

Orange Water and Sewer Authority

Meeting of the Board of Directors

June 14, 2018

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in a work session on Thursday, June 14, 2018, at 6:00 p.m. in OWASA's Community Room, 400 Jones Ferry Road, Carrboro.

Board Members present: Heather Payne (Vice Chair), Yinka Ayankoya (Secretary), Jeff Danner, Barbara Foushee, John N. Morris and John A. Young. Board Member absent: Robert Morgan (Chair), Ray DuBose and Ruchir Vora.

OWASA staff present: Mary Darr, Robert Epting, Esq., (Epting and Hackney), Vishnu Gangadharan, Stephanie Glasgow, Ed Kerwin, Kenneth Loflin, Linda Low, Addison McDonough, Andrea Orbich, Ruth Rouse, Kelly Satterfield, Todd Taylor and Stephen Winters.

Others present: Margaret Holton (University of North Carolina Water Resources Manager) and Bruce Boehm.

Motions

1. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Approving OWASA's 2017 Local Water Supply Plan and (Revised) Water Shortage Response Plan as Approved by the NC Department of Environmental Quality, Division of Water Resources. (Motion by Yinka Ayankoya, second by Barbara Foushee and unanimously approved.)
2. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Approving Sole Source Procurement of a Gas Chromatograph/Mass Spectrometer for the Analysis of Malodorous Compounds. (Motion by Yinka Ayankoya, second by Barbara Foushee and unanimously approved.)
3. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Honoring the Service of Kelly Thompson to the Orange Water and Sewer Authority and the Carrboro-Chapel Hill-Orange County Community. (Motion by Yinka Ayankoya, second by Barbara Foushee and unanimously approved.)
4. Yinka Ayankoya made a motion to approve the Minutes of the May 10, 2018 Work Session of the Board of Directors; second by Barbara Foushee and unanimously approved.
5. Yinka Ayankoya made a motion to approve the Minutes of the May 24, 2018 Public Hearings and Meeting of the Board of Directors; second by Barbara Foushee and unanimously approved.
6. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Adopting the Schedule of Rates, Fees and Charges Effective on or after

July 1, 2018 for System Development Fees and on or after October 1, 2018 for all other Rates, Fees and Charges. (Motion by Jeff Danner, second by Barbara Foushee and unanimously approved.)

7. BE IT RESOLVED THAT the Board of Directors of Orange Water and Sewer Authority adopts the Resolution Adopting the Annual Budget for Orange Water and Sewer Authority for the Fiscal Year July 1, 2018 Through June 30, 2019. (Motion by Barbara Foushee, second by Jeff Danner and unanimously approved.)

8. BE IT RESOLVED THAT the Board of Directors of Orange Water and Sewer Authority adopts the Resolution Approving the Capital Improvements Program and Budget for Fiscal Years 2019-2023. (Motion by Yinka Ayankoya, second by John Young and unanimously approved.)

9. BE IT RESOLVED THAT the Board of Directors of Orange Water and Sewer Authority adopts the Capital Project Resolution for Fiscal Year 2019 Infrastructure Improvements. (Motion by John Young, second by Jeff Danner and unanimously approved.)

10. BE IT RESOLVED THAT the Board of Directors of Orange Water and Sewer Authority adopts the Resolution Updating the Schedule of Employee Classification and Authorized Compensation; Adjusting Affected Employees' Compensation to the Minimum of the Pay Range; and Authorizing Cost of Labor and Merit Pay Increases for Eligible Employees including: a 1% Cost of Labor increase, 3% merit increase to employees earning a performance review rating of Meets Expectations during the October 2018 annual review process, 4.5% merit increase to employees earning a performance review rating of Exceeds Expectations during the October 2018 annual review process and 6% merit increase to employees earning a performance review rating of Exceptional during the October 2018 annual review process. (Motion by John Young, second by Yinka Ayankoya and unanimously approved.)

11. BE IT RESOLVED THAT the Board of Directors of Orange Water and Sewer Authority adopts the Resolution Honoring the Service of Barbara M. Foushee to the Carrboro-Chapel Hill-Orange County Community as a Member of the Orange Water and Sewer Authority. (Motion by John Young, second by John Morris and unanimously approved.)

12. BE IT RESOLVED THAT the Board of Directors of Orange Water and Sewer Authority adopts the Resolution Honoring the Service of Heather Payne to the Carrboro-Chapel Hill-Orange County Community as a Member of the Orange Water and Sewer Authority. (Motion by Jeff Danner, second by Barbara Foushee and unanimously approved.)

13. John Young announced that he was withdrawing his name as candidate for Secretary of the Board of Directors and made a motion to elect Ray DuBose as Secretary of the Board of Director by acclamation; second by Barbara Foushee and unanimously approved.

* * * * *

Announcements

Heather Payne asked if any Board Member knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight to disclose the same at this time; none were disclosed.

Ms. Payne said that on June 5, 2018, the Carrboro Board of Aldermen reappointed Robert Morgan to the OWASA Board of Directors.

Ms. Payne said that on May 30, 2018, the Board held its fourth training session with VISIONS, Inc. to support the transition of experienced Board Members rotating off the Board and planning for the orientation and integration of new Board Members, both with respect to the operations of the Board and to recently acquired learnings in working with cultural differences.

Barbara Foushee said that the Human Resources Committee will meet on Monday, June 25, 2018, to continue discussing retiree health benefits for new hires and deferred compensation (457) plan.

Todd Taylor, General Manager of Operations, reported that OWASA has met and exceeds the standards under the Federal Safe Drinking Water Act and related State rules for drinking water. OWASA's report includes information about where OWASA's water comes from, how it is treated and a summary of water testing results. The 2017 water quality report card will be mailed to accountholders and is posted on OWASA's website.

John Morris expressed appreciation to Johnny Riley for an informative tour he provided of OWASA's land surrounding Cane Creek Reservoir.

John Young said that he attended the June 6, 2018, Morehead Planetarium Carolina Science Cafe, which featured Mark Stryner, EPA Chemist, who's work involves analyzing and tracking perfluorinated compounds and will share his presentation with the Board.

