ORANGE WATER AND SEWER AUTHORITY

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

AGENDA
MEETING OF THE OWASA BOARD OF DIRECTORS
THURSDAY, APRIL 23, 2015, 7:00 P.M.
CHAPEL HILL TOWN HALL

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

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

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

Announcements

1. Announcements by the Chair
   - A. Any Board Member who knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight is asked to disclose the same at this time.
   - B. Update on the April 23, 2015 Meeting between Chapel Hill Town Council's OWASA Committee and Chapel Hill Appointees to the OWASA Board
   - C. Reflections: the OWASA Community and a California Water Crisis
2. Announcements by Board Members
   - A. Natural Resources and Technical Systems Committee to meet on Tuesday, April 28, 2015 at 5:30 PM in the OWASA Board Room (Terri Buckner)
   - B. Community Engagement Committee to meet on Thursday, May 14, 2015 at 5:00 PM in the OWASA Board Room (Steve Dear)
3. Announcements by Staff

Petitions and Requests

1. Public
2. Board
3. Staff

CONSENT AGENDA

Information and Reports

1. Quarterly Report on Attendance at Board and Committee Meetings (Andrea Orbich)

Action

2. Authorize Staff to Publicize the Fiscal Year 2016 Budget and Rates Information in Notices and Advertisements about the May 28, 2015 Public Hearing (Stephen Winters)

3. Approval of the Minutes of the March 26, 2015 Meeting of the Board of Directors (Andrea Orbich)
4. Approval of the Minutes of the April 9, 2015 Work Session of the Board of Directors (Andrea Orbich)
5. Approval of the Minutes of the April 9, 2015 Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter (Michael Hughes)

REGULAR AGENDA

Discussion

6. Orange County's Request for OWASA Comments on Draft Changes to the Unified Development Ordinance Regarding Impervious Surface Limits in Water Supply Watersheds (Ruth Rouse/Michael Harvey, Orange County's Current Planning Supervisor)
7. Overview of the Preliminary Engineering Study for Rogers Road Sewer Extension Project (Mary Darr)

Discussion and Action

8. Resolution Authorizing Board Approval for OWASA to Enter into an Interlocal Agreement with Orange County Relating to Design of a Sewer Main Extension Project in the Rogers Road Area (Robert Epting/Mary Darr)
9. Resolution Awarding a Construction Contract for the Little Creek Interceptor Replacement Project (Vishnu Gangadharan)
10. Resolution Awarding Audit Contract to Martin Starnes & Associates, CPAS, PA and Authorizing Chair of the Board of Directors and the Finance Officer to Execute Said Contract (Heather Payne/Stephen Winters)

Information and Reports

11. Financial Report for the Nine Month Period Ended March 31, 2015 (Stephen Winters)

Discussion

12. Continue Discussion of OWASA Board of Directors' Election of Officers Process (John Young)

Summary of Board Meeting Action Items

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

CLOSED SESSION

14. Following the Board Meeting, the Board of Directors will convene in a Closed Session for the Purpose of Discussing a Personnel Matter (Michael Hughes)

ORANGE WATER AND SEWER AUTHORITY - QUARTERLY REPORT

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

BOARD OF DIRECTORS	JANUARY 2015	FEBRUARY 2015	MARCH 2015
JOHN A. YOUNG CHAIR	January 7 CEC (Meeting) January 8 Board WS (Meeting) January 22 Board/WS (Meeting)	February 12 Board WS (Meeting) February 23 CEC (Meeting) February 26 Board (Canceled)	March 12 Board WS (Meeting) March 17 NRTS (Meeting) March 25 CEC (Meeting) March 26 Board (Meeting)
MICHAEL HUGHES VICE CHAIR	January 7 CEC (Meeting) January 8 Board WS (Meeting) January 13 NRTS (Meeting) January 22 Board/WS (Meeting)	February 12 Board WS (Meeting) February 23 CEC (Meeting) February 26 Board (Canceled)	March 12 Board WS (Meeting) March 25 CEC (Excused) March 26 Board (Meeting)
HEATHER PAYNE SECRETARY	January 8 Board WS (Meeting) January 13 NRTS (Meeting) January 22 Board/WS (Meeting)	February 12 Board WS (Meeting) February 26 Board (Canceled)	March 12 Board WS (Meeting) March 17 NRTS (Excused) March 26 Board (Meeting)
TERRI BUCKNER	January 7 CEC (Meeting) January 8 Board WS (Meeting) January 13 NRTS (Meeting) January 22 Board/WS (Meeting)	February 12 Board WS (Meeting) February 23 CEC (Meeting) February 26 Board (Canceled)	March 12 Board WS (Excused) March 17 NRTS (Meeting) March 25 CEC (Meeting) March 26 Board (Meeting)
STEVE DEAR	January 7 CEC (Meeting) January 8 Board WS (Meeting) January 22 Board/WS (Meeting)	February 12 Board WS (Meeting) February 23 CEC (Meeting) February 26 Board (Canceled)	March 12 Board WS (Meeting) March 25 CEC (Meeting) March 26 Board (Meeting)
QUINTON HARPER	January 7 CEC (Meeting) January 8 Board WS (Meeting) January 22 Board/WS (Meeting)	February 12 Board WS (Meeting) February 23 CEC (Meeting) February 26 Board (Canceled)	March 12 Board WS (Meeting) March 25 CEC (Meeting) March 26 Board (Meeting)
DAVE MOREAU	January 8 Board WS (Meeting) January 13 NRTS (Meeting) January 22 Board/WS (Meeting)	February 12 Board WS (Meeting) February 26 Board (Canceled)	March 12 Board WS (Meeting) March 17 NRTS (Meeting) March 26 Board (Excused)
RUCHIR VORA	January 8 Board WS (Meeting) January 13 NRTS (Meeting) January 22 Board/WS (Meeting)	February 12 Board WS (Meeting) February 26 Board (Canceled)	March 12 Board WS (Meeting) March 17 NRTS (Meeting) March 26 Board (Excused)

APRIL 23, 2015

BOARD OF DIRECTORS	JANUARY 2015	FEBRUARY 2015	MARCH 2015
AMY WITSIL	January 8 Board WS (Meeting) January 22 Board/WS (Meeting)	February 12 Board WS (Meeting) February 23 CEC (Meeting) February 26 Board (Canceled)	March 12 Board WS (Excused) March 26 Board (Meeting)
TOTAL MEETINGS HELD:	**4**	**2**	**4**

Board – Board of Directors
FC – Finance Committee
HR – Human Resources Committee
CE – Community Engagement Committee
NRTS – Natural Resources/Technical Systems Committee
WS – Work Session

AGENDA ITEM

- **AUTHORIZE STAFF TO PUBLICIZE FISCAL YEAR (FY) 2016 BUDGET AND RATE INFORMATION IN NOTICES AND ADVERTISEMENTS ABOUT THE MAY 28, 2015 PUBLIC HEARINGS**

BACKGROUND

- Staff has developed a preliminary FY 2016 budget.
- The Board has provided input and staff has made a few changes to the preliminary operating and capital improvements program budgets.
- Based on the preliminary budget and projections of future years' revenue and expenditures, no increase in the monthly water and sewer rates OWASA charges its customers is proposed for FY 2016.
- Several fees for work OWASA performs are proposed to be adjusted based on the cost associated with providing those services.
- The OWASA Board will not make a final decision on the FY 2016 budget and rates until its meeting on June 11, 2015 after customers and the public have had an opportunity to comment and provide input.

ACTION NEEDED

- Authorize staff to publicize FY 2016 budget and rate information in notices and advertisements about the May 28, 2015 public hearings.

April 23, 2015

ORANGE WATER AND SEWER AUTHORITY

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

MEMORANDUM

TO: Board of Directors

THROUGH: Ed Kerwin

FROM: Stephen Winters, CPA

DATE: April 17, 2015

SUBJECT: Authorize staff to publicize Fiscal Year (FY) 2016 budget and rate information in notices and advertisements about the May 28, 2015 public hearings

Staff has developed a preliminary FY 2016 budget and the Board has provided input; staff has made a few changes to the preliminary operating and capital improvements program budgets. See Attachment 1 for details.

Based on the preliminary budget and projections of future years' revenue and expenditures, no increase in the monthly water and sewer rates OWASA charges its customers is proposed for FY 2016. However, several fees for work OWASA performs are proposed to be adjusted based on the cost associated with providing those services. See Attachment 2 for details.

The OWASA Board will not make a final decision on the FY 2016 budget and rates until its meeting on June 11, 2015 after customers and the public have had an opportunity to comment and provide input. If the preliminary budget is approved, FY 2016 will be the fourth consecutive year in which OWASA has not increased its monthly rates.

Action Requested

Authorize staff to publicize FY 2016 budget and rate information in notices and advertisements about the May 28, 2015 public hearings.

Stephen Winters, CPA
Director of Finance and Customer Service

Purpose

The purpose of this discussion is to provide the Board of Directors with an update on the Fiscal Year (FY) 2016 budget.

Budget and rate adjustment status

The Board initially reviewed the preliminary FY 2016 budget at its meeting on March 12, 2015. At the Board's request, staff provided supplemental budget information by email and the supplemental information was included in the Board's agenda packet for its meeting on April 9, 2015.

Based on the preliminary budget, staff recommends no increase in monthly water and sewer rates for FY 2016. Staff has made a few changes to the preliminary budget which are described below. However, staff maintains its recommendation of no increase in monthly rates.

Changes to the FY 2016 preliminary budget

Operating budget

The following adjustments have been made to the FY 2016 preliminary operating budget:

Previous preliminary operating budget	$20,634,340
Decrease in financial audit fees based on proposals received	(10,000)
Increase in compensation expenses for the Engineering department due to temporary help needed during a staff member's extended temporary absence and for the early hire of a replacement for a retiring manager	60,000
Increase in health insurance costs (preliminary budget assumed a 20% increase, actual increase is expected to be 27.6%	104,000
Revised preliminary operating budget	$20,788,340

Capital Improvement Program (CIP) budget

We have made several changes to the FY 2016 preliminary 5-year CIP budget as shown in the table below:

Previous preliminary 5-year CIP budget total		**$79,902,000**
CIP No.	**Description**	
270-26	Decrease in cost estimate of sodium permanganate feed systems at lakes	(313,000)
275-15	Increase in cost of water main road improvement projects	250,000
275-20	Increase in cost of water main rehabilitation projects	342,000
276-17	Decrease in ongoing sewer condition evaluation projects	(1,761,000)
276-18	Decrease in ongoing sewer rehabilitation projects	(1,742,000)
276-45	Increase in cost of Bolinwood Drive Interceptor	168,000
276-55	Decrease in cost of easement acquisition program	(10,000)
276-47	Increase in cost of Little Creek Interceptor	135,000

277-31	Increase in cost estimate of the Rogerson Drive Pump Station rehabilitation	2,885,000
278-52	Decrease in cost of Wastewater Treatment Plant Digesters #1 and #2 rehabilitation	(162,000)
Net Decrease in preliminary 5-year CIP budget		(208,000)
Revised preliminary 5-year CIP budget		**$79,694,000**

The largest change is an increase in the cost estimate of the project to rehabilitate the Rogerson Drive Pump Station. The original budget estimate for this project was a placeholder estimate provided by OWASA operations and maintenance staff when requesting the project. The most recent budget level estimate was provided by our consultant following an in-depth project scoping effort. It is much more detailed and representative of current needs and it will be further refined as design progresses.

The largest decreases are to the ongoing sewer condition evaluation and rehabilitation projects. Based upon evaluation work completed over the past few years, we have further refined how we are estimating, prioritizing, and scheduling future evaluation work. The results from the evaluation work have provided more detailed information about our near-term rehabilitation needs. As a result, our near term budget requirements for the sewer evaluation and rehabilitation projects have decreased. In addition, the fact that these are ongoing programmatic-type projects allows for flexibility in budgeting and scheduling to accommodate changes to other projects' budgets and schedules (e.g. the Rogerson Drive Pump Station project).

Financial Management Policy Objectives

The preliminary FY 2016 budget has been developed to meet all of our financial management measurements goals.

Additional information is provided in the following attachments

Attachment 1 – Table 1 shows how the preliminary FY 2016 budget compares to FY 2014 actual results, FY 2015 budget and current forecast, and the FY 2016 budget projection included in last year's financial plan.

Attachment 1 – Table 2 shows details of the preliminary operating budget.

Attachment 1 – Table 3 is the updated preliminary 5-year CIP budget.

Attachment 1 – Table 4 lists the updated preliminary FY 2016 CIP projects in prioritized order.

Budget and rate setting process next steps

- Public hearings are scheduled for May 28, 2015.
- At the public hearings, the Board will receive and consider comments from customers and other stakeholders.
- After considering public input, the Board of Directors will discuss and provide guidance to staff on the final draft of the FY 2016 budget and rate schedule.
- Staff will finalize the FY 2016 budget and rate schedule and present them for adoption by the Board of Directors at its meeting on June 11, 2015.

Orange Water and Sewer Authority
Preliminary FY 2016 Budget

Attachment 1, Table 1

	FY13 Actual	FY14 Actual	FY15 Budget	FY15 Forecast	FY16 Budget	FY16 Amounts in last year's model	FY16 Budget Compared FY15 Forecast	FY16 Budget Compared FY15 Budget	FY16 Budget compared to amount in last year's model
Operating Expenses	18,766,549	18,597,663	19,808,087	19,764,241	20,788,457	20,574,176	5.2%	4.9%	1.0%
CIP	11,076,000	15,990,000	10,842,000	8,240,000	10,615,000	15,613,000	28.8%	-2.1%	-32.0%
Capital Equipment	225,000	525,000	1,165,000	1,165,000	875,000	750,000	-24.9%	-24.9%	16.7%
Total	30,067,549	35,112,663	31,815,087	29,169,241	32,278,457	36,937,176	10.7%	1.5%	-12.6%

Preliminary budget includes:

2.5% vacancy allowance
3% merit adjustment
27.6% increase in health insurance
No price increase in electricity
127.5 positions funded, 135.5 authorized
Biosolids positions not funded

Orange Water and Sewer Authority
Preliminary FY 2016 Budget

Attachment 1, Table 2

EXPENDITURE CLASSIFICATION	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Forecast	FY 2016 Request	Dollar variance FY16 v FY15 Budgets	Percent variance FY16 v FY15 Budgets	Dollar variance FY16 Budget v FY15 Forecast	Percent variance FY16 Budget v FY15 Forecast
SALARIES										
SALARIES AND WAGES, REGULAR	6,531,741	6,713,882	6,863,363	7,032,170	6,892,751	7,184,629	152,459	2.2%	291,878	4.2%
SALARIES AND WAGES, OVERTIME	268,676	317,923	309,037	251,685	245,180	203,699	(47,985)	-19.1%	(41,480)	-16.9%
SERVICE PAY	106,780	107,795	-	-	-	-	-		-	
STANDBY PAY	38,602	38,592	43,960	38,746	39,586	42,224	3,478	9.0%	2,638	6.7%
PART-TIME	5,280	58,424	30,902	38,000	41,144	83,800	45,800	120.5%	42,656	103.7%
PER DIEM	12,100	-	17,400	15,000	15,000	15,000	-	0.0%	-	0.0%
Total Salaries	6,963,179	7,236,616	7,264,662	7,375,600	7,233,661	7,529,353	153,752	2.1%	295,692	4.1%
FRINGE BENEFITS										
FICA	528,099	548,018	550,789	557,839	564,314	581,849	24,010	4.3%	17,535	3.1%
RETIREMENT CONTRIBUTION	484,997	489,016	515,184	526,876	527,571	511,614	(15,262)	-2.9%	(15,957)	-3.0%
DEFERRED COMPENSATION	273,431	257,994	279,454	169,680	171,320	166,400	(3,280)	-1.9%	(4,920)	-2.9%
WORKERS COMPENSATION	96,588	94,465	161,226	97,000	96,637	97,000	-	0.0%	363	0.4%
HEALTH INSURANCE	1,120,179	1,114,016	1,124,679	1,316,878	1,286,580	1,691,614	374,736	28.5%	405,033	31.5%
DENTAL INSURANCE	57,703	52,209	53,046	60,868	57,268	75,264	14,396	23.7%	17,996	31.4%
VISION INSURANCE	37,670	38,984	37,067	42,000	42,044	50,000	8,000	19.0%	7,956	18.9%
WELLNESS PROFRA REIMBURSEMENT	1,598	2,009	1,893	2,300	2,300	2,300	-	0.0%	-	0.0%
RETIREES & COBRA INSURANCE	122,797	134,959	157,124	185,000	184,382	176,744	(8,256)	-4.5%	(7,637)	-4.1%
DISABILITY INSURANCE	30,898	30,805	32,426	35,264	31,207	32,833	(2,430)	-6.9%	1,626	5.2%
AUTOMOBILE ALLOWANCE	6,000	6,000	6,000	6,000	6,000	6,000	-	0.0%	-	0.0%
UNEMPLOYMENT TAX	31,886	16,758	38,931	20,000	20,586	21,000	1,000	5.0%	414	2.0%
UNIFORMS	57,258	59,659	67,814	56,200	52,625	54,200	(2,000)	-3.6%	1,575	3.0%
GROUP LIFE & A.D. & D.	42,186	42,339	40,580	47,250	38,012	39,366	(7,884)	-16.7%	1,354	3.6%
VACATION ACCRUED	17,951	16,421	1,264	-	-	-	-		-	
HEALTH INSURANCE DISCOUNT	-	-	-	-	-	-	-		-	
Total Fringe Benefits	2,909,241	2,903,652	3,067,477	3,123,155	3,080,846	3,506,185	383,030	12.3%	425,338	13.8%
UTILITIES										
ELECTRICITY	1,318,692	1,377,124	1,345,378	1,380,765	1,098,268	1,090,332	(290,433)	-21.0%	(7,936)	-0.7%
WATER	50	4,500	-	-	-	-	-		-	
TELEPHONE - LOCAL	78,741	90,310	93,535	101,270	108,009	106,960	5,690	5.6%	(1,049)	-1.0%
CELL PHONES	38,091	48,119	46,672	53,700	53,700	52,850	(850)	-1.6%	(850)	-1.6%
FUEL	76,338	64,924	78,252	88,175	71,557	108,500	20,325	23.1%	36,943	51.6%
WASTE DISPOSAL	290,416	282,464	242,410	244,890	213,261	646,371	401,481	163.9%	433,110	203.1%
Total	1,802,329	1,867,441	1,806,247	1,868,800	1,544,795	2,005,013	136,213	7.3%	460,218	29.8%
MATERIALS AND SUPPLIES										
CHEMICALS	2,064,376	1,942,505	1,606,193	1,928,023	1,876,755	1,931,608	3,584	0.2%	54,853	2.9%
CHEMICALS - ODOR CONTROL	52,163	19,264	-	-	-	-	-		-	
LAND APPLICATION	43,182	22,615	102,625	60,000	219,605	60,000	-	0.0%	(159,605)	-72.7%
SMALL TOOLS	17,685	15,931	13,711	22,785	22,164	22,560	(225)	-1.0%	396	1.8%
SUBSCRIPTIONS	1,137	1,186	1,928	2,505	2,205	1,900	(605)	-24.2%	(305)	-13.8%
LAKE SUPPLIES	22,230	15,765	17,353	25,000	24,051	20,200	(4,800)	-19.2%	(3,851)	-16.0%
FUEL - VEHICLES	208,619	196,423	240,769	246,483	156,866	157,906	(88,578)	-35.9%	1,040	0.7%
OFFICE SUPPLIES	43,877	34,376	34,332	44,880	44,271	46,250	1,370	3.1%	1,979	4.5%
COMPUTER EQUIPMENT & PARTS	141,532	113,601	99,344	77,200	66,503	72,180	(5,020)	-6.5%	5,677	8.5%

