bond or Loan Proceeds, and Grants	\$10,615,000
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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).

Capital Project Resolution for Fiscal Year 2015 Infrastructure Improvements

June 11, 2015

Page 3

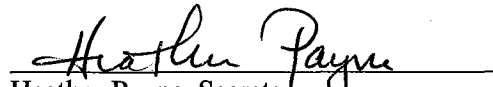
Adopted this 11<sup>th</sup> day of June 2015.



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Michael M. Hughes, P.E., Vice Chair

**ATTEST:**



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Heather Payne, Secretary

**RESOLUTION AWARDING A CONSTRUCTION CONTRACT  
FOR THE REHABILITATION OF THE MASON FARM WASTEWATER  
TREATMENT PLANT DIGESTERS**

**WHEREAS**, there is a need for the rehabilitation of existing digesters 1 & 2 at the Mason Farm Wastewater Treatment Plant in Chapel Hill, NC; and

**WHEREAS**, plans and specifications for the construction of this project have been prepared by Brown and Caldwell; and

**WHEREAS**, advertisement for contractor qualifications was published on the website of OWASA and in the Greater Diversity News (Wilmington, NC) in January 2015, and six contractors were prequalified to bid; and

**WHEREAS**, on March 26, 2015, the prequalified contractors were formally invited to submit construction bids for the project, and five bids were subsequently received, opened and read aloud on May 5, 2015; and

**WHEREAS**, RTD Construction of Zephyrhills, Florida has been determined to be the low responsive, responsible bidder for the project; and

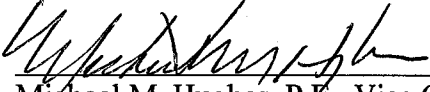
**WHEREAS**, on June 12, 2014 the Board approved a resolution authorizing funds for Capital Improvement Projects, including funds for this project:

**NOW, THEREFORE, BE IT RESOLVED:**

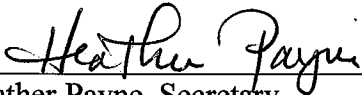
1. That the Orange Water and Sewer Authority Board of Directors awards the construction contract to RTD Construction, the low responsive, responsible bidder for the Rehabilitation of the Mason Farm Road Wastewater Treatment Plant Digesters, in accordance with the approved plans and specifications, in the amount of \$1,905,964, subject to such change orders as may apply.

2. That the Executive Director be, and hereby is, authorized to execute said contract, subject to prior approval of legal counsel, and to approve and execute change orders and such documents as may be required in connection with the construction contract.

Adopted this 11th day of June 2015.

  
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Michael M. Hughes, P.E., Vice Chair

ATTEST:

  
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Heather Payne, Secretary