Ms. Payne welcomed Bruce Boehm, Chapel Hill Appointee to the OWASA Board, who will be sworn in on or before the July 12, 2018 Board meeting.

Item One: Approve Local Water Supply Plan and Water Shortage Response Plan

Yinka Ayankoya made a motion to approve the Resolution Approving OWASA's 2017 Local Water Supply Plan and (Revised) Water Shortage Response Plan as Approved by the NC Department of Environmental Quality, Division of Water Resources; second by Barbara Foushee and unanimously approved. Please see Motion No. 1 above.

Item Two: Resolution Approving Sole Source Procurement of a Gas Chromatograph/Mass Spectrometer for the Analysis of Malodorous Compounds

Motion by Yinka Ayankoya, second by Barbara Foushee and unanimously approved. Please see Motion No. 2 above.

Item Three: Resolution Honoring the Service of Kelly Thompson to the Orange Water and Sewer Authority and the Carrboro-Chapel Hill-Orange County Community

Motion by Yinka Ayankoya, second by Barbara Foushee and unanimously approved. Please see Motion No. 3 above.

Item Four: Minutes

Yinka Ayankoya made a motion to approve the Minutes May 10, 2018 Work Session of the Board of Directors, second by Barbara Foushee and unanimously approved. Please see Motion No. 4 above.

Item Five: Minutes

Yinka Ayankoya made a motion to approve the Minutes May 24, 2018 Public Hearings and Meeting of the Board of Directors; second by Barbara Foushee and unanimously approved. Please see Motion No. 5 above.

Item Six: Approval of the Schedule of Rates, Fees and Charges; Annual Budget; Five-Year Capital Improvements Program (CIP); and Cost of Living and Merit Pay Increases

Jeff Danner made a motion to adopt the Resolution Adopting the Schedule of Rates, Fees and Charges Effective on or after July 1, 2018 for System Development Fees and on or after October 1, 2018 for all other Rates, Fees and Charges; second by Barbara Foushee and unanimously approved. Please see Motion No. 6 above.

Barbara Foushee made a motion to adopt the Resolution Adopting the Annual Budget for Orange Water and Sewer Authority for the Fiscal Year July 1, 2018 Through June 30, 2019; second by Jeff Danner and unanimously approved. Please see Motion No. 7 above.

Yinka Ayankoya made a motion to adopt the Resolution Approving the Capital Improvements Program and Budget for Fiscal Years 2019-2023; second by John Young and unanimously approved. Please see Motion No. 8 above.

John Young made a motion to adopt the Capital Project Resolution for Fiscal Year 2019 Infrastructure Improvements; second by Jeff Danner and unanimously approved. Please see Motion 9 above.

John Young made a motion to adopt the Resolution Updating the Schedule of Employee Classification and Authorized Compensation; Adjusting Affected Employees' Compensation to the Minimum of the Pay Range; and Authorizing Cost of Labor and Merit Pay Increases for Eligible Employees including: a 1% Cost of Labor increase, 3% merit increase to employees earning a performance review rating of Meets Expectations during the October 2018 annual review process, 4.5% merit increase to employees earning a performance review rating of Exceeds Expectations during the October 2018 annual review process, and 6% merit increase to employees earning a performance review rating of Exceptional during the October 2018 annual

review process. Second by Yinka Ayankoya and unanimously approved. Please see Motion 10 above.

Item Seven: Resolution Honoring the Service of Barbara M. Foushee to the Carrboro-Chapel Hill-Orange County Community as a Member of the Orange Water and Sewer Authority

Motion by John Young, second by John Morris and unanimously approved. Please see Motion No. 11 above.

Item Eight: Resolution Honoring the Service of Heather Payne to the Carrboro-Chapel Hill-Orange County Community as a Member of the Orange Water and Sewer Authority

Motion by Jeff Danner, second by Barbara Foushee and unanimously approved. Please see Motion No. 12 above.

Item Nine: Review Board Work Schedule

Linda Low said she would like to schedule individual meetings with Board Members to learn from each Member's leadership experience in the community and at OWASA, and to understand the Board's collective communications and community engagement goals, to inform the development of OWASA's communications and community engagement plan. The Board agreed.

The Board agreed to cancel the Board's June 28, July 26 and August 9, 2018 Board meetings.

Jeff Danner said he would be absent from the July 12, 2018, Board meeting and would like to review the Water and Wastewater Treatment Plant Reliability and Risk Assessment agenda item, including any PowerPoint presentation, if available, in advance to provide comments.

The Board concurred to discuss and potentially update the Drought Response Operating Protocol in conjunction with the Long-Range Water Supply Plan.

Ruth Rouse informed the Board that at their September 13, 2018, Work Session, they will consider a Memorandum of Agreement for the Triangle Water Supply Partnership.

Item Ten: Election of Officers

Barbara Foushee, Chair of the Nominating Committee, said that at the Board meeting on April 12, 2018, the Board agreed that as a practice for the next Election of Officers of the Board, every Board Member would be considered as eligible for election, except those who have indicated their wish not to serve as Officers. The Board also agreed, at least for those officers presently serving or to be elected tonight, to observe one-year term limits, so that none of the persons currently serving in as Chair, Vice Chair and Secretary, would be eligible for election to succeed himself or herself in his or her current Office.

Ms. Foushee noted that each Office is elected annually at the Board's first regular meeting in June, and that the Bylaws provide that Officers hold their Offices for one year or until their successors are elected and qualified. Terms for Officers elected tonight begin July 1, 2018. Five (5) votes are necessary to elect an Officer.

Ms. Foushee said that voting will proceed separately by paper ballot for each Office until a Board member is elected by receiving five or more votes; and, that in the event any round of voting ends in a tie, or if no person receives five votes in subsequent rounds of voting, balloting may be continued to the next Board meeting, and the present Officer will continue to serve until the new Officer is elected in the unfilled Office(s).

The Board Clerk then distributed the ballots for election of the Board Chair; those considered to have been in nomination were Yinka Ayankoya and Ray DuBose.

The Board Clerk announced that three proxy votes from Ray DuBose, Robert Morgan and Ruchir Vora were received for tonight's election.

Board Members cast their votes and Yinka Ayankoya was unanimously elected as Chair of the Board of Directors.