EXPENDITURE CLASSIFICATION	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Forecast	FY 2016 Request	Dollar variance FY16 v FY15 Budgets	Percent variance FY16 v FY15 Budgets	Dollar variance FY16 Budget v FY15 Forecast	Percent variance FY16 Budget v FY15 Forecast
LABORATORY EXPENSES	162,535	182,284	187,188	185,938	171,429	186,100	162	0.1%	14,671	8.6%
SAFETY SUPPLIES	36,467	45,671	43,557	42,320	41,051	48,257	5,936	14.0%	7,206	17.6%
OTHER	23,394	23,193	43,354	26,850	28,266	28,650	1,800	6.7%	384	1.4%
Total	2,817,196	2,612,814	2,390,354	2,661,986	2,653,165	2,575,610	(86,376)	-3.2%	(77,555)	-2.9%
MAINTENANCE										
MAINTENANCE - EQUIPMENT	954,128	820,777	983,413	874,751	881,963	900,627	25,876	3.0%	18,663	2.1%
MAINTENANCE - PUMPING EQUIPMENT	346,695	360,048	245,314	447,750	453,755	493,250	45,500	10.2%	39,495	8.7%
MAINTENANCE - RESERVOIR & TANK	126,771	127,371	355,388	135,580	148,312	142,200	6,620	4.9%	(6,112)	-4.1%
FACILITIES	8,613	2,418	23,083	36,950	37,544	30,300	(6,650)	-18.0%	(7,244)	-19.3%
BUILDINGS	280,689	509,473	238,695	382,650	372,302	364,150	(18,500)	-4.8%	(8,152)	-2.2%
MAINTENANCE - MAINS	331,461	278,998	266,695	423,500	417,642	407,185	(16,315)	-3.9%	(10,457)	-2.5%
MAINTENANCE - METERS	381,724	214,537	348,115	224,335	248,160	240,710	16,375	7.3%	(7,450)	-3.0%
MAINTENANCE - HYDRANTS	17,557	19,271	21,234	17,000	22,562	30,000	13,000	76.5%	7,438	33.0%
MAINTENANCE - SERVICE LINES	29,393	48,385	43,906	39,500	32,343	39,500	-	0.0%	7,157	22.1%
GROUNDS	68,233	48,128	68,944	91,000	88,088	94,000	3,000	3.3%	5,912	6.7%
MOTOR VEHICLES	169,020	175,153	253,863	182,780	159,539	166,026	(16,754)	-9.2%	6,487	4.1%
Total	2,714,284	2,604,559	2,848,650	2,855,796	2,862,210	2,907,947	52,152	1.8%	45,737	1.6%
PROFESSIONAL SERVICES										
LEGAL	212,750	233,155	243,925	240,000	242,300	240,000	-	0.0%	(2,300)	-0.9%
ACCOUNTING	36,060	29,000	29,875	30,000	30,000	30,000	-	0.0%	-	0.0%
ENGINEERING	17,266	6,928	6,727	5,000	1,000	5,000	-	0.0%	4,000	400.0%
ENGINEERING - MASTER PLAN	-	-	-	-	-	-	-		-	
INSURANCE	251,588	248,311	220,214	241,000	287,426	285,962	44,962	18.7%	(1,464)	-0.5%
COLLECTION SERVICES	37,103	42,206	44,070	45,000	44,405	45,000	-	0.0%	595	1.3%
CONSULTANTS	534,661	504,881	320,403	671,100	723,429	877,600	206,500	30.8%	154,171	21.3%
FINANCIAL SERVICES	239,030	227,738	216,435	226,400	225,795	241,600	15,200	6.7%	15,805	7.0%
TRUSTEE SERVICES	23,671	23,275	20,800	25,275	25,275	29,350	4,075	16.1%	4,075	16.1%
OTHER	66,934	80,947	46,291	52,000	52,815	72,000	20,000	38.5%	19,185	36.3%
Total	1,419,062	1,396,441	1,148,740	1,535,775	1,632,447	1,826,512	290,737	18.9%	194,066	11.9%
COMMUNICATIONS										
POSTAGE AND FREIGHT	101,542	77,551	111,256	110,880	113,182	108,455	(2,425)	-2.2%	(4,727)	-4.2%
CUSTOMER INFORMATION	6,523	23,311	21,693	23,435	23,434	21,635	(1,800)	-7.7%	(1,799)	-7.7%
ADVERTISING	12,019	23,373	19,228	23,582	23,754	23,630	48	0.2%	(124)	-0.5%
OTHER	1,760	3,855	-	-	7,000	5,280	5,280		(1,720)	-24.6%
Total	121,845	128,090	152,177	157,897	167,370	159,000	1,103	0.7%	(8,370)	-5.0%
PRINTING AND REPRODUCTION										
PRINTING AND REPRODUCTION	5,054	4,596	4,984	8,700	8,686	8,900	200	2.3%	214	2.5%
Total	5,054	4,596	4,984	8,700	8,686	8,900	200	2.3%	214	2.5%
EDUCATION AND DEVELOPMENT										
EDUCATION AND DEVELOPMENT	110,719	110,523	117,552	141,010	123,162	132,685	(8,325)	-5.9%	9,523	7.7%
BOARD TRAVEL	-	-	25	-	-	4,500	4,500		4,500	
Total	110,719	110,523	117,577	141,010	123,162	137,185	(3,825)	-2.7%	14,023	11.4%

EXPENDITURE CLASSIFICATION	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Forecast	FY 2016 Request	Dollar variance FY16 v FY15 Budgets	Percent variance FY16 v FY15 Budgets	Dollar variance FY16 Budget v FY15 Forecast	Percent variance FY16 Budget v FY15 Forecast
MISCELLANEOUS										
DUES AND MEMBERSHIPS	39,056	49,803	49,194	45,947	45,782	46,560	613	1.3%	778	1.7%
CONSERVATION	4,114	15,058	4,436	5,000	5,000	25,000	20,000	400.0%	20,000	400.0%
OVERAGES AND SHORTAGES	1,095	(2,054)	(1,711)	-	1,056	-	-		(1,056)	-100.0%
UNCOLLECTABLE ACCOUNTS	57,099	30,507	36,004	27,000	27,240	30,000	3,000	11.1%	2,760	10.1%
RENT AND LEASES	37,231	38,588	43,987	43,720	57,873	59,300	15,580	35.6%	1,427	2.5%
FOREST MANAGEMENT	3,538	14,207	6,062	10,000	77,335	10,000	-	0.0%	(67,335)	-87.1%
BOARD EXPENSES	1,893	1,676	2,251	4,000	4,002	4,500	500	12.5%	498	12.4%
RECRUITMENT	3,000	1,047	1,872	3,000	3,000	4,000	1,000	33.3%	1,000	33.3%
OTHER	33,374	20,395	31,689	41,700	42,225	48,050	6,350	15.2%	5,825	13.8%
Total	180,401	169,227	173,784	180,367	263,512	227,410	47,043	26.1%	(36,102)	-13.7%
Total Personnel Services	9,872,420	10,140,268	10,332,139	10,498,755	10,314,507	11,035,537	536,782	5.1%	721,030	7.0%
Total Operating Services	9,170,890	8,893,691	8,642,513	9,410,330	9,255,347	9,847,578	437,248	4.6%	592,231	6.4%
Total Operating and Maintenance	19,043,310	19,033,959	18,974,652	19,909,085	19,569,854	20,883,115	974,030	4.9%	1,313,261	
CONSTRUCTION CREDIT	(332,802)	(267,410)	(376,989)	(100,998)	(66,842)	(94,658)	6,340	-6.3%	(27,816)	41.6%
Net	18,710,509	18,766,549	18,597,663	19,808,087	19,503,012	20,788,457	980,370	4.9%	1,285,445	6.6%

DRAFT FY 2016 - 2020 CIP (Escalated Dollars)

No.	CIP No.	Project Name	FY '16	FY '17	FY '18	FY '19	FY '20	1st 5-yr total
1	270-04	Jordan Lake Raw Water Supply Allocation	$5,000	$5,000	$5,000	$5,000	$5,000	$25,000
2	270-09	Stone Quarry Reservoir Development	$15,000	$15,000	$15,000	$15,000	$15,000	$75,000
3	270-26	**Cane Creek and University Lake Sodium Permanganate Feed Systems***	$64,000	$702,000				$766,000
4	275-15	Water Main - Road Improvement Projects	$250,000					$250,000
5	275-20-00	**Water Main Rehabilitation/Replacement Projects - ONGOING***	$1,407,000					$1,407,000
6	275-20-m	Evergreen and Ridge Lanes Water Mains	$376,000					$376,000
7	275-76	**Advanced Meter Infrastructure (AMI) System***	$200,000	$4,600,000	$2,300,000			$7,100,000
8	275-77	Galvanized Water Main Replacements	$324,000	$538,000	$343,000	$202,000		$1,407,000
9	276-18	**Sanitary Sewer Rehabilitation (CIPP & MH)***	$1,057,000	$369,000	$396,000	$2,519,000	$2,772,000	$7,113,000
10	276-45	**Bolinwood Drive Interceptor (Bolin 1)***	$160,000	$1,748,000				$1,908,000
11	276-47	**Little Creek Interceptor (Little 1)***	$833,000					$833,000
12	276-53	Gravity Sanitary Sewer Creek Crossings Upgrades	$273,000	$318,000				$591,000
13	276-54	**Rogers Road Gravity Sanitary Sewer Extension***	$370,000	$3,564,000	$1,826,000			$5,760,000
		(Credit for Rogers Road Sanitary Sewer Extension)	($370,000)	($3,564,000)	($1,826,000)			($5,760,000)
14	276-55	Easement Acquisition Program	$30,000					$30,000
15	277-31	**Rogerson Drive Pump Station Rehabilitation***	$348,000	$3,741,000				$4,089,000
16	278-46	Comprehensive Coatings Program	$300,000	$300,000	$300,000	$300,000	$300,000	$1,500,000
17	278-52	**WWTP Digesters #1 & #2 Rehabilitation***	$1,986,000					$1,986,000
18	278-54	WWTP Intermediate Pump Stations (IPS) Rehabilitation/Replacement	$40,000					$40,000
19	280-06	**Administration Building HVAC System Upgrade***	$85,000	$735,000	$420,000			$1,240,000
20	278-62	WWTP Administration Building Renovations	$43,000					$43,000
21	278-71	**WWTP Filtrate Side Stream Treatment ***	$194,000	$2,138,000				$2,332,000
22	278-64	WWTP Solids Handling Biofilter Rehabilitation/Replacement	$70,000					$70,000
23	278-69	**WWTP Biosolids Conveyance and Loading Improvements***	$91,000	$1,002,000				$1,093,000
24	272-34	WTP Generator Building Louvers Replacement	$8,000	$79,000				$87,000
25	272-33	WTP Pulsator Controls Electrical Upgrades	$70,000					$70,000
26	278-63	WWTP Secondary Clarifier Algae Sweep System Upgrade	$70,000					$70,000
27	274-13	Nunn Mountain Pump Station Evaluation	$58,000					$58,000
28	277-35	Knolls Pump Station and Manning Drive Pump Station Sites Rehabilitation	$139,000					$139,000
29	272-32	Water Treatment Plant Secondary Chemical Spill Containment	$127,000					$127,000
30	275-79	Barnes Street Water Main Valve Insertions	$34,000					$34,000
31	277-24	Eastowne Pump Station Rehabilitation	$32,000	$367,000				$399,000
32	278-57	WWTP Stormwater Pump Station Electrical System Rehabilitation	$292,000					$292,000
33	277-34	Piney Mountain Pump Station Rehabilitation	$105,000					$105,000
34	278-65	WWTP Anoxic Zone Mixer Hyper-Pitch Blades Attachments	$58,000					$58,000
35	275-46	**Dobbins Drive Water Main***	$66,000	$68,000	$1,608,000			$1,742,000
36	275-80	Brandywine Road Water Main	$47,000	$521,000				$568,000
37	275-81	Emory Drive Water Main	$249,000					$249,000
38	275-20-a	Foxcroft Drive Water Main	$35,000	$174,000				$209,000
39	270-27	Cane Creek Reservoir Office HVAC Replacement	$18,000					$18,000
40	275-20-i	**Stancell Drive Water Main***	$119,000	$625,000				$744,000
41	278-58	WWTP Non Drinking Water Pump Replacements	$109,000					$109,000
42	278-51	WWTP Polymer Feed System and Replacement Gravity Belt Thickeners	$56,000	$29,000	$339,000	$354,000	$340,000	$1,118,000
43	278-68	Comprehensive Roof Systems Replacement Program	$264,000	$213,000				$477,000
44	278-66	WWTP Piping Heat Tracing and Insulation	$35,000					$35,000
45	278-59	WWTP and WW PS LED Lighting Upgrades	$74,000	$38,000	$37,000			$149,000
46	277-36	Heritage Hills Pump Station and Eubanks Road Pump Station Rehabilitation	$31,000	$334,000				$365,000
47	278-61	WWTP Pavement Improvements	$113,000					$113,000
48	277-21	Force Main Condition Evaluation	$166,000			$451,000	$451,000	$1,068,000
49	272-31	Water Treatment Plant and Adjacent OWASA Facilities Pavement Improvements	$89,000					$89,000
50	278-67	WWTP Boilers Control Systems Upgrade		$36,000	$394,000			$430,000
51	278-70	WWTP Fermenter Tank and Pumps Rehabilitation		$39,000	$421,000			$460,000
52	272-21	Water Treatment Plant Switchgear Upgrade		$81,000				$81,000
53	276-01	Bolin Creek Interceptor (Bolin 2A, Bolin 2B, Bolin 2C, & Bolin 3)					$398,000	$398,000
54	276-52	**Rocky Branch Interceptor Upgrade (Phase 1)***				$62,000	$706,000	$768,000
55	275-20-j	**Purefoy Road Water Main***	part of 275-20-00					
56	276-17	Sanitary Sewer Condition Evaluation		$574,000	$1,472,000	$911,000	$436,000	$3,393,000
57	278-43	Mason Farm WWTP Biogas-to-Energy Combined Heat and Power					$234,000	$234,000
58	272-35	WTP Flash Mix Basins Isolation Valves Replacement		$19,000	$211,000			$230,000
59	275-67	Operational Evaluation of Future 740-Foot Zone					$46,000	$46,000
60	272-10-f	WTP process turbidimeters				$106,000		$106,000
61	275-74	South Road Water Main Water Main				$186,000	$173,000	$359,000
62	275-75	**Manning Drive (West) Water Main***				$538,000	$499,000	$1,037,000

DRAFT FY 2016 - 2020 CIP (Escalated Dollars)