The Board Clerk then distributed the ballots for election of Vice Chair of the Board of Directors; those considered to have been in nomination were Jeff Danner and Ray DuBose.

Board Members cast their votes and Jeff Danner was elected as Vice Chair of the Board of Directors with a vote of seven to two.

John Young announced that he was withdrawing his name as candidate for Secretary of the Board of Directors and made a motion to elect Ray DuBose as Secretary of the Board of Director by acclamation. Please see Motion No. 13 above.

Item Eleven: Executive Director Will Summarize the Key Staff Action Items from the Work Session

There were no items to note.

The Board Work Session was adjourned at 6:45 p.m.

Respectfully submitted by:



Andrea Orbich
Executive Assistant/Clerk to the Board

Attachments

Resolution Approving OWASA's 2017 Local Water Supply Plan and (Revised) Water Shortage Response Plan as Approved by the NC Department of Environmental Quality, Division of Water Resources

Whereas, North Carolina General Statute (NCGS) 143-355(1) requires that each unit of local government that provides public water services shall, prepare and submit a Local Water Supply Plan, and that such Plans be revised at least once every five years; and

Whereas, NCGS 143-355(1) also requires each such unit of local government to develop a Water Shortage Response Plan for incorporation into its Local Water Supply Plan; and

Whereas, in March 2018 Orange Water and Sewer Authority (OWASA) staff submitted a draft 2017 Local Water Supply Plan to the Department of Environmental Quality, Division of Water Resources (DWR) for its review and approval, in accordance with NCGS 143-355(1); and

Whereas, on April 18, 2018, DWR approved OWASA's 2017 Local Water Supply Plan; and

Whereas, the 2017 Local Water Supply Plan must be approved and adopted by the OWASA Board of Directors after DWR approval in order to be compliant with NCGS 143-355(1); and

Whereas, OWASA has concurrently updated, and DWR has approved, its Water Shortage Response Plan; and

Whereas, OWASA desires to update and obtain approvals for its Water Shortage Response Plan on the same schedule of five-year renewals as that exercised for obtaining updates and approvals for its Local Water Supply Plan, and accordingly, has updated and requested approval of its Water Shortage Response Plan, and DWR has approved this update as of May 2018;

Now, Therefore, Be It Resolved By the OWASA Board of Directors That:

1. OWASA's 2017 draft of its Local Water Supply Plan as approved by DWR in April 2018, is hereby approved and adopted for the purposes of NCGS 143-355(1), and the OWASA Board intends and directs that this plan should be revised to reflect changes in relevant data and projections at least once every five years or as otherwise requested by DWR, in accordance with the statute and sound planning practice.

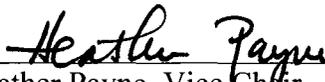
2. OWASA's Water Shortage Response Plan as approved by DWR in May 2018 is hereby approved and adopted for the purposes of NCGS 143-355(1), and the OWASA Board of Directors intends and directs that this plan shall be reviewed and revised as needed, which will be at least once every five years; or otherwise as requested by DWR, in accordance with the statute and sound planning practice.

Resolution Approving OWASA's 2017 Local Water Supply Plan and (Revised) Water Shortage Response Plan

June 14, 2018

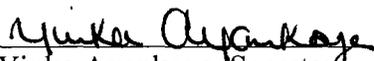
Page 2 of 2

Adopted this 14th day of June 2018.



Heather Payne, Vice Chair

ATTEST:



Yinka Ayankoya, Secretary

Resolution Approving Sole Source Procurement of a Gas Chromatograph/Mass Spectrometer for the Analysis of Malodorous Compounds

Whereas, North Carolina General Statute (GS) 143-129 allows a governing board to approve purchases of apparatus, supplies, materials or equipment through a non-competitive, or “sole source,” process when: (i) performance or price competition are not available; (ii) a needed product is available from only one source of supply; or (iii) standardization or compatibility is the overriding consideration; and

Whereas, OWASA has determined that it is necessary to acquire a Gas Chromatograph/Mass Spectrometer to perform analyses of the water supply and finished drinking water, and especially to determine the nature, composition and concentrations of certain malodorous compounds; and

Whereas, the GERSTEL system Gas Chromatograph/Mass Spectrometer is safer and is the only source for a Gas Chromatograph/Mass Spectrometer capable of meeting OWASA’s particular needs; and

Whereas, pursuant to GS 143-129, the OWASA Board of Directors must approve purchases made through the sole source process prior to the award of the contract;

Now, Therefore, Be It Resolved:

1. That the Board of Directors finds and concludes from the information supplied by staff in the materials supporting this request that the GERSTEL MPS Robotic XL/ATEX-Twister® Desorption Automation Bundle into the Agilent 5977B Performance Turbo EI GC/MS Platform is uniquely suited to meet OWASA’s needs, that it is only available through purchase from the manufacturer as the sole source, and that its sole source acquisition is appropriate in this instance.

2. That the Board of Directors hereby approves the sole source procurement of the GERSTEL MPS Robotic XL/ATEX-Twister® Desorption Automation Bundle into the Agilent 5977B Performance Turbo EI GC/MS Platform, and authorizes and directs the Executive Director to proceed to negotiate and successfully conclude said purchase.

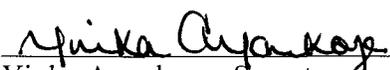
3. This resolution shall take effect immediately upon its passage.

Adopted this the 14th day of June 2018.