No.	CIP No.	Project Name	FY '16	FY '17	FY '18	FY '19	FY '20	1st 5-yr total
63	278-60	WWTP Scum and Dewatering Building Filtrate Pump Station Rehabilitation		$140,000				$140,000
64	276-46	Willow Drive Sewer Replacement (Booker 4)			$41,000	$322,000		$363,000
65	276-48	**Dobbins Drive Interceptor (Booker 3A and Booker 3B)***		$187,000	$2,380,000			$2,567,000
66	275-55	**Manning Drive (East) Water Main***				$132,000	$1,441,000	$1,573,000
67	275-78	Barclay Road Water Main		$45,000	$492,000			$537,000
68	275-82	Pritchard Drive Water Main		$23,000	$253,000			$276,000
69	275-20-e	Country Club Road Water Main		$109,000	$383,000			$492,000
70	277-27	North Lakeshore Drive Pump Station Replacement		$32,000	$386,000			$418,000
71	275-20-d	Bartram Drive Water Main		$86,000				$86,000
72	275-20-c	Valley Park Drive Water Main	part of 275-20-00					
73	275-20-h	Rogerson Drive Water Main		$98,000	$513,000			$611,000
74	275-72	Oakwood Drive Water Main					$52,000	$52,000
75	272-36	WTP Lighting Improvements		$19,000	$211,000			$230,000
76	275-71	Rosemary, Henderson, and Hillsborough Streets Water Mains					$53,000	$53,000
77	275-20-f	Scarlett Drive and Cooper Street Water Mains		$48,000	$255,000			$303,000
78	277-13	Lake Ellen Force Main Replacement (Booker 5)			$8,000	$7,000	$81,000	$96,000
79	270-11-b	**University Lake Pump Station - Pump Nos. 1 – 3 Replacement***			$64,000	$697,000		$761,000
80	272-38	WTP Sedimentation Basins Valves and Stems Replacement			$26,000	$294,000		$320,000
81	275-20-b	Fordham Blvd Service Road Water Main		$63,000	$218,000			$281,000
82	275-20-g	Plum Lane Water Main				$30,000	$160,000	$190,000
83	272-10-d	WTP VFD #4				$83,000		$83,000
84	272-37	WTP Solids Conveyor System		$12,000	$141,000			$153,000
85	275-52	**Cameron Avenue Water Main***			$164,000	$1,802,000		$1,966,000
86	270-16	**Cane Creek Pump Station Rehabilitation/Replacement***				$64,000	$699,000	$763,000
87	278-50	WWTP Warehouse				$37,000	$427,000	$464,000
88	272-10-c	WTP Track Vac System Rehab				$116,000		$116,000
89	277-33	Chapel Hill North Pump Station Rehabilitation			$11,000	$122,000		$133,000
90	272-10-e	WTP Basin and Pulsator Turbidimeters				$65,000		$65,000
91	271-05	Cane Creek Raw Water Transmission Main Capacity Study				$28,000		$28,000
92	272-10	Water Treatment Plant Recapitalization/Rehabilitation Projects				$1,700,000	$2,482,000	$4,182,000
93	275-20	Water Main Rehabilitation/Replacement Projects				$1,568,000	$2,258,000	$3,826,000
94	277-01	Pump Station Recapitalization				$173,000	$310,000	$483,000
95	277-22	Force Main Rehabilitation				$50,000	$50,000	$100,000
96	278-11	WWTP Recapitalization				$3,594,000	$3,081,000	$6,675,000
97	278-48	WWTP Biosolids Facilities and Recycling Study/Rehabilitation					$117,000	$117,000
98	280-09	Administration Building Recapitalization				$169,000	$177,000	$346,000
99	280-10	Operations Center Recapitalization				$262,000	$275,000	$537,000
	Totals		**$10,615,000**	**$20,270,000**	**$13,807,000**	**$16,964,000**	**$18,038,000**	**$79,694,000**

Projects in bold with an asterick (*) are expected to require Board approval of their respective construction contracts (est. value >$500K).

Denotes contractual obligations and, thus, highest priority projects

FY '16 CIP Project Priorities

No.	Project Name	FY '16 Budget	Comments
1	Jordan Lake Raw Water Supply Allocation	$5,000	must pay annual bill; recurring
2	Stone Quarry Reservoir Development	$15,000	must pay annual bill; recurring through 2030
3	Cane Creek and University Lake Sodium Permanganate Feed Systems*	$64,000	design underway and to be completed in FY '16 and construction to be completed in FY '17
4	Water Main - Road Improvement Projects	$250,000	contractually obligated to reimburse NCDOT for certain utility improvements
5	Water Main Rehabilitation/Replacement Projects - ONGOING*	$1,407,000	design/construction for Valley Park, Hillview, Purefoy, Ridgewood water main replacement/rehabilitation projects
6	Evergreen and Ridge Lanes Water Mains	$376,000	design underway; design and construction to be completed in FY '16
7	Advanced Meter Infrastructure (AMI) System*	$200,000	complete a feasibility study for this system-wide project in FY '16
8	Galvanized Water Main Replacements	$324,000	FY '16 design services for gravity sanitary sewer mains to serve the historic Rogers Road area; construction expected in FY '17 and FY '18
9	Sanitary Sewer Rehabilitation (CIPP & MH)*	$1,057,000	ongoing rehabilitation program of defective gravity sewer pipes that have been identified by sanitary sewer eval program (includes visual inspection of mains)
10	Bolinwood Dr Interceptor (Bolin 1)*	$160,000	design contract awarded; construction pending for FY '17
11	Little Creek Interceptor (Little 1)*	$833,000	construction contract award expected in April 2015; construction will be completed in FY '16
12	Gravity Sanitary Sewer Creek Crossings Upgrades	$273,000	staff identified needed vehicular creek crossing improvements at several different locations; design underway; construction to begin in FY '16
13	Rogers Road Gravity Sanitary Sewer Extension*	$370,000	FY '16 design services for gravity sanitary sewer mains to serve the historic Rogers Road area; construction expected in FY '17 and FY '18
	(Credit for Rogers Road Sanitary Sewer Extension)	($370,000)	OWASA will be fully reimbursed by Orange County
14	Easement Acquisition Program	$30,000	pilot project to obtain easements for OWASA sewer lines
15	Rogerson Drive Pump Station Rehabilitation*	$348,000	preliminary engineering report will be completed in FY '15; design is pending in FY '16 with construction to follow in FY '17
16	Comprehensive Coatings Program	$300,000	corrosion control of key facilities (WTP, WWTP, pump stations, etc.) components and structures (annual program)
17	WWTP Digesters #1 & #2 Rehabilitation*	$1,986,000	structural rehabilitation of the tanks; design is nearly complete and will be followed by construction in FY '16
18	WWTP Intermediate Pump Stations (IPS) Rehabilitation/Replacement	$40,000	a study initiated in FY '15 will carry over to FY '16; the study likely will recommend one or more future CIP projects; any CIP projects proposed for approval by the Board will be included in next year's draft FY '17 - '21 CIP budget
	SUBTOTAL ($ and % of Total FY '16 Budget)	**$7,668,000**	**72%**
19	Administration Building HVAC System Upgrade*	$85,000	comprehensive study planned for FY '16; design planned to be complete in early FY '17; construction planned to begin in FY '17 and be completed in FY '18
20	WWTP Administration Building Renovations	$43,000	locker room and bathroom renovations pending for FY '16
21	WWTP Filtrate Side Stream Treatment *	$194,000	treatment process to reduce nutrient loading associated with dewatering process; design pending in FY '16 with construction to follow in FY '17
22	WWTP Solids Handling Biofilter Rehabilitation/Replacement	$70,000	study and preliminary design pending for FY '16 to address odors associated with the existing biofilter; may lead to a different process to replace the existing biofilter
23	WWTP Biosolids Conveyance and Loading Improvements*	$91,000	design pending in FY '16 with construction to follow in FY '17; project will improve operational efficiency and reliability and will enhance safety associated with conveying and loading dewatered biosolids
24	WTP Generator Building Louvers Replacement	$8,000	selection and installation of new louvers in FY '16 to replace the existing ones that do not work
25	WTP Pulsator Controls Electrical Upgrades	$70,000	install new control wiring between the control panel and equipment to make the wiring safer, easier to troubleshoot and repair; design and installation pending for FY '16
26	WWTP Secondary Clarifier Algae Sweep System Upgrade	$70,000	specification and installation of new weir cleaners in FY '16 to improve operation efficiency
27	Nunn Mountain Pump Station Evaluation	$58,000	study pending in FY '16 to determine if the pump station can support fire flows; if so, it will eliminate the need to rent additional pumps whenever the Nunn Mountain Elevated Tank is off-line
28	Knolls Pump Station and Manning Drive Pump Station Sites Rehabilitation	$139,000	design and construction pending in FY '16 to address site erosion that is beginning to negatively impact staff's ability to access these two pump stations
29	Water Treatment Plant Secondary Chemical Spill Containment	$127,000	design and construction pending in FY '16 to retrofit portions of the existing storm water collection/conveyance system so that it may be used to contain chemical spillage that may occur during delivery
30	Barnes Street Water Main Valve Insertions	$34,000	specification and installation of additional valves in FY '16 to minimize the number of customers out of service in the event of main breaks in this area
31	Eastowne Pump Station Rehabilitation	$32,000	pending design in FY '16 with construction to follow in FY '17

FY '16 CIP Project Priorities

No.	Project Name	FY '16 Budget	Comments
32	WWTP Stormwater Pump Station Electrical System Rehabilitation	$292,000	design and rehabilitation pending for FY '16 to improve safety, operability, and control of the existing WWTP site stormwater pumping system
33	Piney Mountain Pump Station Rehabilitation	$105,000	design and rehabilitation pending for FY '16 to improve operability, control, and reliability (adding a permanent generator)
34	WWTP Anoxic Zone Mixer Hyper-Pitch Blades Attachments	$58,000	installation pending for FY '16 to improve operations and maintenance
35	16-inch Water Main along Dobbins Drive*	$66,000	design to increase water main from 12" to 16" was 95% complete in 2007; "dusting off" the design pending for FY '16, design completion and permitting in FY '17, and construction in FY '18
36	Brandywine Road Water Main	$47,000	design in FY '16 with construction to follow in FY '17; replace or rehabilitate existing AC main due to several recent main breaks and problems with service lateral saddles
37	Emory Drive Water Main	$249,000	design in FY '16 with construction to follow in FY '17; replace or rehabilitate existing AC main due to several recent main breaks and problems with service lateral saddles
38	Foxcroft Drive 700 LF 12" AC	$35,000	design pending in FY '16 with construction to follow in FY '17; project identified in most recent water main replacement/rehabilitation prioritization model run
39	Cane Creek Reservoir Office HVAC Replacement	$18,000	replacement of 22 year-old unit pending in FY '16
40	Stancell Dr 2070 LF 8" AC*	$119,000	design pending in FY '16 with construction to follow in FY '17; project identified in most recent water main replacement/rehabilitation prioritization model run
41	WWTP Non Drinking Water Pump Replacements	$109,000	replacement in FY '16 of three pumps at the end of their useful lives
42	WWTP Polymer Feed System and Replacement Gravity Belt Thickeners	$56,000	installation of a new polymer batching and dosing system for the gravity belt thickeners
43	Comprehensive Roof Systems Replacement Program	$264,000	design pending in FY '16 with rehabilitation/replacement of roofs to begin in FY '16 and continue as needed
44	WWTP Piping Heat Tracing and Insulation	$35,000	installation planned for FY '16
45	WWTP and WW PS LED Lighting Upgrades	$74,000	replacement of existing lighting planned to begin in FY '16 and continue as needed
46	Heritage Hills Pump Station and Eubanks Road Pump Station Rehabilitation	$31,000	design pending for FY '16 with construction to follow in FY '17; installation of new pumps, VFDs, and pump controls at these two stations
47	WWTP Pavement Improvements	$113,000	specification and installation pending for FY '16
48	Force Main Condition Evaluation	$166,000	evaluations of Countryside PS and Manning Drive force mains scheduled for FY '16 as part of ongoing SS evaluation program
49	Water Treatment Plant and Adjacent OWASA Facilities Pavement Improvements	$89,000	specification and installation pending for FY '16
	SUBTOTAL ($ and % of Total FY '16 Budget)	**$2,947,000**	**28%**
	FY '16 TOTAL	**$10,615,000**	**100%**

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

APPLICABLE TO ALL BILLINGS AND SERVICES ON AND AFTER OCTOBER 1, ~~2014~~2015

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

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

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

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

Background and Authorization

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

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

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

The attached Schedule of Rates, Fees, and Charges will replace the schedule adopted on June ~~13~~11, ~~2013~~2014, which became effective on October 1, 201~~3~~4.

SECTION I: WATER RATES AND FEES

MONTHLY WATER RATES

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

Water Service Charge

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

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

Water Irrigation Service Charge

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

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

Meter Size	Monthly Service Charge
5/8"	$23.54
1"	$47.05
1-1/2"	$87.10
2"	$133.96
3"	$265.15

Meter Size	Monthly Service Charge
4”	$407.02
6”	$800.67
8”	$1,273.30

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

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

Water Commodity Charge

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

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

Individually Metered Residential Accounts Except Irrigation-Only Accounts

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

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

Conservation Water Commodity Charges Under Mandatory Water Use Restrictions

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

WATER COMMODITY SURCHARGES
APPLICABLE UNDER WATER SHORTAGE DECLARATION STAGES

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

Non-residential Accounts Except Irrigation-Only Accounts

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

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

Irrigation-Only Accounts

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

$8.51 per thousand gallons

INTERLOCAL WATER TRANSFER CHARGES

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

TEMPORARY HYDRANT METER CHARGE

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

Security Deposit
$1,000

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

WATER AVAILABILITY FEE

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

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

* Same fee for Irrigation-Only accounts.

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

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

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

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

WATER SERVICE AND METER INSTALLATION CHARGE

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

	Existing	Proposed
Complete Water Service Installation, 5/8" meter	$3,165	$3,570
Complete Water Service Installation, 3/4" Combination Fire and Domestic Service Meter	$3,255	$3,695
Complete Water Service Installation, 1" meter	$3,340	$3,805
Meter Only Installation, 5/8" meter	$235	$280
Meter Only Installation, 3/4" Combination Fire and Domestic Service Meter	$320	$400
Meter Only Installation, 1" Combination Fire and Domestic Service Meter	$390	$420
Meter Only Installation, 1" meter	$300	$355
Meter Only Installation, 1-1/2" meter	$650	$600
Meter Only Installation, 1-1/2" Combination Fire And Domestic Service Meter	$615	$620
Meter Only Installation, 2" meter	$770	$790
Meter Only Installation, 2" Combination Fire And Domestic Service Meter	$710	$715
Remote Read Box with 5/8" Detector Meter	$370	$485

Complete installation costs are determined on a time and materials basis for 1-1/2 inch and 2- inch meters. For 3-inch and larger meters, the applicant shall be responsible for providing a meter box or vault constructed to OWASA standards. All meters, regardless of size, shall be purchased from OWASA at cost plus 10%. A $135.00 (Proposed $140) delivery fee for 3-inch and larger meters shall also apply.

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

WATER MAIN TAPPING FEE

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

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

associated activities as may be needed to provide a suitable and safe condition for OWASA personnel to complete the tap. Additionally, the applicant shall be responsible for providing an appropriate size tapping sleeve and tapping valve, and a backhoe or similar device shall be available on-site for lowering the tapping unit into the ditch line. All permits, bonds and paving shall be the responsibility of the applicant. The charge shall be for time and equipment plus an allowance for overhead, but not less than $335 (Proposed $340).

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

HYDRAULIC FIRE FLOW TESTING

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

$280 per test (Proposed $290)

SECTION II: SEWER RATES AND FEES

MONTHLY SEWER RATES

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

Sewer Service Charge

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

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

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

Sewer Commodity Charge

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

The sewer commodity charge is applicable to all customers discharging wastewater into

the OWASA sewer system, regardless of whether or not that discharge results from the customer's use of OWASA's drinking water or reclaimed water, or their use of a non-OWASA water source, including but not limited to harvested rainwater or groundwater.

$6.48 per thousand gallons

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

INTERLOCAL WASTEWATER COLLECTION, TREATMENT AND DISPOSAL CHARGES

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

MONTHLY RATES FOR SEWER-ONLY ACCOUNTS

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

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

plus

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

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

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

SEWER AVAILABILITY FEE

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

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

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

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

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

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

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

SEWER TAP CHARGE

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

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

The charge shall be for time and equipment plus an allowance for overhead, but not less than $325 (Proposed $340).

The base fee noted above includes one (1) site visit by OWASA to determine if the applicant is ready for OWASA to perform the tap. A re-inspection fee of $120 will be charged for each additional site visit required to determine if the sewer main is accessible and all required material and safety measures are in place. The tap will not be performed until any applicable reinspection fees are paid in full.

HIGH STRENGTH WASTE SURCHARGE

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

Normal Strength Domestic Wastewater

Carbonaceous Biochemical Oxygen Demand (CBOD)	205 mg/l
Suspended Solids (SS)	235 mg/l
Ammonia Nitrogen (NH_3-N)	25 mg/l
Phosphorus (P)	6.5 mg/l

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

Carbonaceous Biochemical Oxygen Demand (CBOD)	$0.43 per pound for all CBOD in excess of 205 mg/l
Suspended Solids (SS)	$0.52 per pound for all SS in excess of 235 mg/l
Ammonia Nitrogen (NH_3-N)	$3.04 per pound for all NH_3-N in excess of 25 mg/l
Phosphorus (P)	$12.26 per pound for all P excess of 6.5 mg/l

SECTION III: RECLAIMED WATER RATES AND CHARGES

MONTHLY RECLAIMED WATER RATES

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

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

Reclaimed Water Service Charge

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

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

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

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

Reclaimed Water Commodity Charge

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

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

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

RECLAIMED WATER SERVICE AVAILABILITY AND CONNECTION FEES

Reclaimed Water Availability Fees

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

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

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

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

Reclaimed Water Service Connection Fees

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

SECTION IV: MISCELLANEOUS CHARGES

SERVICE INITIATION FEE

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

$45 per event
$80 per event, outside of normal business hours of OWASA

RETURNED CHECK CHARGE

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

Returned Check:	$25
Dishonored Draft:	$25

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

CHARGE FOR DELINQUENT ACCOUNTS

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

$45 per event, during OWASA’s normal business hours
$80 per event, outside OWASA’s normal business hours

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

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

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

$45 per event, during OWASA's normal business hours
$80 per event, outside OWASA's normal business hours

LATE PAYMENT FEE

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

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

SECURITY DEPOSITS

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

Security deposits shall be required on all accounts other than those of (1) residential customers, whether detached or attached units, who have a satisfactory credit history as determined by a credit check, and (2) local, State and Federal governments or agencies thereof. Security deposits shall be required for accounts other than those in (1) and (2) above and shall be $50 or $100 depending on credit worthiness for residential customers. All security deposits must be paid at the time application for service is made and in advance of service initiation.

Any residential customer whose service has been disconnected for non-payment of billing charges twice within a six month period and for whom OWASA does not have a security deposit will be required to pay a $50 or $100 deposit depending on credit worthiness prior to reconnection of service.

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

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

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

BULK WASTEWATER CHARGES

Normal Domestic Septage

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

Administrative Charge	$30/ trip, plus
Volume Charge and High Strength Surcharge	$140/ thousand gallons

Other High Strength Waste

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

NH_3-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 $3.04/pound

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

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

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

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

Waste concentrations shall be determined by OWASA.

TANK SALES OR BULK WATER SALES

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

Administrative Charge	$25 per trip, plus
Commodity Charge	$6.02 per thousand gallons or portion thereof.

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

DIRECT SALES OF SUPPLIES

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

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

General Public

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

OWASA CUSTOMERS AND ORANGE COUNTY RESIDENTS

Day Use

Charge for each flat-bottomed boat or canoe rental	$4.50 for one-half day plus the applicable lake use fee for each person
Trolling motor rental	$15.00 for one-half day

Kayak rental	$15.00 for one-half day plus the applicable lake use fee for each person
Private Boat Launching Fee	$3.50 per boat plus the applicable lake use fee for each person
Lake Use Fee, Under 12 Years Old	$2.00 per person
Lake Use Fee, 12-64 Years	$4.50 per person
Lake Use Fee, 65 Years and over	No charge
INDIVIDUAL SEASON PASS Boat or canoe rental	$82.00 per person. Each additional person pays appropriate lake use fee.
Lake Use Pass – Adult	$46.00
Boat with trolling motor rental	$163.00 per person. Each additional person pays appropriate lake use fee.
GROUP SEASON PASS Boat or canoe rental	$163.00 (maximum of 3 people per pass.) Each additional person pays appropriate lake use fee.
Boat with trolling motor rental	$245.00 (maximum of 3 people per pass.) Each additional person pays appropriate lake use fee.

FOR VISITORS WHO ARE NOT OWASA CUSTOMERS OR ORANGE COUNTY RESIDENTS

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

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

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

If, however, the meter has been tested within the past five years and the results of the meter test indicate proper or under-registering, the customer will be charged $100 for the meter test.

SHOP TESTING OF METER

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

If, however, the meter has been tested within the past five years and the results of the meter test indicate proper or under-registering, the customer will be charged $155 (Proposed $160) for the shop meter test.

FIELD TEST OF LARGE METERS

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

If, however, the meter has been tested within the past five years and the results of the meter test indicate proper or under-registering, the customer will be charged a meter test fee based on the actual time and equipment required to complete the field test. This charge shall not be less than $260.

REINSPECTION FEE

OWASA will initially inspect grease traps, cross connections and water and sewer taps at no cost to the customer. Should a subsequent reinspection be required for any of these fixtures, a $120 (Proposed $125) fee will apply to each reinspection.

PLAN REVIEW AND CONSTRUCTION OBSERVATION FEES

The purpose of this charge is to recover the operating cost for providing review of construction plans for the extension of water and sewer facilities. The charge also recovers the operating cost for providing field observation, water sampling, laboratory testing, video inspection, pressure testing, etc. associated with the installation of these facilities. The plan

review and construction observation fees are applicable to all extensions of the public water and/or sewer system regardless of the party which may be undertaking the improvements. The fees will be applied separately to water main and sewer main extensions, but in no case shall the fee be less than $100.

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

CHARGES FOR MISCELLANEOUS SERVICES

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

TRANSFER OF CHARGES

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

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

Accounts or portions of accounts, including charges for material or damaged property that are disputed and delinquent fees and delinquent assessment charges, may be submitted to the courts by the Executive Director, upon approval by General Counsel, for collection if such amounts do not exceed $1,500. For amounts exceeding $1,500, approval of the Board of Directors shall also be required prior to filing an action for collection.

ORANGE WATER AND SEWER AUTHORITY

MEETING OF THE BOARD OF DIRECTORS

MARCH 26, 2015

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a regular business meeting on Thursday, March 26, 2015, at 7:00 PM in Council Chambers at the Chapel Hill Town Hall, 405 Martin Luther King Jr. Boulevard.

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

OWASA staff present: Ed Kerwin; Beth Canada; Patrick Davis; Greg Feller; Kenneth Loflin; Andrea Orbich; Johnny Riley; Ruth Rouse; Kelly Satterfield; Stephen Winters; and Robin Jacobs of Epting and Hackney.

Others present: Meg Holton, Water, Wastewater, and Stormwater Manager, University of North Carolina at Chapel Hill; and Tim Johnson, NC Center for Geographic Information and Analysis.

There being a quorum present, Chair John Young called the meeting to order.

* * * * * * * * * *

MOTIONS ACTED UPON

1. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the Resolution Setting the Date of May 28, 2015 for a Public Hearing on OWASA's Fiscal Year 2016 Budget. (Resolution so titled attached hereto and made a part of these minutes. Motion by Heather Payne, second by Steve Dear and unanimously approved.)

2. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the Resolution Setting the Date of May 28, 2015 for a Public Hearing on Proposed Revisions to OWASA's Schedule of Rates, Fees and Charges. (Resolution so titled attached hereto and made a part of these minutes. Motion by Heather Payne, second by Steve Dear and unanimously approved.)

3. Heather Payne made a motion to approve the Minutes of the January 22, 2015 Meeting of the Board of Directors as amended on pages 2 and 5 as follows: "…Terri Buckner opposed because a survey is feedback on the issues important to staff instead of~~and not~~ engaging the community on the issues of importance to them." Second by Steve Dear and unanimously approved. Please see Motion No. 3 above.

4. Heather Payne made a motion to approve the Minutes of the January 22, 2015 Work Session of the Board of Directors, second by Steve Dear and unanimously approved.

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5. Heather Payne made a motion to approve the Minutes of the February 12, 2015 Work Session of the Board of Directors, second by Steve Dear and unanimously approved.

6. Heather Payne made a motion to approve the Minutes of the February 12, 2015 Closed Session of the Board of Directors for the Purpose of Discussing Personnel Matters, second by Steve Dear and unanimously approved.

7. Heather Payne made a motion to approve the Minutes of the March 12, 2015 Work Session of the Board of Directors, second by Steve Dear and unanimously approved.

8. Heather Payne made a motion to approve the Minutes of the March 12, 2015 Closed Session for the Purpose of Discussing a Personnel Matter, second by Steve Dear and unanimously approved.

9. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the Resolution Adopting Policy on Procedures to be followed by Orange Water and Sewer Authority (OWASA) Staff in the Enforcement of Laws, Regulations and Rules Pertaining to Public Access and Use of OWASA Reservoirs. (Resolution so titled attached hereto and made a part of these minutes. Motion by Terri Buckner, second by Amy Witsil and unanimously approved.)

10. Terri Buckner made a motion to adjourn the meeting, second by Quinton Harper and unanimously approved.

* * * * * * * * *

ANNOUNCEMENTS

Conflict Of Interest

John Young said any Board Member who knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight is asked to disclose the same at this time.

Change to the Agenda

Without objection, the Board agreed to reschedule the Closed Session from the Board Meeting tonight to April 9, 2015.

Chapel Hill's OWASA Committee Meeting

John Young said that the Chapel Hill Town Council's OWASA Committee and Chapel Hill appointees to the OWASA Board will meet on either April 23, 2015 or May 14, 2015 at 8:00 AM in the OWASA Boardroom; the agenda will be provided.

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Committees

Terri Buckner said that the Natural Resources and Technical Systems (NRTS) Committee met on March 17th to discuss information for OWASA's Energy Management Plan, including the baseline assessment of energy use for 10-year period from 2005-2014, energy management strategies implemented to date, and potential goals and objectives for the Energy Management Plan. The NRTS Committee requested that other strategies be evaluated in the next phase of work and that staff draft proposed goals and objectives for consideration by the Committee at its next meeting (date to be determined). On behalf of the NRTS Committee, Ms. Buckner requested that the Board discussion of energy management scheduled for the April 23rd Board meeting be deferred until the Committee is ready to report back to the Board with proposed draft goals and objectives. The Board concurred.

Steve Dear said that the Community Engagement Committee met on March 25th to discuss Engage Carrboro and review draft webpages for community engagement for development of OWASA's Energy Management Plan. Mr. Dear said that Committee members liked the approach and made several recommendations for improving the webpages. The next Community Engagement Committee meeting will be scheduled in April or early May to discuss a staff report on the Affordability Outreach Pilot Program.

G. Herbert Stout Award for Visionary Use of Geographic Information System (GIS) by a Local Government in North Carolina

Ruth Rouse, OWASA's Planning and Development Manager, introduced Beth Canada, OWASA's GIS Coordinator, and Tim Johnson, Director of the NC Center for Geographic Information and Analysis. Mr. Johnson presented OWASA with the G. Herbert Stout Award for Visionary Use of GIS by a Local Government in North Carolina.

PETITIONS AND REQUESTS

John Young asked for petitions and requests from the public, Board and staff; there were none.

ITEM ONE: RESOLUTION SETTING THE DATE OF MAY 28, 2015 FOR A PUBLIC HEARING ON OWASA'S FISCAL YEAR 2016 BUDGET

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

ITEM TWO: RESOLUTION SETTING THE DATE OF MAY 28, 2015 FOR A PUBLIC HEARING ON PROPOSED REVISIONS TO OWASA'S SCHEDULE OF RATES, FEES AND CHARGES

Heather Payne made a motion to approve the resolution, second by Steve Dear and unanimously approved. Please see Motion No. 2 above.

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ITEM THREE: MINUTES

Heather Payne made a motion to approve the Minutes of the January 22, 2015 Meeting of the Board of Directors as amended on pages 2 and 5 as follows: "…Terri Buckner opposed because a survey is feedback on the issues important to staff instead of~~and not~~ engaging the community on the issues of importance to them." Second by Steve Dear and unanimously approved. Please see Motion No. 3 above.

ITEM FOUR: MINUTES

Heather Payne made a motion to approve the Minutes of the January 22, 2015 Work Session of the Board of Directors, second by Steve Dear and unanimously approved. Please see Motion No. 4 above.

ITEM FIVE: MINUTES

Heather Payne made a motion to approve the Minutes of the February 12, 2015 Work Session of the Board of Directors, second by Steve Dear and unanimously approved. Please see Motion No. 5 above.

ITEM SIX: MINUTES

Heather Payne made a motion to approve the Minutes of the February 12, 2015 Closed Session of the Board of Directors for the Purpose of Discussing Personnel Matters, second by Steve Dear and unanimously approved. Please see Motion No. 6 above.

ITEM SEVEN: MINUTES

Heather Payne made a motion to approve the Minutes of the March 12, 2015 Work Session of the Board of Directors, second by Steve Dear and unanimously approved. Please see Motion No. 7 above.

ITEM EIGHT: MINUTES

Heather Payne made a motion to approve the Minutes of the March 12, 2015 Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter, second by Steve Dear and unanimously approved. Please see Motion No. 8 above.

ITEM NINE: AUTHORIZE STAFF TO PUBLICIZE THE PRELIMINARY PROPOSAL OF NO INCREASE IN OWASA'S MONTHLY WATER AND SEWER RATES FOR THE FISCAL YEAR 2016 BUDGET

The Board agreed to authorize staff to inform customers that the proposed budget for Fiscal Year 2016 includes no increase in monthly rates for water, sewer or reclaimed water services. Other

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rates and fees are under review, and if adjustments are proposed, they would be publicized before the public hearings in May.

ITEM TEN: APPROVAL OF LAKE RULES ENFORCEMENT FOR CANE CREEK RESERVOIR AND UNIVERSITY LAKE

Terri Buckner requested, and the Board agreed, that the Lake Rules include the following statement; "Children Under 13 Must Wear An Approved Personal Flotation Device."

Terri Buckner made a motion to adopt the Resolution Adopting Policy on Procedures to be followed by Orange Water and Sewer Authority (OWASA) Staff in the Enforcement of Laws, Regulations and Rules Pertaining to Public Access and Use of OWASA Reservoirs; second by Amy Witsil and unanimously approved. Please see Motion No. 9 above.

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

Ed Kerwin summarized the meeting as follows:

- Staff will schedule a Natural Resources and Technical Systems Committee meeting to discuss energy management;
- Staff will schedule a Community Engagement Committee meeting to discuss Affordability Pilot Project Report;
- April 9, 2014 Work Session will include the following:
  - Review employee health and dental insurance renewal;
  - Review Scope of Work for Biosolids Management Report (Part 2);
  - Fiscal Year 2016 Preliminary Budget and Rate Adjustment Recommendations;
  - Review Draft 2015 Customer Survey; and
  - Reschedule the Closed Session that was scheduled for tonight.

Terri Buckner made a motion to adjourn the meeting, second by Quinton Harper and unanimously approved. Please see Motion No. 10 above.

The meeting was adjourned at 7:38 PM.

Respectfully submitted,

Andrea Orbich
Executive Assistant/Clerk to the Board

Attachments

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ORANGE WATER AND SEWER AUTHORITY

WORK SESSION OF THE BOARD OF DIRECTORS

APRIL 9, 2015

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a Work Session on Thursday, April 9, 2015 at 6:00 PM in OWASA's Community Room at 400 Jones Ferry Road, Carrboro.

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

OWASA staff present: Ed Kerwin; Alex Braxton; Mary Darr; Patrick Davis; Greg Feller; Stephanie Glasgow; Andrea Orbich; Kevin Ray; Todd Taylor, P.E., Stephen Winters; and Robert Epting, Esq., Epting and Hackney.

Others present: Ben Poulson, Associate Director of Energy Services and Meg Holton, Water, Wastewater, and Stormwater Manager, University of North Carolina at Chapel Hill; Ed King, Myra Dotson, Harry Phillips, and Betty Cross of Sewage Sludge Action Network; Lester Ray, Twin Brach Farm; Keith Trollinger, Trollinger Farm; and Rubin Herndon, Chapel Hill.

ANNOUNCEMENTS

Mr. Young said any Board Member who knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight is asked to disclose the same. (There were none.)

John Young asked, and the Board agreed, that agenda item 5 (Process for Nominating the Board's Officers) be deferred to the end of the regular agenda.

Mr. Young said the Chapel Hill Town Council's OWASA Committee and Chapel Hill appointees to the OWASA Board will meet on Thursday, April 23, 2015 at 8:00 AM in the OWASA Board Room.

Heather Payne, Chair of the Board's Finance Committee, said the committee responsible for recommending an auditor proposes that OWASA engage the firm of Martin Starnes for the audit for the fiscal year from July 2015 through June 2016. This matter will be on the agenda for April 23.

ITEM ONE: EMPLOYEE HEALTH AND DENTAL INSURANCE RENEWAL

The Board received a status report on negotiations with Blue Cross Blue Shield of North Carolina regarding renewal of health and dental insurance for employees from Stephanie Glasgow, Director of Human Resources and Safety and Ellen Tucker of Hill Chesson & Woody,

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OWASA's health insurance consultant. Staff will provide additional information at the May meetings and decisions on renewal are planned for later this spring.

ITEM TWO: REVIEW SCOPE OF WORK FOR BIOSOLIDS MANAGEMENT REPORT (PART 2)

The Board received and approved plans from John Kiviniemi, Wastewater Treatment and Biosolids Recycling Manager, to study near-term options for recycling dewatered biosolids (treated solids from wastewater) and changes to previously established biosolids management objectives. Staff plans to report back to the Board in late summer. Several citizens (Ed King, Myra Dotson, Harry Phillips, and Betty Cross) including farmers (Lester Ray) commented to the Board about biosolids recycling.