Heather Payne, Vice Chair

ATTEST:



Yinka Ayankoya, Secretary

**Resolution Honoring the Service of Kelly Thompson
to the Orange Water and Sewer Authority and
the Carrboro-Chapel Hill-Orange County Community**

Whereas, Ms. Kelly Thompson has served the Orange Water and Sewer Authority (OWASA) and the people of the Carrboro-Chapel Hill-Orange County community for 30 years, from May 1988 through June 2018; and

Whereas, throughout Ms. Thompson's 30-year career, she capably served as Clerk/Cashier for the Customer Service Department; Secretary for the Wastewater Treatment and Biosolids Recycling Department; and Administrative Assistant for the Human Resources, Finance and Customer Service Departments; and

Whereas, through Ms. Thompson's work as Clerk/Cashier in the early 1990s, she served with the Public Utilities Relations Employees (PURE) Association and held Board Officer positions of Secretary-Treasurer, Chair Person Elect and Chair Person; and

Whereas, Ms. Thompson successfully planned and organized OWASA's Red Cross blood drive program and Veteran's Day Luncheons since 2010; she assisted in many other events such as Employee Appreciation Day and Holiday Luncheons;

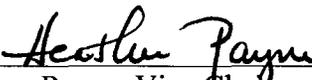
Whereas, Ms. Thompson is well liked for her good cheer and sense of humor; and

Whereas, Ms. Thompson will retire from OWASA on July 1, 2018;

Now, Therefore, Be It Resolved:

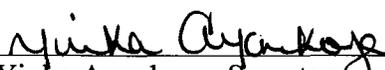
That the Board of Directors of the Orange Water and Sewer Authority (OWASA) hereby honors the distinguished public service of Ms. Kelly Thompson to OWASA and the people of Chapel Hill, Carrboro and Orange County; and the Board of Directors expresses its appreciation and best wishes to Ms. Thompson for success in all her future endeavors.

Adopted and presented this 14th day of June 2018.



Heather Payne, Vice Chair

ATTEST:



Yinka Ayankoya, Secretary

Resolution Adopting the Schedule of Rates, Fees and Charges Effective on or after July 1, 2018 for System Development Fees and on or after October 1, 2018 for all other Rates, Fees and Charges

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, In July 2017, the North Carolina General Assembly passed a law (NC House Bill 436/Session Law 2017-138) that requires a change to the way water and sewer utilities calculate system development fees; that fees based on the new calculation method must be in place and effective as of July 1, 2018; that the utility must provide a public comment period of not less than 45 days prior to considering adoption; and must hold a public hearing prior to considering adoption; and

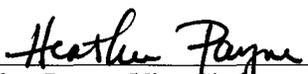
Whereas, OWASA has complied with the requirements of NC House Bill 436/Session Law 2017-138; and

Whereas, the OWASA Board of Directors held a public hearing on May 24, 2018 on the attached, proposed Schedule of Rates, Fees, and Charges, including the new system development fees.

Now, Therefore, Be It Resolved:

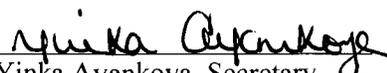
1. That the attached Schedule of Rates, Fees, and Charges is hereby adopted by the Board of Directors of Orange Water and Sewer Authority.
2. That the rates shown on the attached schedule shall become effective for system development fees on or after July 1, 2018, and for all other rates, fees and charges on or after October 1, 2018.
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 implement the Schedule of Rates, Fees, and Charges.

Adopted this 14th day of June 2018.



Heather Payne, Vice Chair

ATTEST:



Yinka Ayankoya, Secretary

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

APPLICABLE TO ALL BILLINGS AND SERVICES ON AND AFTER JULY 1, 2018 FOR SYSTEM DEVELOPMENT FEES AND ON OR AFTER OCTOBER 1, 2018 FOR ALL OTHER BILLINGS AND SERVICES

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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 this 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 8, 2017, which became effective on October 1, 2017. All fees other than system development fees, shown on pages 6 and 11, go into effect on October 1, 2018. By statute (NC House Bill 436/Session Law 2017-138), the new system development fees go into effect on July 1, 2018.

The proposed monthly water and sewer rates shown in this schedule reflect an increase of two percent.

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

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 25 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:

Meter Size	Monthly Service Charge
5/8”	\$14.99
3/4" Combination Fire and Domestic Service Meter	\$15.50
1”	\$30.12
1" Combination Fire and Domestic Service Meter	\$30.63
1-1/2”	\$65.14
2”	\$98.31
3”	\$202.18
4”	\$330.05
6”	\$718.75
8”	\$1,022.10

Water Irrigation Service Charge

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:

Meter Size	Monthly Service Charge
5/8”	\$24.01
1”	\$47.99
1-1/2”	\$88.84
2”	\$136.64
3”	\$270.45
4”	\$415.16
6”	\$816.68
8”	\$1,298.77

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

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

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.

(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.)

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.

	Volume of Use (Gallons)	Commodity Rate per 1,000 Gallons
Block 1	1,000 to 2,000	\$2.68
Block 2	3,000 to 5,000	\$6.52
Block 3	6,000 to 10,000	\$7.99
Block 4	11,000 to 15,000	\$11.16
Block 5	All use 16,000 and up	\$20.19

Multi-family Master-metered Residential Accounts

Multi-family master-metered residential accounts have one (or more) OWASA meter that serves more than one residential dwelling. Examples include apartment complexes, duplexes and condominiums. Multi-family master-metered residential accounts shall be charged the following year-round commodity rate.

\$5.78 per thousand gallons

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

Non-residential Accounts Except Irrigation 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).

	Rate
Off-peak seasonal rate per 1,000 gallons (October through April)	\$4.24
Peak seasonal rate per 1,000 gallons (May through September)	\$8.07

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.

\$8.68 per thousand gallons

WATER COMMODITY SURCHARGES APPLICABLE UNDER WATER SHORTAGE
DECLARATION STAGES

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.

Individually-Metered Residential						Multi-family Master-metered Residential	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 year- round 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 year- round 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 year- round rate	1.5 times seasonal and irrigation- only rate

**ORANGE WATER AND SEWER AUTHORITY
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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 \$290 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:

Temporary Hydrant Meter 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 SYSTEM DEVELOPMENT FEE

Water system development Fees are calculated to recover a portion of the capital costs of providing water system facility capacity. The system development 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 system development 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.