As requested by the Board, staff will provide information on how OWASA monitors the quality of its biosolids and will share with stakeholders and post on the OWASA website the US Geological Survey's report titled "*Effect of Land-Applied Biosolids on Surface-Water Nutrient Yields and Groundwater Quality in Orange County, North Carolina.*"

ITEM THREE: FISCAL YEAR 2016 PRELIMINARY BUDGET AND RATE ADJUSTMENT RECOMMENDATION

Stephen Winters, Director of Finance and Customer Service, provided information about the preliminary budget and rate adjustment recommendation for the Fiscal Year from July 2015 through June 2016. No increase in monthly rates for water, sewer and reclaimed service is proposed. Staff plans to propose changes to certain non-monthly fees charged for work OWASA performs; the fees are based on the costs OWASA incurs to provide the services. Staff will provide the Board with an updated budget and proposed schedule of rates, fees and charges at its meeting on April 23, 2015 and public hearings on the budget and rates are scheduled for May 28, 2015.

ITEM FOUR: DRAFT 2015 OWASA CUSTOMER SURVEY

After discussion, the Board authorized staff to proceed with a customer survey in the late summer or early fall of 2015. OWASA will invite accountholders and system users across the community to participate in the survey.

ITEM FIVE: REVIEW BOARD WORK SCHEDULE

Ed Kerwin said the item for May 14th on the total compensation study is tentative pending upcoming selection of a consultant at the end of April and staff plans to also have an agenda item on May 14th regarding a cost of labor adjustment and merit pay for employees. The Board agreed.

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

After discussion, the Board agreed that staff is to provide an overview of the recently completed

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preliminary engineering study for sewer service in the Historic Rogers Road Area for the April 23rd Board meeting, and the Board will also consider possible approval of an Interlocal Agreement with Orange County regarding OWASA's services for managing the Rogers Road sewer project design.

The Board agreed to discuss on June 11th whether to ask Counsel and staff to evaluate what changes to the Sale and Purchase Agreements and Bond Order would be necessary to allow OWASA to use revenue for charitable purposes such as the Care to Share customer assistance program. The discussion of rate structures on August 27, 2015 will include consideration of financial reserve policies. Staff will contact Bill Holman about making a presentation to the Board on August 27, 2015 regarding Jordan Lake watershed protection.

ITEM SEVEN: EXECUTIVE DIRECTOR WILL SUMMARIZE THE KEY ITEMS FROM THE WORK SESSION

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

- Staff will email the Board a summary of how we monitor biosolids quality;
- Staff will send the USGS report to biosolids stakeholders and post same on the website under the biosolids section;
- Staff will email the Board additional information regarding the OWASA/Carrboro connection for MCNC;
- Staff will email the Board a history of briefings regarding potential sewer service for the Historic Rogers Road Area;
- Staff will email the Human Resources Committee the draft recommendations for Fiscal Year 2016 merit pay no later than April 27th;
- Staff will schedule and invite Board members to tour the sidestream treatment process at the South Durham Wastewater Treatment Plant; and
- The April 23, 2015 Board Meeting will include:
    - Authorization to Publicize the Fiscal Year 2016 Draft Budget and Rates
    - Award an Audit Contract
    - Quarterly Financial Report
    - Award a Contract for Little Creek Sewer Project
    - Overview of Rogers Road Sewer Extension Project
    - Interlocal Agreement with Orange County regarding Rogers Road
    - Comments on Orange County's Draft Ordinance Amendment for Impervious Surface Limits
    - Continue discussion of Board's process for Election of Officers

ITEM EIGHT: OWASA BOARD OF DIRECTORS' OFFICER NOMINATION PROCESS

The Board discussed its process for annually nominating and electing officers (Chair, Vice Chair, Secretary) and agreed to have further discussion at the April 23rd Board meeting.

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ITEM NINE: CLOSED SESSION FOR THE PURPOSE OF DISCUSSING A PERSONNEL MATTER

Without objection, the Board convened into a Closed Session for the purpose of discussing a personnel matter.

The meeting was adjourned at 10:25 PM.

Respectfully submitted by:

Andrea Orbich
Executive Assistant/Clerk to the Board

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ORANGE WATER AND SEWER AUTHORITY

CLOSED SESSION OF THE BOARD OF DIRECTORS

APRIL 9, 2015

The Board of Directors of Orange Water and Sewer Authority met in Closed Session on Thursday, April 9, 2015, following the Board Work Session.

Board Members present: John A. Young, Chair; Michael M. Hughes, P.E., Vice Chair, and Heather Payne, Secretary; Terri Buckner; Quinton Harper; Dave Moreau; Ruchir Vora; and Amy Witsil.

Board Member excused: Stephen Dear.

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ITEM ONE

The Board of Directors met in Closed Session for the purpose of evaluating the interim performance review of OWASA's Executive Director.

No official action was taken at the meeting.

_____
Michael M. Hughes, P.E., Chair
Human Resources Committee

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AGENDA ITEM

- ORANGE COUNTY'S REQUEST FOR OWASA COMMENTS ON DRAFT CHANGES TO THE UNIFIED DEVELOPMENT ORDINANCE REGARDING IMPERVIOUS SURFACE LIMITS IN WATER SUPPLY WATERSHEDS

PURPOSE

- To provide comments on Orange County's draft amendments to its Unified Development Ordinance regarding impervious surface limits in water supply watersheds.

BACKGROUND

- Orange County's Unified Development Ordinance (UDO) currently requires a 6% impervious surface limit applicable to most residential development within in the University Lake and Cane Creek watersheds.
- The County's UDO allows property owners two options for requesting increases in the applicable impervious surface limits:
  - Variance request
  - Transfer of allowable impervious surface from an adjacent property through the establishment of a conservation easement
- Orange County has received citizen requests to allow modest increases in the impervious surface threshold.
- In response to the citizen requests, the Orange County Planning Department has proposed revisions to the UDO that would provide a third option for obtaining an increase in the allowable impervious surface. Under the proposed process, an owner could be allowed to have up to 9% impervious surface provided they installed an approved best management practice to infiltrate the increase in stormwater. This process would effectively mimic the hydrology of the site under the current 6% imperviousness threshold.
- The Board of County Commissioners requested that Orange County staff discuss the proposal with the OWASA Board of Directors and others before presenting it for formal consideration by the public.
- Michael Harvey, Orange County Planning Department, will make a brief presentation to the Board of Directors regarding the proposal and be available to answer questions.

ACTION NEEDED

- Board of Directors guidance to staff on potential comments on the proposed changes to Orange County's Unified Development Ordinance regarding impervious surface limits in water supply watersheds.

April 23, 2015

ORANGE WATER AND SEWER AUTHORITY

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

MEMORANDUM

TO: Board of Directors

THROUGH: Ed Kerwin

FROM: Ruth Rouse

DATE: April 17, 2015

SUBJECT: Orange County's Request for OWASA Comments on Draft Changes to the Unified Development Ordinance Regarding Impervious Surface Limits in Water Supply Watersheds

PURPOSE

To (a) receive information about the Orange County Planning Department's proposal to allow increases in impervious surface limits – subject to certain conditions – within water supply watersheds, including the University Lake and Cane Creek Reservoir watersheds, and (b) provide staff guidance regarding how OWASA should respond to the proposal.

Orange County staff presented its proposal to the Board of County Commissioners (BOCC) on March 17, 2015. At that meeting the BOCC directed staff to discuss the proposal with the OWASA Board of Directors and the County Commission for the Environment (meeting held on April 13, 2015). The County also provided an opportunity for Town of Carrboro and Town of Chapel Hill staff to comment on the proposed ordinance changes and requested comments be returned by May 1, 2015. County staff will compile the various comments, consider them as it revises its Unified Development Ordinance (UDO) text, and provide the comments and any suggested changes to the ordinance text at the County's May 26, 2015 Quarterly Public Hearing between the BOCC and Orange County Planning Board.

Michael Harvey with the Orange County Planning Department will attend the Board of Directors meeting and make a brief presentation. He will be available to answer any questions you may have about the proposed changes to the UDO.

IMPERVIOUS SURFACES

Impervious surfaces are built-upon surfaces such as roads, buildings, parking areas, and sidewalks. Impervious surfaces impede rainwater from infiltrating into the underlying soil. Thus, the greater the amount of watershed imperviousness, the more rainfall runs directly to streams during storms and less to groundwater recharge. This results in higher storm flows and reduced low flows compared to pre-development conditions. In addition, the increased stormwater runoff carries greater pollutant loads to waterways, since there is reduced ability for

the pollutants to be filtered by the soil and removed via natural processes. Thus, limiting impervious surfaces within a watershed protects both water quantity and quality.

BACKGROUND

OWASA and its customers have long-benefitted from the progressive watershed protection requirements implemented by Orange County, Carrboro, and Chapel Hill. Those efforts have been guided by the technical evaluations and recommendations from local watershed management studies funded by OWASA. Orange County has planning and zoning control over about 90% of the University Lake and Cane Creek watersheds; therefore, the County's requirements will be a primary factor affecting the long-term quality of our community's existing drinking water supplies.

The County's protection standards for our two watersheds are set forth in the County's UDO, and include some of the most restrictive development densities, riparian buffer requirements, and impervious surface limits in the State. The County's requirements exceed the State's minimum statewide watershed protection requirements established under North Carolina General Statute 143-214.5 and the North Carolina Department of Environment and Natural Resources' (DENR) regulations at 15A NCAC 02B .0214.

Attachment #1 summarizes some of the key provisions of the County's and State's watershed protection requirements applicable to the University Lake and Cane Creek Reservoir watersheds. (The State requirements are minimum acceptable statewide standards, and are not based on any watershed-specific studies or models).

The County's ordinance currently allows homeowners two options for pursuing an increase in the impervious threshold limits applicable to their property:

1. Variance request
2. Transfer of allowable impervious surface from an adjacent property through the establishment of a conservation easement.

The County is proposing to add a third option to modify the impervious surface limits in response to citizen requests to allow modest increases in the allowable impervious surface limits. This third proposed process – if approved – would generally increase the allowable impervious surface limit for the University Lake and Cane Creek Reservoir watersheds from the current 6% limit to as much as 9%, provided that the property owner implement an infiltration best management practice (BMP) approved by DENR. The homeowner would have to hire an engineer to evaluate the infiltration capacity of the soil and design the BMP in accordance with the State's stormwater manual. The property owner would also have to complete a stormwater operation and maintenance agreement and have the document recorded with the Register of Deeds; the owner would also assume all financial and legal responsibility for the BMP.

The County staff's proposal also includes an increase in the allowable impervious surface limit for non-residential development within the Protected Watershed area in the University Lake watershed, which would make such requirements uniform for both the Cane Creek Reservoir and University Lake watersheds.

Attachment 2 includes the Planning Department's draft ordinance language.

By requiring increases in impervious surface limits to be offset by BMPs, the net effect of the County's proposed process would be to mimic the hydrology of the site at the current impervious surface threshold of 6%. Controlling the stormwater runoff would also effectively control the total nitrogen and total phosphorus and other pollutant loading from a given parcel and protect water quality. Thus, OWASA staff do not believe the County's proposal will result in "backsliding" from current water supply protection efforts.

Staff also reviewed our watershed management studies and documents to ensure that the County Planning staff's proposal does not contradict prior technical findings and recommendations. The proposed changes are consistent with early recommendations.

The two highest goals established for the Cane Creek watershed study were to (1) protect public health, and (2) to minimize impacts on County residents who are not OWASA customers. The proposed changes would help meet that second objective established in the 1990s while protecting the quality of our drinking water supplies.

STAFF COMMENTS ON THE PROPOSED MODIFICATIONS TO THE UDO

1. Provided that development densities and riparian buffer requirements are not relaxed, a combination of limiting impervious surface at thresholds higher than currently allowed along with an infiltration BMP which would help mimic the existing hydrology of the land could be as protective of water quality in the water supply reservoirs if the BMP is properly designed, constructed, and maintained. Since the draft ordinance revision requires an engineer to design the BMP, it is likely that the associated BMP would be designed properly. However, there is no guarantee that the current or future property owner would properly maintain the BMP in perpetuity.
2. We recommend that 4.2.8(C)(3) clarify that a licensed engineer design the BMP.
3. If the proposed revisions are considered, Orange County should be certain that it can and will provide the funding and staff resources necessary to ensure that mandatory inspections and maintenance for such BMPs will occur.
4. We commend Orange County for including both a protective density requirement and stringent impervious surface requirement, and believe both should remain. The density/minimum lot size provisions are the foundation of our successful local water supply protection program.
5. We agree that if the County moves forward with this proposal, it should credit only infiltration BMPs, as proposed, which help mimic the existing hydrology of the site.
6. We strongly support Orange County's approach for only allowing the low density development options in our water supply watersheds. We believe this helps protect water quality as well as maintain the rural character of the County. We oppose the high density options allowed by state regulations, other than those currently allowed for fire stations and the solid waste collection center.

7. We do not oppose the proposal to make the University Lake impervious surface limitation for non-residential development consistent with that for the Cane Creek Reservoir watershed.
8. Staff will offer technical wording suggestions to clarify certain provisions in the proposed changes to the UDO.

STAFF RECOMMENDATION

Staff recommends that the Board of Directors discuss Orange County Planning Department's proposal to modify impervious surface limits in water supply watersheds and provide guidance to staff regarding potential submittal of comments to the County.

Ruth C. Rouse

Ruth C. Rouse, AICP
Planning and Development Manager

Attachment1: Summary Table of Orange County and State Key Watershed Protection Requirements Applicable to University Lake and Cane Creek Reservoir Watersheds

Attachment 2: Comprehensive Plan/Future Land Use Map and Unified Development Ordinance (UDO) Amendment Outline

Attachment 1: Summary Table of Orange County and State Key Watershed Protection Requirements Applicable to University Lake and Cane Creek Reservoir Watersheds

The following table summarizes Orange County's and DENR's key watershed protection requirements for the University Lake and Cane Creek Reservoir watersheds. The table has been simplified and does not specifically reflect the following:

1. The County's UDO includes a sliding scale of allowable impervious surfaces (UDO Tables 4.2.5.2 and 4.2.5.3) for lots that were in existence before the ordinance was developed (i.e. grandfathered allowances).
2. The state allows local governments to implement a high density development option, which includes much higher impervious surface allowances with best management practices. Orange County implemented only the low density option for local water supply reservoirs; therefore, the table below does not summarize requirements applicable to the high density option.

Watershed District	**County Requirements for Residential Development**	**County Requirements for Nonresidential Development**	**State's Minimum Requirements as Outlined for Low Density Option**
University Lake – critical area[1]	6% impervious 1 dwelling unit per 5 acres Certain parcels in existence prior to October 2, 1989 qualify for density bonus of maximum of 5 dwelling units for every 2 acres of property with any future development being held to the 1 unit for 5 acre density limit	6% impervious 1 dwelling unit per 5 acres Certain parcels in existence prior to October 2, 1989 qualify for density bonus of maximum of 5 dwelling units for every 2 acres of property with any future development being held to the 1 unit for 5 acre density limit	6% imperviousness or 1 dwelling unit per 2 acres
University Lake – rest of watershed	6% impervious 1 dwelling unit per 5 acres Certain parcels in existence prior to October 2, 1989 qualify for density bonus of maximum of 5 dwelling units for every 2 acres of property with any	6% impervious 1 dwelling unit per 5 acres Certain parcels in existence prior to October 2, 1989 qualify for density bonus of maximum of 5 dwelling units for every 2 acres of property with any	12% impervious surface or 1 dwelling unit per acre

Watershed District	County Requirements for Residential Development	County Requirements for Nonresidential Development	State's Minimum Requirements as Outlined for Low Density Option
	future development being held to the 1 unit for 5 acre density limit	future development being held to the 1 unit for 5 acre density limit	
Cane Creek – critical area[1]	6% impervious 1 dwelling unit per 5 acres Certain parcels in existence prior to October 19, 1999 qualify for density bonus of maximum of 5 dwelling units for every 2 acres of property with any future development being held to the 1 unit for 5 acre density limit	6% imperviousness 5 acre minimum lot size	6% imperviousness or 1 dwelling unit per 2 acres
Cane Creek – rest of watershed	6% impervious 1 dwelling unit per 5 acres Certain parcels in existence prior to October 19, 1999 qualify for density bonus of maximum of 5 dwelling units for every 2 acres of property with any future development being held to the 1 unit for 5 acre density limit	12% imperviousness 5 acre minimum lot size 50% impervious surface limit for all fire stations and solid waste collection centers with stormwater feature (would follow state's high density rules)	12% impervious surface or 1 dwelling unit per acre

[1] Critical area is defined as the area of the watershed within ½ mile of normal pool elevation of the water supply watershed

Attachment 2

COMPREHENSIVE PLAN/ FUTURE LAND USE MAP AND UNIFIED DEVELOPMENT ORDINANCE (UDO) AMENDMENTOUTLINE

UDO / Zoning-2015-02

UDO Text Amendment(s) allowing for the modification of impervious surface area within Watershed Protection Overlay Districts through the installation of permeable pavement

A. AMENDMENT TYPE

Map Amendments

☐ Land Use Element Map:
From:
To:

☐ Zoning Map:
From:
To

☐ Other:

Text Amendments

☐ Comprehensive Plan Text:
Section(s):

☒ UDO Text:
☒ UDO General Text Changes
☐ UDO Development Standards
☐ UDO Development Approval Processes
Section(s): 1. 4.2.8 *Modifications of the Impervious Surface Ratio* of the Orange County Unified Development Ordinance (UDO).

☐ Other:

B. RATIONALE

1. Purpose/Mission

In accordance with the provisions of Section 2.8 *Zoning Atlas and Unified Development Ordinance Amendments* of the UDO, the Planning Director has initiated text amendment(s) to modify existing regulations governing processes

allowing for the modification of allowable impervious surface area.

There has been an increase in inquires and interest from local residents and property owners with respect to increasing allowable impervious surface area on parcels of property including:

- Increasing allowable impervious surface percentages in Watershed Protection Overlay Districts in accordance with State standards,
- Allow additional impervious surface area on property based on the installation of a stormwater feature, and
- Exempt gravel from being considered an 'impervious surface area'.

Staff generated an information item on this topic, which was provided to the BOCC at its March 3, 2015 regular meeting (please refer to Attachment 2).

As detailed within this information item, in certain circumstances the State allows the installation of a stormwater feature, commonly referred to as a Best Management Practice (BMP), providing an opportunity for the installation of additional impervious surface area.

At this time the State only recognizesthe use/installation of permeable pavement as a means of receiving additional impervious surface area on a parcel. The State is in the process of revising their policies, which could result in the expansion of the types of features allowing for an additional allotment of impervious surface area.

The proposed amendment(s) seeks to incorporate the use of permeable pavement as a means of modifying allowable impervious surface area within the County. The review of these requests will have to be done on a case-by-case basis with the property owner assuming the responsibility for completing the necessary engineering studies justifying the modification as well as the responsibility for the maintenance, inspection, and upkeep of said BMP.

2. Analysis

As required under Section 2.8.5 of the UDO, the Planning Director is required to: '*cause an analysis to be made of the application and, based upon that analysis, prepare a recommendation for consideration by the Planning Board and the Board of County Commissioners'*.

The amendments are necessary to address current concerns our impervious surface limits are too restrictive and unnecessary limit development of property and to provide a mechanism for modifying said limits consistent with current State policies.

Additional analysis will be part of the public hearing materials.

3. Comprehensive Plan Linkage (i.e. Principles, Goals and Objectives)

Land Use Goal 4: Land development regulations, guidelines, techniques, and/or incentives that promote the integrated achievement of all Comprehensive Plan goals.

4. New Statutes and Rules

N/A

a. PROCESS

1. TIMEFRAME/MILESTONES/DEADLINES

a. BOCC Authorization to Proceed

March 17, 2015

b. Quarterly Public Hearing

May 26, 2015

c. BOCC Updates/Checkpoints

March 3, 2015 – Approvedof the UDO Amendment Outline Form.

April 1, 2015 – Planning Board Ordinance Review Committee (ORC).

May 26, 2015 – Quarterly Public Hearing.

June 16, 2015 - Receive Planning Board recommendation.

d. Other

2. PUBLIC INVOLVEMENT PROGRAM

Mission/Scope: Public Hearing process consistent with NC State Statutes and Orange County ordinance requirements

a. Planning Board Review:

April 1, 2015 – Planning Board Ordinance Review Committee (ORC).

June 3, 2015 – Recommendation.

b. Advisory Boards:

c. Local Government Review:

Staff will transmit the proposed amendment to the Towns of Chapel Hill, Carrboro, and Hillsborough for courtesy review in the month of April 2015.

d. Notice Requirements

Legal advertisement published in accordance with the provisions of the UDO.

e. Outreach:

- ☐ General Public:
- ☐ Small Area Plan Workgroup:
- ☐ Other:

3. FISCAL IMPACT

Modification of existing language will not require the outlay of additional funds by the County.Processing of the amendment shall be handled by staff utilizing existing budgeted funds.

b. AMENDMENT IMPLICATIONS

The amendment will allow for an additional process, in accordance with State regulations, allowing for the modification of impervious surface limits throughout the County.

c. SPECIFIC AMENDMENT LANGUAGE

Will be available with the quarterly public hearing materials.

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(e) The amount of encroachment into the stream or reservoir buffer is the minimum amount which can be obtained while meeting the criteria in (a) through (d).

4.2.3 Land Use Restrictions

All uses and activities allowed in the underlying zoning district are permitted with the following exceptions:

TABLE 4.2.3 LAND USE RESTRICTIONS

DISTRICT	RESTRICTIONS
UNIV-CA UNIV-PW CANE-CA U-ENO-CA	No new landfills are permitted. No commercial or industrial uses are permitted except for commercial development, in accordance with the provisions of the Ordinance, located within established Nodes as detailed within the Orange County Comprehensive Plan. No new golf courses are permitted
UNIV-CA CANE-CA U-ENO-CA	No residual (sludge/biosolids) application is permitted.
CANE-PW U-ENO-PW HYCO-PW LITTLE-PW BACK-PW FLAT-PW HAW-PW L-ENO-PW JORDAN-PW	No discharging landfills are permitted. Industrial use is limited to nonhazardous light industrial uses characterized by low water use (less than 10,000 gpd, excluding domestic water (25 gpd per employee) and water used for heating and air conditioning).

4.2.4 Residential Density

Maximum residential density shall be as indicated in the Table in this subsection, or as required by the underlying zoning district, whichever is less.

TABLE 4.2.4 RESIDENTIAL DENSITY

DISTRICT	MAXIMUM DENSITY
UNIV-CA UNIV-PW	1 du/five acres. Lots of record existing on October 2, 1989 may contain up to, but no more than, five lots with a density of one du/two acres. Contiguous lots of record existing on October 2, 1989 may be combined into one parcel for development. The number of two-acre lots and the total number of lots in the combined parcel cannot exceed the sum of the number of lots which could be created from each lot of record.
CANE-CA CANE-PW	1 du/ five acres Lots of record existing on October 19, 1999 may contain up to, but no more than, five lots as small as two acres in size. Contiguous lots of record existing on October 19, 1999 may be combined into one parcel for development. The number of two-acre lots and the total number of lots in the combined parcel cannot exceed the sum of the number of lots which could be created from each lot of record.
U-ENO-CA LITTLE-PW	1 du / 2 acres
HYCO-PW FLAT-PW	1 du/ 40,000 square feet (.92 acre)
U-ENO-PW L-ENO-PW HAW-PW JORDAN-PW BACK-PW	Maximum density is as permitted in the underlying zoning district. Structural BMPs are required in some cases where density exceeds 1 dwelling unit per acre. Refer to Section 4.2.5.

4.2.5 Impervious Surface and Detention Pond Requirements for Residential Uses

TABLE 4.2.5.1: IMPERVIOUS SURFACE/DETENTION POND REQUIREMENTS (RESIDENTIAL)

DISTRICT	IMPERVIOUS SURFACE/DETENTION POND REQUIREMENTS (RESIDENTIAL)
UNIV-CA UNIV-PW	6% impervious surface limit. EXCEPT for all lots which existed prior to 4/2/90, which are subject to impervious surface limits as provided in the following Table (entitled Sliding Scale for Residential Impervious Surface Ratios – Univ, Cane, and Little). [1], -[2] ~~BMPs cannot be used to satisfy watershed impervious surface requirements.~~ [1] Parcels shall be a minimum of 2 acres in area, exclusive of any right-of-way or access easement, to qualify for additional impervious surface allocation as detailed in Section 4.2.8 (c).
CANE-CA CANE-PW	6% impervious surface limit. EXCEPT for lots smaller than two acres which existed prior to 1/1/94, which are subject to impervious surface limits as provided in the following Table (entitled Sliding Scale for Residential Impervious Surface Ratios – Univ, Cane, and Little). [1], [2] ~~* BMPs cannot be used to satisfy watershed impervious surface requirements.~~ Parcels shall be a minimum of 2 acres in area, exclusive of any right-of-way or access easement, to qualify for additional impervious surface allocation as detailed in Section 4.2.8 (c).
U-ENO-CA	6% impervious surface limit. EXCEPT for lots smaller than five acres which existed prior to 6/1/2010, which are subject to impervious surface limits as provided in the following Table (entitled Sliding Scale for Residential Impervious Surface Ratios – Upper Eno). [1], [2] ~~* BMPs cannot be used to satisfy watershed impervious surface requirements.~~
LITTLE-PW	6% impervious surface limit. EXCEPT for lots which existed prior to 1/1/94, which are subject to impervious surface limits as provided in the following Table (entitled Sliding Scale for Residential Impervious Surface Ratios - Univ, Cane, and Little). [1], [2] ~~* BMPs cannot be used to satisfy watershed impervious surface requirements.~~ Parcels shall be a minimum of 2 acres in area, exclusive of any right-of-way or access easement, to qualify for additional impervious surface allocation as detailed in Section 4.2.8 (c). [2]
FLAT-PW HYCO-PW	12% impervious surface limit for new and existing lots. [1], [2] ~~* BMPs cannot be used to satisfy watershed impervious surface requirements.~~
U-ENO-PW BACK-PW	12% impervious surface limit for existing and new lots outside of Transition Areas as designated in the Orange County Land Use Plan. [1], [2] ~~[1] BMPs cannot be used to satisfy watershed impervious surface requirements.~~ 30% impervious surface limit for developments which exceed a density 1 du/acre within Transition Areas as designated in the Orange County Land Use Plan. Structural BMPs are required if impervious surface exceeds 12%. 70% impervious surface limit for residential uses developed at "high intensity" densities (R-5, R-8, and R-13) in an Economic Development District as designated in the Land Use Element of the Comprehensive Plan (high-density option) with structural BMPs if ISR exceeds~~>~~12%.
L-ENO-PW	24% impervious surface limit with curb and gutter. 36% impervious surface limit without curb and gutter. [1], [2] ~~[1] BMPs cannot be used to satisfy watershed impervious surface requirements.~~ 70% impervious surface limit for residential uses developed at "high intensity" densities (R-

[1] Staff is editing existing notes throughout the Section to address existing typographical and reference errors. In the existing text an asterisk ('*') in certain cases was used to denote information while in other cases it was not. There was also a [1] used to identify certain watersheds requiring a BMP in the Neuse River Basis. Unfortunately the watershed overlay districts identified are not in the Neuse River Basin. The proposed amendments address these issues and clarify the essential information.

[2] Staff is mandating a 2 acre lot size in order to be consistent with current State allowances.

TABLE 4.2.5.1: IMPERVIOUS SURFACE/DETENTION POND REQUIREMENTS (RESIDENTIAL)	
DISTRICT	**IMPERVIOUS SURFACE/DETENTION POND REQUIREMENTS (RESIDENTIAL)**
	5, R-8, and R-13) in an Economic Development District as designated in the Land Use Element of the Comprehensive Plan (high-density option), with structural BMPs required when impervious surface exceeds: 24% (w/ curb and gutter); or 36% (w/o curb and gutter).
HAW-PW JORDAN-PW	24% impervious surface limit. [1], [2] ~~[1] BMPs cannot be used to satisfy watershed impervious surface requirements.~~
[1] ~~BMP's as mandated by the Stormwater Management Program for Lands within the Neuse River Basin are allowed.~~ Allowable impervious surface area may be modified in accordance with Section 4.2.8 of the UDO. [3] [2] A stormwater feature/best management practice (BMP) shall be required in accordance with applicable local and State standards based on proposed land disturbance. [4]	

(A) Hillsborough Economic Development District

(1) The Hillsborough Economic Development District is located within the Lower Eno - Unprotected watershed. Within the Hillsborough Economic Development District, as designated in the Land Use Element of the Comprehensive Plan, the maximum impervious surface ratio is 50% with detention ponds.

TABLES 4.2.5.2 & 4.2.5.3: SLIDING SCALE FOR RESIDENTIAL IMPERVIOUS SURFACE RATIOS – UNIV, CANE, LITTLE, AND UPPER ENO						
LOT SIZE (ACRES)	**ISR**	**SQUARE FEET**		**LOT SIZE (ACRES)**	**ISR**	**SQUARE FEET**
Cells in black DO NOT apply to the Upper Eno						
6+	5.0			3.1	9.8	13,234
6.0	5.0	13,068		3.0	10.0	13,068
5.9	5.1	13,107		2.9	10.2	12,885
5.8	5.2	13,138		2.8	10.4	12,685
5.7	5.3	13,159		2.7	10.6	12,467
5.6	5.4	13,172		2.6	10.8	12,232
5.5	5.5	13,177		2.5	11.0	11,979
5.4	5.6	13,172		2.4	11.2	11,709
5.3	5.7	13,159		2.3	11.4	11,421
5.2.	5.8	13,138		2.2	11.6	11,116
5.1	5.9	13,107		2.1	11.8	10,794
5.0	6.0	13,068		2.0	12.0	10,454
4.9	6.2	13,234		1.9	12.2	10,097
4.8	6.4	13,381		1.8	12.4	9,723
4.7	6.6	13,512		1.7	12.6	9,331
4.6	6.8	13,625		1.6	12.8	8,921

[3] This references the Section of the UDO where are now recognizing a State provision allowing for the additional allotment of impervious surface area through the use of specific BMPs.

[4] Requiring a BMP is based on the proposed land disturbance of a project not on how much impervious surface are is proposed for a parcel of property. This land disturbance thresholds varies for each district consistent with State requirements. We are adding language to the UDO clarifying when a BMP is required.

TABLES 4.2.5.2 & 4.2.5.3: SLIDING SCALE FOR RESIDENTIAL IMPERVIOUS SURFACE RATIOS – UNIV, CANE, LITTLE, AND UPPER ENO						
LOT SIZE (ACRES)	ISR	SQUARE FEET		LOT SIZE (ACRES)	ISR	SQUARE FEET
Cells in black DO NOT apply to the Upper Eno						
4.5	7.0	13,721		1.5	13.0	8,494
4.4	7.2	13,880		1.4	13.2	8,050
4.3	7.4	13,861		1.3	13.4	7,588
4.2	7.6	13,904		1.2	13.6	7,109
4.1	7.8	13,930		1.1	13.8	6,612
4.0	8.0	13,939		1.0	14.0	6,098
3.9	8.2	13,930		0.9	14.2	5,567
3.8	8.4	13,904		0.8	14.4	5,018
3.7	8.6	13,861		0.7	14.6	4,452
3.6	8.8	13,800		0.6	14.8	3,868
3.5	9.0	13,721		0.5	15.0	3,267
3.4	9.2	13,625		0.4	15.2	2,648
3.3	9.4	13,512		0.3	15.4	2,012
3.2	9.6	13,382		0.2	15.6	1,359

4.2.6 Impervious Surface, Detention Pond, and Lot Size Requirements for Non-Residential Uses

Unless otherwise noted in the Table below, minimum lot sizes shall be in conformance with the underlying zoning district.

TABLE 4.2.6: IMPERVIOUS SURFACE/DETENTION POND REQUIREMENTS	
DISTRICT	IMPERVIOUS SURFACE/DETENTION POND REQUIREMENTS (NON-RESIDENTIAL)
~~UNIV-CA~~ ~~UNIV-PW~~[5]	~~Same as Residential (See Table in subsection 4.2.5)~~
UNIV-CA CANE-CA	5-acre minimum lot size, with potential of up to five lots as small as two acres for lots of record September 1, 2015 (University Lake) or October 19, 1999 (Cane Creek); AND 6% impervious surface limit. [1], [2] ~~BMPs cannot be used to satisfy watershed impervious surface requirements~~.
U-ENO-CA	2-acre minimum lot size AND 6% impervious surface limit. [1], [2]
UNIV-PW CANE-PW	5-acre minimum lot size with potential of up to five lots as small as two acres for lots of record September 1, 2015 (University Lake) or October 19, 1999 (Cane Creek) ~~(Amended 10-19-99)~~; AND 50% ISR for all fire stations and solid waste collection centers; AND 12% ISR for all other non-residential uses; AND on-site infiltration of the first inch of stormwater runoff; AND a limit of 1.0% of the watershed for non-residential use (139 acres in CANE-PW). [1], [2[~~BMPs cannot be used to satisfy watershed impervious surface requirements.~~
LITTLE-PW	2-acre minimum lot size AND 50% ISR for all fire stations and solid waste collection centers; AND 12% ISR for all other non-residential uses; AND on-site infiltration of the first inch of stormwater runoff; AND a limit of 1.0% of the watershed for non-residential use (406 acres in LITTLE-PW). [1], [2] ~~BMPs cannot be used to satisfy watershed impervious surface requirements.~~

[5] Staff would like to discuss modifying these provisions. We believe it would be more appropriate to make the regulations more consistent with other, similar overlay district as denoted herein.