Property Description	Fee
5/8” Meter or 3/4" Combination Fire and Domestic Service, Single-family Residential:	
<800 square feet	\$620
801-1300 square feet	\$770
1301-1700 square feet	\$864
1701-2400 square feet	\$1,142
2401-3100 square feet	\$1,767
3101-3800 square feet	\$2,442
>3800 square feet	\$4,295

**ORANGE WATER AND SEWER AUTHORITY
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Property Description	Fee
1” Meter, Single-Family Residential (all square footages)	\$7,338
5/8” Meter or 3/4" Combination Fire and Domestic Service Meter, Multi-family Residential	\$830
1” Meter, Multi-Family Residential (all square footages)	\$7,338
5/8” Meter or 3/4" Combination Fire and Domestic Service Meter, Non-residential*	\$2,933
1” Meter, Non-residential*	\$7,338
1-1/2” Meter, Multi-Family Residential and Non-residential*	\$14,666
2” Meter, Multi-Family Residential and Non-residential*	\$23,466
3” Meter, Multi-Family Residential and Non-residential*	\$46,933
4” Meter, Multi-Family Residential and Non-residential*	\$73,332
6” Meter, Multi-Family Residential and Non-residential*	\$146,664
8” Meter, Multi-Family Residential and Non-residential*	\$234,663

* 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 system development 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 system development 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 system development Fees that would otherwise apply to the development or re-development project. System development fee credits are not transferrable to any other project or property.

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 system development fees.

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:

Service Description	Fee
Complete Water Service Installation, 5/8” meter	\$4,110
Complete Water Service Installation, 3/4” Combination Fire and Domestic Service Meter	\$4,350
Complete Water Service Installation, 1” meter	\$4,280
Meter Only Installation, 5/8” meter	\$260

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Service Description	Fee
Meter Only Installation, 3/4" Combination Fire and Domestic Service Meter	\$500
Meter Only Installation, 1" Combination Fire and Domestic Service Meter	\$540
Meter Only Installation, 1" meter	\$340
Meter Only Installation, 1-1/2" meter	\$660
Meter Only Installation, 1-1/2" Combination Fire and Domestic Service Meter	\$830
Meter Only Installation, 2" meter	\$890
Meter Only Installation, 2" Combination Fire and Domestic Service Meter	\$1,000
Remote Read Box with 5/8" Detector Meter	\$500

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 \$150 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 \$430.

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 reinspection fee 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.

Tap Reinspection Fee - \$150

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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.

\$230 per test

**ORANGE WATER AND SEWER AUTHORITY
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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 25 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 there is a commodity charge, the monthly service charge is based on the size of the meter where sewer usage is measured as follows:

Meter Size	Monthly Service Charge
5/8" or 3/4" Combination Fire and Domestic Service	\$12.24
1"	\$21.02
1-1/2"	\$36.24
2"	\$54.79
3"	\$103.61
4"	\$158.39
6"	\$290.39
8"	\$495.54

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 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.

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\$6.61 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 \$6.61 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 4,000 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 SYSTEM DEVELOPMENT FEE

The purpose of this fee is to recover a portion of the capital costs of providing sewer system facility capacity. The system development 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 system development 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

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of water and sewer consumption.

Property Description	Fee
5/8" Meter or 3/4" Combination Fire and Domestic Service, Single-family Residential:	
<800 square feet	\$1,632
801-1300 square feet	\$2,207
1301-1700 square feet	\$2,251
1701-2400 square feet	\$2,391
2401-3100 square feet	\$2,652
3101-3800 square feet	\$2,912
>3800 square feet	\$3,466
1" Meter, Single-Family Residential (all square footages)	\$11,329
5/8" Meter or 3/4" Combination Fire and Domestic Service, Multi-family Residential	\$2,196
1" Meter, Multi-Family Residential (all square footages)	\$11,329
5/8" Meter or 3/4" Combination Fire and Domestic Service, Nonresidential	\$5,673
1" Meter, Nonresidential	\$14,192
1-1/2" Meter, Multi-family Residential and Nonresidential	\$28,366
2" Meter, Multi-family Residential and Nonresidential	\$45,386
3" Meter, Multi-family Residential and Nonresidential	\$90,773
4" Meter, Multi-family Residential and Nonresidential	\$141,832
6" Meter, Multi-family Residential and Nonresidential	\$283,664
8" Meter, Multi-family Residential and Nonresidential	\$453,863

In addition to the sewer system development fee, an excess sewer capacity fee of four percent (4%) of the applicable sewer system development 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 system development 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 system development 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 system development fees that would otherwise apply to the development or re-development project. System development fee credits are not transferrable to any other project or property.

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 system development fees.

**ORANGE WATER AND SEWER AUTHORITY
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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 \$520.

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 reinspection fee 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.

Tap Reinspection Fee - \$150

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)	\$0.44 per pound for all CBOD in excess of 205 mg/l
Suspended Solids (SS)	\$0.53 per pound for all SS in excess of 235 mg/l
Ammonia Nitrogen (NH ₃ -N)	\$3.10 per pound for all NH ₃ -N in excess of 25 mg/l
Phosphorus (P)	\$12.51 per pound for all P excess of 6.5 mg/l

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SECTION III: RECLAIMED WATER RATES AND CHARGES

MONTHLY RECLAIMED WATER RATES

Reclaimed water (RCW) 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	
Meter Size	Per Month
5/8”	\$8.37
1”	\$16.74
1.5”	\$30.96
2”	\$47.62

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

**ORANGE WATER AND SEWER AUTHORITY
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registered by the meter.

Customer Type	Rate per 1,000 gallons
UNC Accounts	\$0.60
Non-UNC Accounts	\$2.18
Bulk (tanker) Sales	\$0.00

RECLAIMED WATER SYSTEM DEVELOPMENT AND CONNECTION FEES

Reclaimed Water System Development 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 system development 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 system development 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 system development fees for non-UNC customers are as follows:

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

Reclaimed water system development 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.

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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

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

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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.

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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 Surcharge	\$142.80/ 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 / trip, plus Volume and High Strength Surcharge calculated as follows:

A + B + C + D + E = Calculated Dollars per Thousand Gallons, where:
A = pounds of NH ₃ -N/thousand gallons in waste x \$3.10/pound
B = pounds of CBOD/thousand gallons in waste x \$0.44/pound
C = pounds of TSS/thousand gallons in waste x \$0.53/pound
D = \$6.61/per 1,000 gallons Sewer Commodity Charge
E = pounds of P/thousand gallons in waste x \$12.51/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	\$6.14 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.

**ORANGE WATER AND SEWER AUTHORITY
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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%.

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BOAT RENTAL AND LAKE USE FEES

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	
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	
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 12 years old	\$2.50 per person
Lake Use Fee, 12-64 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

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

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:

\$90 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:

\$200 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 \$170.

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 fee will apply to each reinspection.

Tap Reinspection Fee - \$150

PLAN REVIEW AND CONSTRUCTION OBSERVATION FEES

The purpose of this charge is to recover the operating cost for providing review of construction plans

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

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.

Service	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 (OWASA) for the Fiscal Year
July 1, 2018 Through June 30, 2019**

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 OWASA will adopt a Budget for the ensuing fiscal year;

Whereas, such Budget is to include estimates of revenues of the water, sewer and reclaimed water systems, current operations expenses, interest income, debt service costs, and disbursements from the general fund for capital improvements and equipment purchases; and

Whereas, during the preparation of the Fiscal Year (FY) 2019 Budget, and after holding public hearings on May 24, 2018 concerning the FY 2019 Budget, the Board of Directors determined that it is necessary to increase the rates OWASA's charges for monthly water and sewer services by two percent in order to provide sufficient revenues to fund ongoing operations, debt service and the Capital Improvements Program; and

Whereas, the adoption of NC House Bill 436/Session Law 2017-138 requires a change to the way water and sewer utilities calculate system development fees, and as a consequence, OWASA has reduced its system development fees by between 10% and 40%, to comply with all aspects of the new law; and

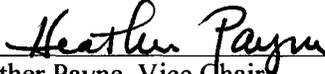
Whereas, certain other fees have been adjusted based on changes in the costs of providing the services; and

Whereas, due to increased workload in the laboratory at the Jones Ferry Road Water Treatment Plant, the budget also includes increased funding for an additional laboratory analyst;

Now, Therefore, Be It Resolved:

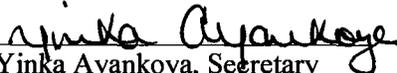
1. That pursuant to the provisions of North Carolina G.S. Chapter 159-13 the attached pages marked 2 through 6 be, and they hereby are, adopted as the official budget of Orange Water and Sewer Authority of the Fiscal Year beginning July 1, 2018 through June 30, 2019.
2. That an additional laboratory analyst position, Salary Grade 615, shall be added to the Schedule of Employee Classification and Authorized Compensation.
3. 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.
4. That the Executive Director shall administer the budget, and is hereby authorized to expend the funds for the purposes set forth therein.

Adopted this 14th day of June 2018.



Heather Payne, Vice Chair

ATTEST:



Yinka Ayankoya, Secretary

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

		FY 2019 Annual Budget
Operating Revenue		
Water	\$18,224,334	
Sewer	17,265,060	
Reclaimed Water	454,440	
Service Initiation Fee	154,345	
Other	1,006,078	
Refunds and Adjustments	(230,007)	
Total Operating Revenue		\$36,874,250
Operating Expense		
General and Administrative	7,527,991	
Operations	14,995,990	
Total Operating Expense		22,523,981
Net Operating Income		14,350,269
Non-operating Revenue		
Customer Fees		1,194,353
Interest		23,678
Total Net Income		\$15,568,300
Debt Service		
Existing		\$7,155,554
New		0
Total Debt Service		7,155,554
Net Income Less Debt Service		\$8,412,746

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

**FY 2019
Annual Budget**

General Fund		
Resources		
Transfer from Revenue	\$8,412,746	
Transfer from Construction Fund (Loan Proceeds)	<u>14,900,000</u>	
Annual Income Available for Capital		\$23,312,746
Transfer from Construction Fund (Bond Proceeds)		<u>0</u>
Total Available for Capital		<u>23,312,746</u>
Capital Expenditures		
Project ordinances		
General Fund Contribution	6,052,000	
Funded by Bond Proceeds	<u>14,900,000</u>	
Total Project Resolutions		20,952,000
Capital Equipment		<u>871,135</u>
Total Capital Outlay		<u>21,823,135</u>
Annual General Fund Balance		1,489,611
General Fund Beginning Balance		<u>17,600,000</u>
General Fund Ending Balance		19,089,611
Project Funding	35,819	
Reserves		
Rate/Revenue Stabilization	1,797,192	
Capital Improvements	4,000,000	
Working Capital	<u>13,256,600</u>	<u>19,089,611</u>
Unallocated General Fund Balance		<u><u>\$0</u></u>

REVENUE FUND

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Beginning Fund Balance			\$0
Receipts			
Operating Revenue			
Customer Billings	\$18,224,334	\$17,265,060	\$35,489,394
Reclaimed Water	454,440	-	454,440
Service Initiation Fee	77,173	77,172	154,345
Other	503,039	503,039	1,006,078
Refunds and Adjustments	(115,004)	(115,003)	(230,007)
Total Operating Revenue	19,143,982	17,730,268	36,874,250
Non-operating Revenue			
Customer Fees	527,419	666,934	1,194,353
Interest Income	11,839	11,839	23,678
Total Non-Operating Revenue	539,258	678,773	1,218,031
Total Receipts	19,683,240	18,409,041	38,092,281
Expenditures			
Current Expense	(11,566,064)	(10,957,917)	(22,523,981)
Debt Service	(4,511,823)	(2,643,731)	(7,155,554)
Total Expenditures	(16,077,887)	(13,601,648)	(29,679,535)
Net Revenue			8,412,746
To General Fund			(8,412,746)
Ending Fund Balance			<u>0</u>
Change in Available Balance			<u><u>\$0</u></u>

BOND SERVICE FUND

Beginning Fund Balance		\$0
Receipts		
Transfers from Revenue Fund	\$7,155,554	
Interest		
	<hr/>	
Total Receipts		7,155,554
Expenditures		
Debt Service	7,155,554	
	<hr/>	
Total Expenditures		<hr/> (7,155,554)
Ending Fund Balance		<hr/> 0
Change in Available Balance		<hr/> <hr/> \$0