TABLE 4.2.6: IMPERVIOUS SURFACE/DETENTION POND REQUIREMENTS	
DISTRICT	**IMPERVIOUS SURFACE/DETENTION POND REQUIREMENTS (NON-RESIDENTIAL)**
U-ENO-PW BACK-PW	70% ISR in Economic Development, Commercial and/or Commercial- Industrial Nodes as designated in the Land Use Element of the Comprehensive Plan (high-density option) with structural BMPs if ISR ~~>~~ exceeds 12%; AND 50% ISR for all fire stations and solid waste collection centers outside of Commercial and/or Commercial-Industrial Nodes as designated in the Land Use Element of the Comprehensive Plan, with structural BMPs if ISR ~~>~~ exceeds 12%; AND 12% ISR for all other non-residential uses outside of Commercial and/or Commercial-Industrial Nodes as designated in the Land Use Element of the Comprehensive Plan ~~(* BMPs cannot be used to satisfy watershed impervious surface requirements)~~; AND on-site infiltration of the first inch of stormwater runoff; AND A limit of 1,151 acres of non-residential use throughout U-ENO-PW (5.0%) and 163 acres throughout BACK-PW (1%). [1], [2]
HYCO-PW FLAT-PW	50% ISR for all fire stations and solid waste collection centers; AND 12% ISR for all other non-residential uses; AND on-site infiltration of the first inch of stormwater runoff;AND limit of 1% of the watershed for non-residential use (37 acres in HYCO-PW, 66 acres in FLAT-PW). [1], [2] ~~BMPs cannot be used to satisfy watershed impervious surface requirements~~.
L-ENO-PW	70% impervious surface, with structural BMPs required when impervious surface exceeds: 24% (w/ curb and gutter); or 36% (w/o curb and gutter). [1], [2]
HAW-PW JORDAN-PW	24% impervious surface limit. [1], [2] ~~BMPs cannot be used to satisfy watershed impervious surface requirements.~~
[~~1] BMP's as mandated by the Stormwater Management Program for Lands within the Neuse River Basin are allowed.~~ [1] Allowable impervious surface area may be modified in accordance with Section 4.2.8 of the UDO. [2] For non-residential developments a stormwater feature/best management practice (BMP) shall be required in accordance with applicable local and State standards based on proposed land disturbance and/or a project exceeding 12% impervious as identified herein. NOTE: Non-residential use impervious acreage limits in watershed with such limits are calculated using the actual amount of impervious surface for non-residential uses throughout the watershed, not by the overall number of acres of non-residential parcels located in a particular watershed.	

(A) Hillsborough Economic Development District

(1) The Hillsborough Economic Development District is located within the Lower Eno - Unprotected watershed. Within the Hillsborough Economic Development District, as designated in the Land Use Element of the Comprehensive Plan, the maximum impervious surface ratio is 50% with detention ponds.

4.2.7 Placement of Streets, Driveways, and Buildings

(A) Streets, driveways, and buildings or other structures shall be located, to the extent reasonably possible, so as to take full advantage of the absorptive capacity of the soils on which they are to be situated and to avoid the following environmentally sensitive areas:

(1) Stream buffer zones as required by Section 6.13;

(2) Wetlands as defined by the U.S. Army Corps of Engineers;

(3) Land with slopes greater than 15%; and

(4) Natural areas as identified in the Inventory of Natural Areas and Wildlife Habitats of Orange County, NC.

(B) To avoid creating lots that will be difficult to build upon in compliance with the standards of this Section, the preliminary plan shall show proposed building envelopes and approximate driveway locations for all lots within subdivisions.

(1) A zoning compliance permit shall not be issued for the construction of buildings or driveways outside the areas so designated on the preliminary plan unless the Planning Director makes a written finding that the proposed location complies with the provisions of this Section and Sections 6.13 (Stream Buffers) and 6.14 (Stormwater Management).

4.2.8 Modifications of the Impervious Surface Ratio

Modifications of the Impervious Surface Ratios may be requested through one of the following provisions:

(A) Through variance procedures of the Board of Adjustment, as described in Section 2.10.

(B) Through approval and recordation of a conservation agreement, as provided in Article 4 of Chapter 121 of the N.C. General Statutes, between Orange County and a land owner that prohibits development of land in a protected watershed in perpetuity, subject to the following:

(1) A modification of the required impervious surface ratios may be approved administratively but only to the extent that additional land in the same watershed is conserved or protected from development.

(2) The land which will be subject to a conservation agreement must be adjacent to the land proposed for development and for which a modification of the impervious surface ratios is sought.

(a) As an example, a person owning a 40,000 square foot lot and subject to a 12% impervious surface ratio would be limited to 4,800 square feet of impervious coverage. If the person's plans called for 5,500 square feet of coverage (a difference of 700 square feet), the recording of a conservation easement on 5,833 square feet of contiguous property would satisfy the impervious surface ratio requirements. (12% of 5,833 square feet is 700 square feet.)

(b) The conservation easement shall describe the property restricted in a manner sufficient to pass title, provide that its restrictions are covenants that run with the land and, be approved in form by the County Attorney.

(c) The conservation easement shall, upon recording, be in the place of a first priority lien on the property (excepting current ad valorem property taxes) and shall remain so unless, with the approval of Orange County, it is released and terminated.

(d) Orange County shall require the priority of the conservation easement to be certified by an attorney-at-law, licensed to practice law in the State of North Carolina and approved to certify title to real property.

(e) Orange County approval of a release or termination of the conservation agreement shall be declared on the document releasing or terminating the agreement. The document shall be signed by the Orange County Manager, upon approval of the Board of County Commissioners. No such document shall be effective to release or terminate the conservation agreement until it is filed for registration with the Register of Deeds of Orange County.

(C) Through the installation of a stormwater feature, consistent with the minimum design standards as detailed within the State BMP Manual.

(1) The proposed feature has to be recognized by the State as allowing for an increase in impervious surface area through infiltration. The goal of this

allowance is to ensure any additional development is mitigated, and is equivalent to, previously established impervious surface limitations.

(2) Under no circumstances may impervious surface area be increased by more than 3% of the total allowable area on the subject parcel through this process.

(3) A property owner shall hire an engineer to complete a stormwater assessment of the current property identifying its infiltration rates and carrying capacity as well as a comprehensive soil assessment for the property.

(4) The development/design of the feature shall be in accordance with established design criteria as embodied within the State stormwater manual. Additional allowable impervious surface area shall be based on the soil composition of the property consistent with State regulations.

(5) The property owner shall be responsible for the completion and submission of a stormwater operation/maintenance and access agreement detailing the perpetual maintenance, inspection, and upkeep of the approved BMP in accordance with County and State regulations. This document shall be reviewed by the County Attorney's office and Engineering, Erosion Control and Stormwater Division staff. Once approved, the document shall be recorded in the Orange County Registrar of Deeds office.

The property owner assumes all financial and legal responsibility for the maintenance and upkeep of the approved BMP.

(6) The property owner shall assume all costs associated with the preparation and recordation of new plat(s)/development restrictions detailing the allowable impervious surface limit(s) for the property once the BMP has been approved by the County.

4.2.9 Water Supply / Sewage Disposal Facilities

TABLE 4.2.9: WATER SUPPLY/SEWAGE DISPOSAL FACILITIES

DISTRICT	WATER SUPPLY/SEWAGE DISPOSAL
UNIV-CA UNIV-PW	Water supply and sewage treatment systems shall be limited to individual wells and on-site septic tanks systems or individual on-site alternative disposal systems.
All Watershed Overly Districts	No new treatment system will be permitted where effluent disposal occurs on a separate lot from the source of wastewater generation; provided, however, off-site systems shall be permitted in all Watershed Overlay Districts except the University Lake Protected Watershed (UNIV-PW) and Critical Area (UNIV-CA) when located in a Flexible Development subdivision approved in accordance with Section 7.13 of this Ordinance.
UNIV-CA	New septic tanks and their nitrification fields shall be located outside of any stream buffers, or 300 feet from a reservoir or perennial or intermittent stream as shown on the USGS Quadrangle maps, whichever is further
CANE-CA U-ENO-CA	New septic tanks, pump tanks and their appurtenances shall be located outside of any stream buffers and at least 100 feet from a perennial or intermittent stream as shown on the USGS Quadrangle maps, and at least 150 feet from a reservoir. New nitrification fields shall be located outside of any stream buffers and at least 100 feet from a perennial or intermittent stream as shown on the USGS Quadrangle maps, and at least 300 feet from a reservoir.
CANE-PW CANE-CA U-ENO-CA	Water supply and sewage treatment systems shall be limited to individual wells and septic tanks or individual on-site alternative disposal systems; provided however, off-site systems shall be permitted when located in a Flexible Development subdivision approved in accordance with Section 7.13 of this Ordinance.

AGENDA ITEM

- **OVERVIEW OF THE PRELIMINARY ENGINEERING STUDY FOR ROGERS ROAD SEWER EXTENSION PROJECT**

PURPOSE

- To provide information to the Board of Directors about the recently completed Historic Rogers Road area preliminary engineering study.

BACKGROUND

- OWASA has been providing technical support (answering questions, providing rough cost estimates, etc.) for sewer related issues in the Historic Rogers Road area since 2007.
- In February 2012, the Orange County Board of Commissioners authorized the creation of a new Historic Rogers Road Neighborhood Task Force to address sewer service and a community center. The Task Force issued their Final Report in September 2013 and recommended the 2012 OWASA Sewer Concept Plan as the preferred approach for sewer service.
- OWASA and Orange County entered into an interlocal agreement to conduct a preliminary engineering study in June 2014 to conduct field investigations in the project area to inform the sewer alignment and provide a budget level cost estimate.
- OWASA used a qualification based selection process to hire URS Corporation as the consulting engineer for the project.
- Based on the findings from the preliminary engineering study, URS estimates the project costs to install about 3.5 miles of sewer lines at $5.7 million. The estimate does not include costs for private plumbing installation, septic tank abandonment, easement acquisition or service availability fees.
- URS's recommended sewer alignment is a gravity sewer system. Based on their field investigation and experience designing sewer systems, URS considers it feasible to construct gravity sewers to serve the 86 parcels (in some isolated circumstances, residential pump tanks may be required to connect residential structures to the gravity sewers that would be cost prohibitive to connect by gravity).
- Although pump stations may have a lower up front capital cost, the total life-cycle costs for installation, operation and maintenance are typically higher than a gravity sewer. Gravity systems provide greater reliability, a smaller carbon footprint, less odor, less noise, and less chance of sewer overflows.
- To keep the project moving forward, OWASA and Orange County have drafted a new interlocal agreement for design services.

ACTION NEEDED

- Information only. No action needed.

April 23, 2015

ORANGE WATER AND SEWER AUTHORITY

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

MEMORANDUM

TO: Board of Directors

THROUGH: Ed Kerwin

FROM: Mary Darr, P.E.

DATE: April 16, 2015

SUBJECT: Overview of Preliminary Engineering Study for Rogers Road Sewer Extension Project

Background

OWASA has been providing technical support (answering questions, providing rough cost estimates, etc.) for sewer related issues in the Historic Rogers Road area since 2007.

In February 2012, the Orange County Board of Commissioners authorized the creation of a new Historic Rogers Road Neighborhood Task Force (the Task Force) to address sewer service and a community center. OWASA staff developed conceptual plans and cost estimates to serve the Historic Rogers Road area and a larger utility district area for the Task Force.

The Task Force issued their Final Report in September 2013 and recommended the 2012 OWASA Sewer Concept Plan as the preferred approach (Attachment 1). This plan provides gravity sewer to 86 parcels in the Historic Rogers Road Neighborhood at an estimated cost of about $5.8 million (estimate includes $368,768 in service availability fees).

OWASA and Orange County entered into an interlocal agreement to conduct a preliminary engineering study in June 2014. Previous work on OWASA's 2012 Sewer Concept Plan was mostly a "table top" exercise by OWASA staff. The preliminary engineering study would be conducted by a consulting engineer and include field work such as surveying, geotechnical investigation, and subsurface utility investigation to further inform the alignment and preliminary cost estimate.

OWASA used a qualification based selection process to hire URS Corporation as the consulting engineer for the project. The County approved the consultant's scope of work in August 2014 and OWASA formally hired the consultant in September 2014 to begin the work.

Preliminary Engineering Study

As mentioned above, the purpose of the preliminary engineering work was to conduct field investigations in the project area to inform the sewer alignment and provide a budget level cost

estimate. URS performed preliminary field investigations including surveying; soil borings and investigations; utility investigations; historical, archeological and cultural review; and environmental review of endangered species, wetlands, and buffers. URS also met with Rogers Road area leaders; reviewed OWASA's 2012 Sewer Concept Plan; made adjustments to the Concept Plan based on field conditions; and identified alternative alignments at four locations for consideration. These four alternative alignments will continue to be evaluated during the design phase. Attachment 2 is a map of the URS sewer alignment based on their field investigations.

Based on the findings from the preliminary engineering study, URS estimates the project costs to install about 3.5 miles of sewer lines at $5.7 million. The cost estimate includes engineering design, permitting, bidding, construction, construction administration, construction observation and contingency. The estimate does not include costs for private plumbing installation, septic tank abandonment, easement acquisition or service availability fees. OWASA will work with Orange County, the Towns of Carrboro and Chapel Hill, and URS to develop estimates for these costs as the project proceeds. We estimate it will take no less than two years to design, permit, bid, and construct the sewer lines. The easement acquisition process can impact the schedule.

Gravity Sewers and Pump Stations

It is OWASA's standard practice to construct gravity sewer systems where feasible. Where gravity sewer mains encounter a hill or become prohibitively deep, a pump station is used to raise the wastewater to a level where it can flow again by gravity to the wastewater treatment plant.

Both the 2012 OWASA Sewer Concept Plan and URS's recommended sewer alignment are gravity systems. Based on their field investigation and experience designing sewer systems, URS considers it feasible to construct gravity sewers to serve the 86 parcels (in some isolated circumstances, residential pump tanks may be required to connect residential structures to the gravity sewers that would be cost prohibitive to connect by gravity). They have also provided four alternative alignment options to minimize the need for private residential pumps.

Although pump stations may have a lower up front capital cost, the total life-cycle costs for installation, operation and maintenance are typically higher than a gravity sewer. Gravity systems provide greater reliability, a smaller carbon footprint, less odor, less noise, and less chance of sewer overflows.

The proposed main sewer outfall for this project is about 2,200 feet of 12-inch pipe. If a pump station were installed near Tallyho Trail, about 1,630 feet of 12-inch diameter pipe that runs from a sewer extended by the Town of Carrboro in 2008 to Tallyho Trail could be eliminated. However, about 1,900 feet of force main would have to be installed from a pump station in the Tallyho Trail right-of-way to an existing sewer at Staffield Lane. The receiving sewers at Staffield Lane are 8-inch diameter and may have to be upsized to serve this part of the service area. We believe the life-cycle costs of installing a pump station and force main at this location will be greater than building the outfall.

Next Steps

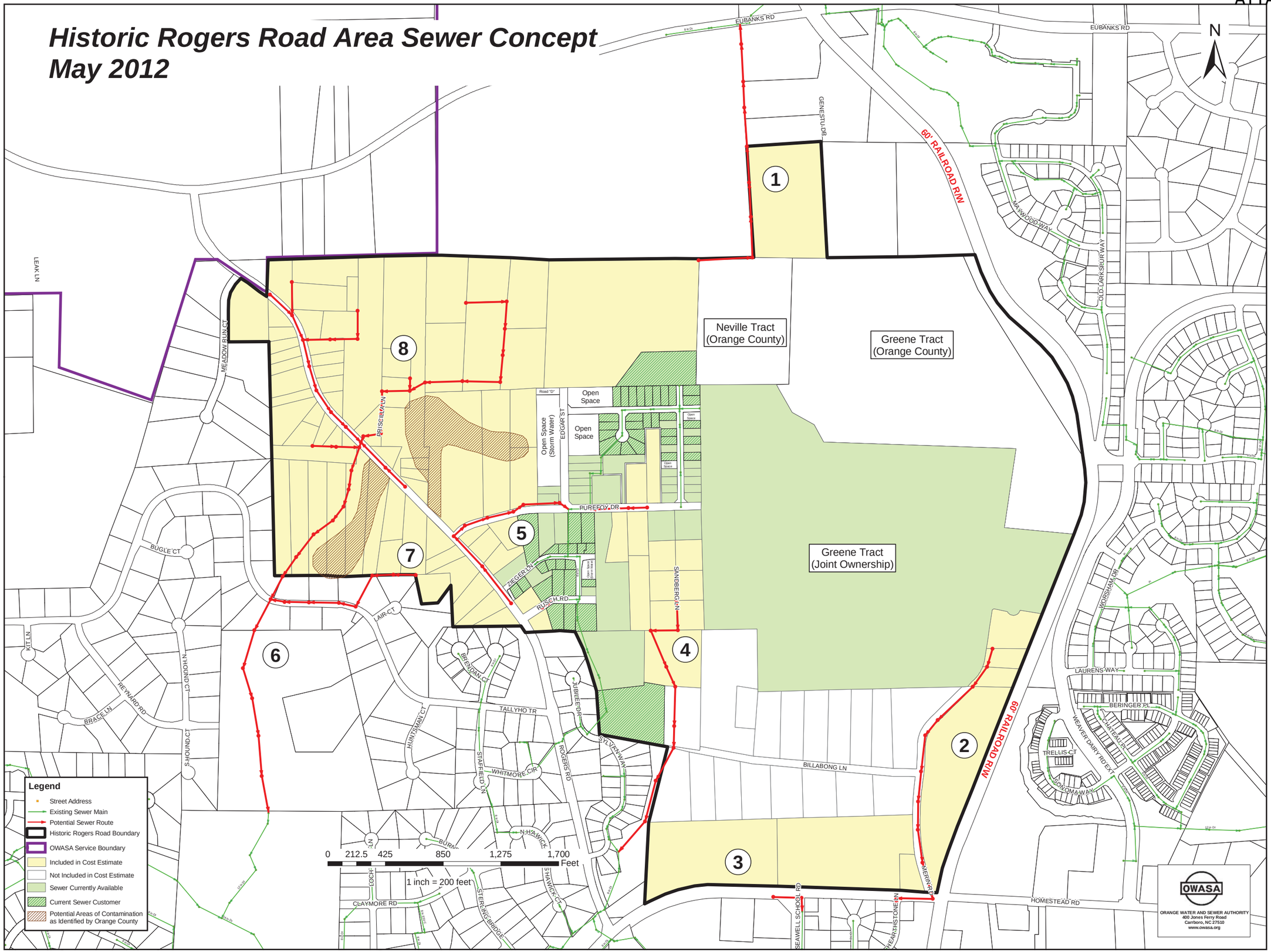
To keep the project moving forward, OWASA and Orange County have drafted a new interlocal agreement for design services, which is also on the Board's April 23rd agenda for consideration. Upon approval of the interlocal agreement, we will work with URS and the County to develop the scope, schedule, and fees for design phase services. We estimate the cost to design the sewer system to be about $370,000 (which will be fully reimbursable) and it will take about a year to complete.