GENERAL FUND

Beginning Fund Balance		\$17,600,000
Receipts		
Transfer from Revenue fund	8,412,746	
Transfer from Construction Fund (Loan Proceeds)	14,900,000	
Interest	0	
Assessments	0	
Grants and contributions	0	
Total Receipts		<u>23,312,746</u>
Total Balance Before Expenditures		40,912,746
Expenditures		
Capital Equipment/Leases	871,135	
Project Resolutions	20,952,000	
Transfer to Revenue Fund	0	
Total Expenditures		<u>(21,823,135)</u>
Ending Fund Balance		<u><u>\$19,089,611</u></u>
 Allocation of Ending Fund Balance		
Project Funding	35,819	
Capital Reserves	19,053,792	
Total Allocation		<u><u>\$19,089,611</u></u>
 Unallocated General Fund Balance		<u>0</u>
 Change in Available Balance		<u><u>\$1,489,611</u></u>

**Resolution Approving the Capital Improvements Program and Budget
For Fiscal Years 2019-2023**

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 2019-2023 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 24, 2018;

Now, Therefore, Be It Resolved:

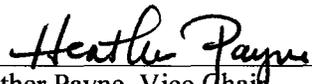
1. The Board of Directors of Orange Water and Sewer Authority approves the Capital Improvements Program and budget for Fiscal Years 2019-2023 as required by the Financial Management Policy.

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 2019-2023 is as follows:

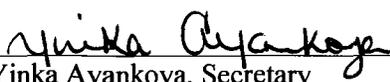
<u>Fiscal Year</u>	<u>Amount</u>
2019	\$20,952,000
2020	27,287,000
2021	18,044,000
2022	18,938,000
2023	<u>13,698,000</u>
Total	<u>\$98,919,000</u>

Adopted this 14th day of June 2018.



Heather Payne, Vice Chair

ATTEST:



Yinka Ayankoya, Secretary

**Capital Project Resolution for
Fiscal Year 2019 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 \$20,952,000 is hereby established and expenditures therefrom authorized for the following improvements:

Expenditures

Water Supply Improvements:

Jordan Lake Raw Water Supply Allocation	\$5,000
Quarry Reservoir Development	15,000
University Lake Pump Station Improvements	250,000
Cane Creek Pump Station Improvements	25,000
University Lake Permanganate Facility	312,000
University Lake Flashboard Replacement	500,000
Cane Creek Raw Water Transmission Main Capacity Study	50,000
Subtotal	1,157,000

Water Treatment and Distribution Improvements:

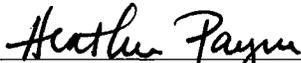
Water Facility Security Upgrades	129,000
Water Treatment Plant Belt Filter Press Replacement	350,000
Water Treatment Plant Concrete Condition Assessment	50,000
Water Treatment Plant Sedimentation Basin Rehabilitation	1,255,000
Water Treatment Plant Filter Media and Backwash Improvements	200,000
Water Treatment Plant Turbidimeter Replacements	90,000
Water Treatment Plant Finished Water Pump Improvements	50,000
Water Treatment Plant Chemical Facility Upgrades	100,000
Water Treatment Plant Risk Assessment	18,000
Water Treatment Plant SCADA Obsolete Equipment Replacement	15,000
HVAC Replacement Program	45,000
Barbee Chapel Road Booster Pump Station	75,000
Water Main Upgrades – Development Projects	231,000
Fordham Service Road Water Main Replacement	900,000
Brandywine Road Water Main Replacement	897,000
High Priority Water Main Replacement Program	2,153,000
Dobbins Drive Water Main Replacement	385,000
West Cameron Avenue Water Main Replacement	25,000
Water Distribution System Hydraulic Model	30,000
Advanced Metering Infrastructure (AMI) System (Agua Vista)	1,675,000
Galvanized Water Main Replacement Program	726,000
Distribution System Prioritization Model	150,000
Distribution System Sampling Stations	125,000
Kensington Drive Water Main Replacement	105,000

Subtotal	9,779,000
 Wastewater Collection, Treatment and Disposal Improvements:	
Sanitary Sewer Rehabilitation	2,305,000
Bolinwood Drive Interceptor Replacement	50,000
Willow Drive Interceptor Replacement	25,000
Little Creek Interceptor Replacement	462,000
Dobbins Drive Interceptor Replacement	415,000
Creek Crossing Access Improvements	50,000
Sanitary Sewer Hydraulic Model	403,000
Prince Street Common Service Replacement	30,000
Rogerson Drive Force Main Routing Study	50,000
Rogerson Drive Pump Station Rehabilitation	1,935,000
Pump Station Operational Assessments	25,000
WWTP Bar Screen Replacement	150,000
Comprehensive Coatings Program	333,000
WWTP Solids Thickening Improvements	730,000
WWTP IPS Rehabilitation	900,000
WWTP Non Potable Water Pump Replacements	50,000
Building Envelope Rehabilitation Program	75,000
WWTP Secondary Clarifier Rehabilitation and Pumping Improvements	900,000
WWTP SCADA System Upgrade	60,000
WWTP Fermenter Tank and Pumping Rehabilitation	200,000
WWTP Primary Sludge and Old Lab Building Rehabilitation	25,000
WWTP Miscellaneous Rehabilitation FY 2018-2020	65,000
WWTP Risk Assessment	18,000
WWTP Headworks Rehabilitation	360,000
WWTP Gas Monitoring Systems	100,000
WWTP Security Improvements	100,000
WWTP Server Room Improvements	50,000
Subtotal	9,866,000
 Support Services Facilities Improvements:	
Administration Building HVAC System Upgrade	150,000
Subtotal	150,000
Total Expenditures	\$20,952,000
 <u>Revenues</u>	
Transfers from the General Fund, Bond or Loan Proceeds, and Grants	\$20,952,000

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.

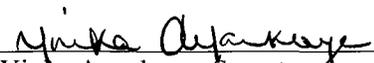
4. That this Resolution shall be entered in the Minutes of OWASA and within five (5) days after its adoption copies thereof shall be filed with the Finance Officer, the Budget Officer, and the Clerk to the Board of Directors as required by General Statute 159-13.2(d).

Adopted this 14th day of June 2018.



Heather Payne, Vice Chair

ATTEST:



Yinka Ayankoya, Secretary

**Resolution Updating the Schedule of Employee Classification and Authorized Compensation;
Adjusting Affected Employees' Compensation to the Minimum of the Pay Range; and Authorizing
Cost of Labor and Merit Pay Increases for Eligible Employees**

Whereas, the Orange Water and Sewer Authority maintains a Schedule of Employee Classification and Authorized Compensation which provides the appropriate number of properly classified and compensated employees to efficiently and effectively fulfill the organization's duties and responsibilities; and

Whereas, the Board of Directors has determined that it is reasonable and prudent in achieving and maintaining competitiveness in the market to increase the pay ranges in the Schedule of Employee Classification and Authorized Compensation; and

Whereas, the Board of Directors has determined that it is reasonable and prudent to provide Merit Increases to provide fair and equitable compensation so that qualified employees may be retained to do the work necessary for the operation of the OWASA service system:

Now Therefore, Be It Resolved:

1. That the Board of Directors hereby approves a 1% Cost of Labor increase for eligible employees who have earned a Meets Expectations, Exceeds Expectations or Exceptional Performance review during the October 2018 annual review process and the Executive Director is directed to adjust and implement the same percentage increase in salary ranges in the Schedule of Employee Classification and Authorized Compensation.

2. That the Board of Directors hereby approves a Merit increase to employees earning a performance review rating of Meets Expectations during the October 2018 annual review process by increasing base pay 3%.

3. That the Board of Directors hereby approves a Merit increase to employees earning a performance review rating of Exceeds Expectations during the October 2018 annual review process by increasing base pay 4.5%.

4. That the Board of Directors hereby approves a Merit increase to employees earning a performance review rating of Exceptional during the October 2018 annual review process by increasing base pay 6%.

5. That employees whose salaries fall below the minimum amount of the new pay ranges shall be brought up to the minimum of the respective pay range regardless of the performance rating earned.

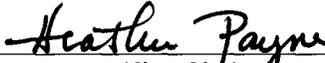
6. That the pay adjustments will be effective October 29, 2018.

Orange Water and Sewer Authority

June 14, 2018

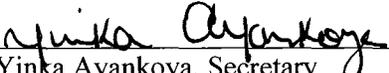
Page 2

Adopted this 14th day of June 2018.



Heather Payne, Vice Chair

ATTEST:



Yinka Ayankoya, Secretary

Resolution Honoring the Service of Barbara M. Foushee to the Chapel Hill-Carrboro-Orange County Community as a Member of the Orange Water and Sewer Authority's Board of Directors

Whereas, on September 15, 2015, the Orange County Board of County Commissioners appointed Barbara M. Foushee to serve on the Board of Directors of the Orange Water and Sewer Authority (OWASA); and

Whereas, Ms. Foushee served on the OWASA Board from September 28, 2015, to June 30, 2018, including a term as Secretary of the Board of Directors from July 1, 2016, to June 30, 2017; and

Whereas, Ms. Foushee served on the Board's Community Engagement, Finance and Human Resources Committees during her service, and Chaired the Human Resources Committee from August 2017 to June 2018; and

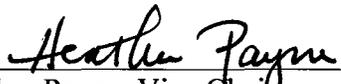
Whereas, Ms. Foushee gave freely of her time, energy, and talent in serving the community and OWASA customers with unselfish dedication and compassionate concern; and

Whereas, Ms. Foushee's insistence and guidance for fairness and human kindness to all was instrumental in OWASA's establishment of a Diversity and Inclusion program which will benefit its employees and our community long after the end of her service as a Board Member;

Now, Therefore, Be It Resolved By the Orange Water and Sewer Authority Board of Directors That:

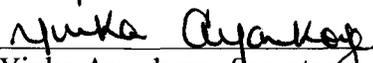
1. The Board expresses its sincere appreciation and deep gratitude to Barbara M. Foushee for her outstanding service, leadership and stewardship as a Member of the OWASA Board; and the Board wishes for her much happiness in the years ahead.
2. This resolution be recorded in the minutes of the OWASA Board of Directors and be part of the permanent records of OWASA, and that a copy of this resolution be transmitted to the Orange County Board of County Commissioners.

Adopted and presented this 14th day of June, 2018.



Heather Payne, Vice Chair

ATTEST:



Yinka Ayankoya, Secretary

Resolution Honoring the Service of Heather Payne to the Chapel Hill-Carrboro-Orange County Community as a Member of the Orange Water and Sewer Authority's Board of Directors

Whereas, on May 29, 2013, the Chapel Hill Town Council appointed Heather Payne to serve on the Board of Directors of the Orange Water and Sewer Authority (OWASA); and

Whereas, Ms. Payne served on the OWASA Board from July 11, 2013, to June 30, 2018, including terms as Secretary of the Board of Directors from July 1, 2014, to June 30, 2016 and as Vice Chair of the Board of Directors from July 1, 2017, to June 30, 2018; and

Whereas, Ms. Payne served on the Board's Finance, Human Resources and Natural Resources and Technical Services Committees during her service, during which she served as Chair of the Finance Committee from August 2014 to July 2016, and as Chair of the Natural Resources and Technical Services Committee from July 2016 to August 2017; and

Whereas, Ms. Payne, always mindful of her fiduciary role to the whole service community, and of OWASA's unique responsibilities among its governing authorities, gave freely of her energy and talent, and served with unselfish dedication and compassion; and

Whereas, Ms. Payne was a strong proponent of OWASA employees and for providing competitive salaries and benefits, planning adequately for costs of construction, maintenance and reconstruction of the water and wastewater facilities serving our community, and prudent fiscal management of the revenues and expenditures of OWASA; and, OWASA has benefitted greatly from her valuable combination of technical and legal experience and expertise;

Now, Therefore, Be It Resolved By the Orange Water and Sewer Authority Board of Directors That:

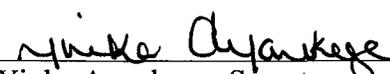
1. The Board expresses its sincere appreciation and deep gratitude to Heather Payne for her outstanding service, leadership and stewardship as a Member of the OWASA Board; and the Board wishes for her much happiness in the years ahead.
2. This resolution be recorded in the minutes of the OWASA Board of Directors and be part of the permanent records of OWASA, and that a copy of this resolution be transmitted to the Town of Chapel Hill.

Adopted and presented this 14th day of June 2018.



Heather Payne, Vice Chair

ATTEST:



Yinka Ayankoya, Secretary