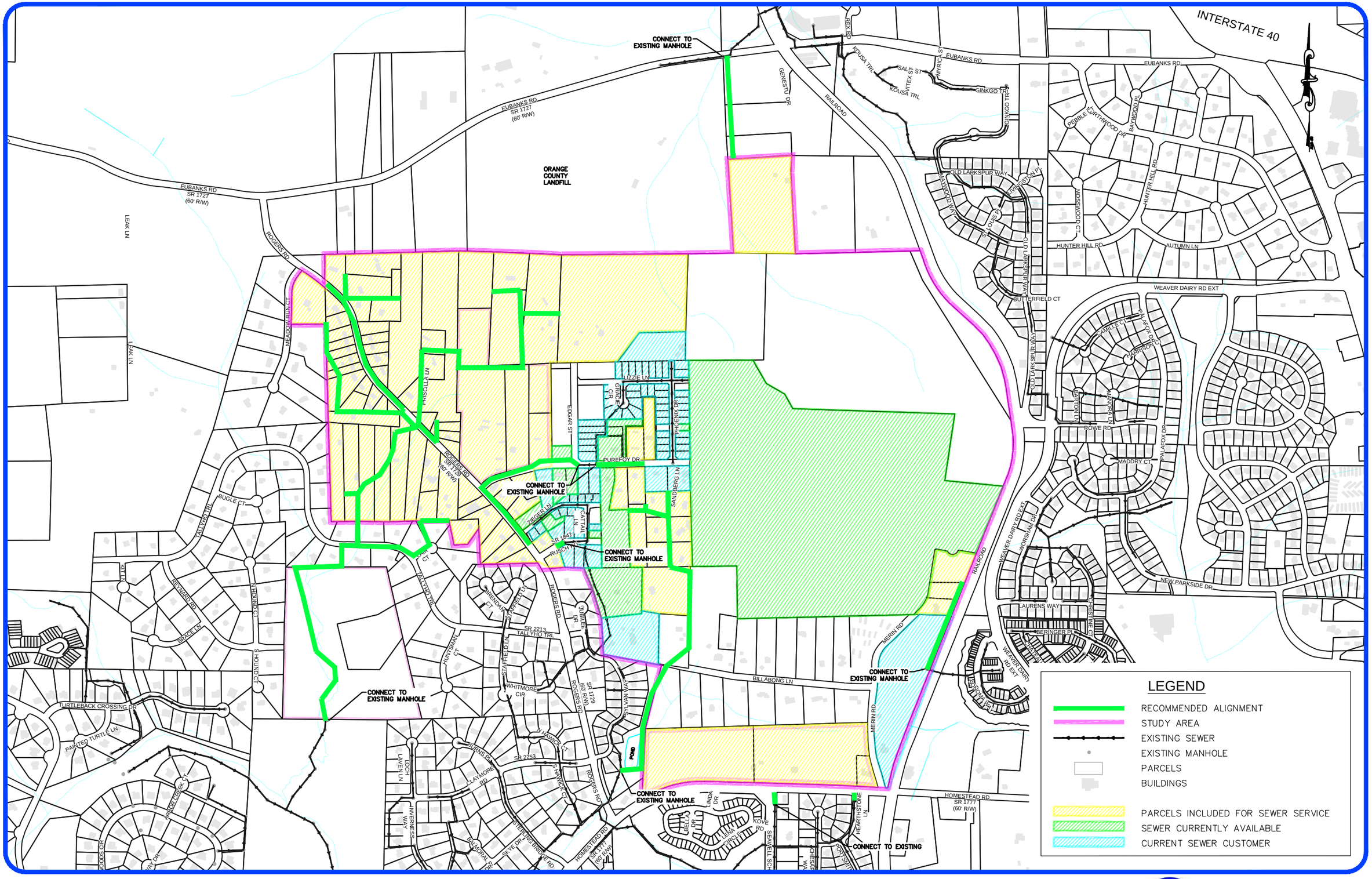
I will make a presentation about the preliminary engineering study at the April 23rd Board meeting. Please let me know if you need additional information.

Mary Darr, P.E.
Operations Engineer

Attachments

Historic Rogers Road Area Sewer Concept
May 2012





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RECOMMENDED ALIGNMENT

EXHIBIT 1 - NOT TO SCALE

OWASA URS

AGENDA ITEM

- **RESOLUTION AUTHORIZING BOARD APPROVAL FOR OWASA TO ENTER INTO AN INTERLOCAL AGREEMENT WITH ORANGE COUNTY RELATING TO DESIGN OF A SEWER MAIN EXTENSION PROJECT IN THE ROGERS ROAD AREA**

BACKGROUND

- In June 2014, Orange County and OWASA entered into an Interlocal Agreement Relating to OWASA's Assistance to Orange County in Planning for Extension of Wastewater System Improvements to Serve the Rogers Road Area.

- OWASA hired the consulting engineering firm of URS Corporation to perform preliminary engineering work, which was recently been completed.

- Orange County and OWASA staff developed an Interlocal Agreement Relating to OWASA's Assistance to Orange County in Design of the Extension of Wastewater System Improvements to Service the Rogers Road Area (Agreement). This Agreement was reviewed and approved by the County Attorney and OWASA's Counsel.

- OWASA will accomplish this work in part by the efforts of its own staff and in conjunction with the consulting engineers. The County will reimburse OWASA for the cost of these services.

ACTION NEEDED

- Board review and approval of the Agreement between Orange County and OWASA by Motion authorizing Chair of the OWASA Board of Directors to execute the Agreement.

April 23, 2015

EPTING AND HACKNEY
ATTORNEYS AND COUNSELLORS AT LAW
410 MARTIN LUTHER KING, JR. BOULEVARD
P. O. DRAWER 1329
CHAPEL HILL, NORTH CAROLINA 27514

ROBERT EPTING
JOE HACKNEY
ELIZABETH LACKEY JACOBS
STEVE LACKEY
KATHERINE DICKSON
HATHAWAY S. PENDERGRASS

TELEPHONE 919-929-0323
FACSIMILE 919-929-3960

OF COUNSEL:
ELLEN B. SCOUTEN

April 15, 2015

Mr. Ed Kerwin
Executive Director
Orange Water and Sewer Authority
Carrboro, NC 27510

Re: Interlocal Agreement with Orange County for Design Services (Phase Two)

Dear Mr. Kerwin:

The County Attorney John Roberts and I have drafted and obtained staff approval of the Interlocal Agreement for Design Services (Phase Two) to allow OWASA to obtain completion of the Design component of the sewer extension to serve the Historic Rogers Road area.

It is now in appropriate form for submission to the OWASA Board of Directors for their review and approval.

With kind regards, I remain

Very truly yours,

Robert Epting

NORTH CAROLINA
ORANGE COUNTY

INTERLOCAL AGREEMENT
RELATING TO DESIGN OF A SEWER MAIN EXTENSION
PROJECT IN THE ROGERS ROAD AREA

This Interlocal Agreement is dated as of _____, 2015, and is entered into by and between Orange Water and Sewer Authority (hereinafter "OWASA"), a special purpose entity of local government organized under Chapter 162A, North Carolina General Statues, and the County of Orange (hereinafter "County"), organized under Chapter 153A of the North Carolina General Statues.

WHEREAS, the County desires at its expense to design a public sewer collection system project of mains and other necessary components, to provide sewer collection service to presently unserved properties in the area shown on the attached Exhibit A, (herein referred to as the "Project"), and

WHEREAS, the Project is designed and intended to collect wastewater from the properties located in the presently unserved area shown on Exhibit A, attached hereto, (the "Project Area"), which is adjacent to areas presently served by OWASA, with the understanding that the wastewater collected in the Project Area will be caused to flow into the existing OWASA wastewater collection system, and be treated and may be used as reclaimed water or returned to the surface waters of the State after treatment as required by existing OWASA permits from NC DENR; and

WHEREAS, the County has called on OWASA, and OWASA has agreed, as County's agent to undertake certain design services for and on behalf of the County, to assure that the Project is designed in accordance with OWASA's standards for its own system facilities; and

DRAFT

WHEREAS, OWASA and the County wish to cooperate to assure the successful completion of this Project;

NOW, THEREFORE, the parties agree as follows:

1. Purpose. The purpose of this Agreement is to establish the financial and other responsibilities of the parties for design of the sewer main extension project to serve the Project Area, as represented in the map included in Exhibit A, showing the Project area.

2. Design Phase.

a. At the conclusion of the Preliminary Engineering Phase for the Project, as that is defined in that previous Agreement between the parties dated _____, the County shall determine and approve the service area, scope, and design parameters for the Project, including the identification of each parcel of real estate (by PIN number) which County determines shall be served or otherwise benefitted by the Project, all subject to and in accordance with OWASA's usual design standards and system requirements.

b. Using its own employees, and such engineers, consultants and sub-consultants as it deems appropriate, and in consultation with the County, OWASA shall undertake to complete final design and surveying and the County will pay the costs of that work, including the costs of OWASA's employees' work, all as necessary to complete the Project so as to allow for its design in accord with this agreement.

c. During the design phase and prior to commencement of construction, the County shall obtain all easements, permits, privileges and assurances necessary for the construction and operation of the sewer system; such easements shall conform with the exclusive easements customarily required by OWASA for construction of such projects, and shall be assignable without the consent of the underlying fee owner to OWASA.

DRAFT

d. The Project shall be designed as a gravity-flow system, to the extent practical, and shall be designed to provide access to every Property identified by PIN on Exhibit A to connect and be served.

e. The County shall be responsible for payment and satisfaction of all obligations arising out of the performance and completion of the Contract, due from it as Owner of the Project, and shall indemnify and hold OWASA harmless from claims that may arise out of the Contractor's performance, or out of the County's performance of its duties as Owner of the Project, or that may be made against OWASA, except for such sums as may become due upon the adjudication of gross negligence or willful misconduct on the part of OWASA's employees.

f. In order to ensure proper and effective Project management, OWASA shall select and shall have charge of supervision of the engineering and other consultants who shall oversee the design of the Project. Those professional engineers and consultants shall be subject to the oversight and direction of OWASA's Engineer who shall have charge of OWASA's responsibilities hereunder. The Engineer and other consultants selected by OWASA shall report to OWASA staff, who shall work closely with County staff to ensure the County's requirements for the Project are met. In the event of any apparent conflicts between the County's and OWASA's requirements, the parties shall work together to find reasonable compromise and accommodations for the Project. In close coordination with OWASA and consistent with the need for effective Project management, the County Engineer or his/her designated representative will have full access to the Engineers and consultants working on the Project who shall upon request meet with the County representatives or provide any information needed by the County on any aspect of the Project. OWASA will authorize the Engineers and

DRAFT

consultants to meet with County representatives or provide any information needed by the County on any aspect of the Project.

3. The County shall allocate sufficient funds to pay for all the expenses incurred and obligations imposed within the scope of this agreement.

4. Change orders required for the Project will be approved by OWASA. However, OWASA shall keep the County fully advised with respect to all change orders necessary for completion of the Project.

5. Payment of the Engineers and other consultants shall be made by the County upon the approval and at the direction of OWASA. The County will be invoiced monthly and will reimburse OWASA in full within 30 days for all expenses related to this project as provided in Sections 2b. In addition, the County shall also reimburse OWASA all reasonable engineering staff cost associated with its staff for overseeing and managing the Project. OWASA shall itemize all such expenses in periodic invoices billed to the County.

6. Each party will designate a single point of contact for the day-to-day administration for all aspects of this agreement for the express purpose of efficient project management. It will be the responsibility of this contact person to disseminate information to their respective organizations.

7. Both parties recognize the importance of timely reviews and approvals. Each party will use their best efforts to provide and complete responses to issues dealing with reviews, approvals, and payment.

8. All amendments to this agreement shall be approved by both parties and must be in writing.

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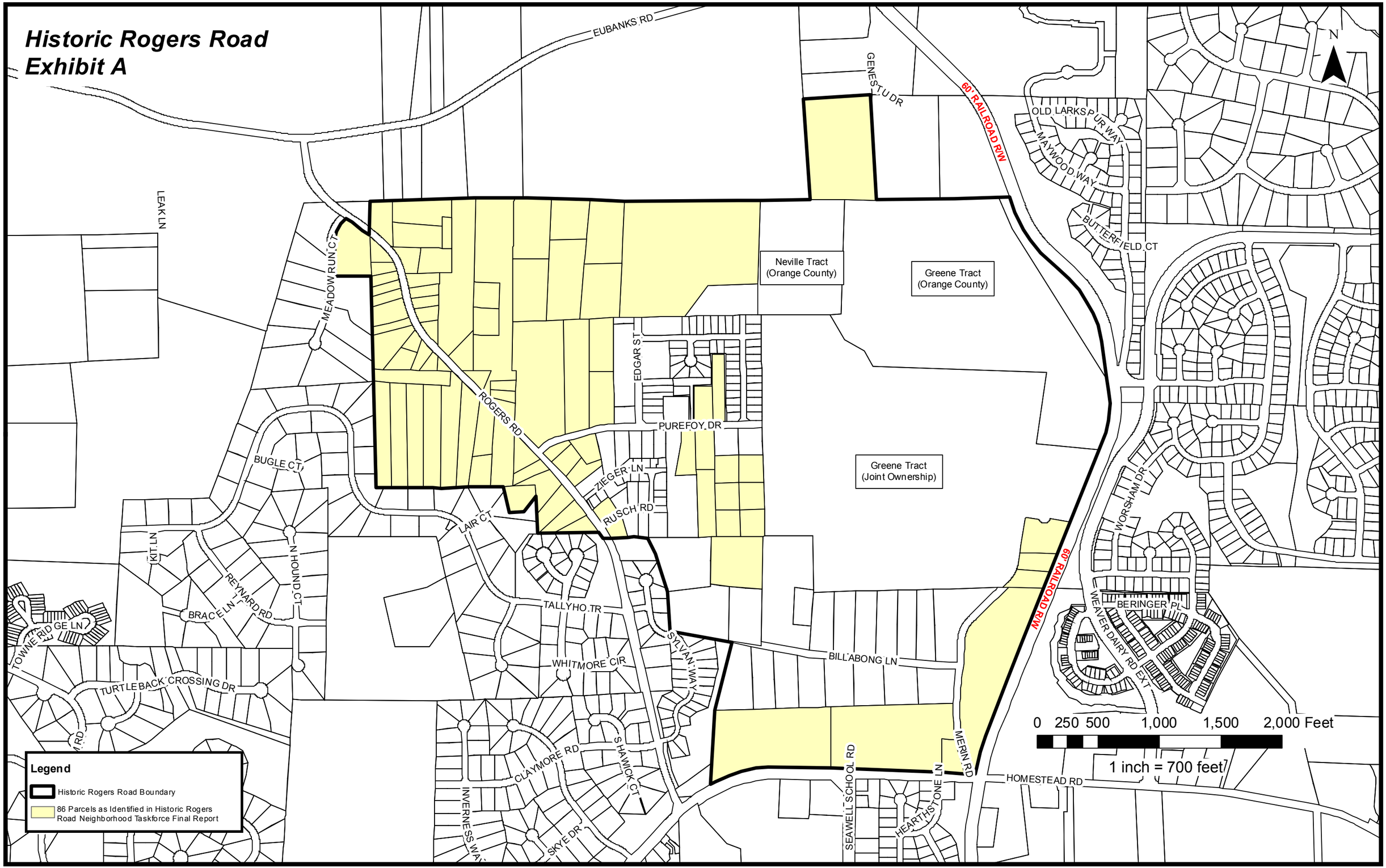
9. Both parties agree that there are many issues and details relating to the successful design of this project which are not specifically covered in this agreement. Both parties further agree to share a guiding principle of "trust and support" with respect to successfully resolving any issues which may arise during the duration of this agreement.

The parties have entered into this Interlocal Agreement this _____day of _____, 2015.

ORANGE COUNTY	ORANGE WATER AND SEWER AUTHORITY
_____	_____
Orange County Commissioners, Chair	OWASA Board of Directors, Chair
Pre-audit Certification by County Finance Officer:	Pre-audit Certification by OWASA Finance Officer:
_____	_____
Approved as to form and legality:	
_____	_____
Orange County Attorney	OWASA General Counsel

DRAFT

Historic Rogers Road
Exhibit A



AGENDA ITEM

- **RESOLUTION AWARDING A CONSTRUCTION CONTRACT FOR THE LITTLE CREEK INTERCEPTOR REPLACEMENT PROJECT**

PURPOSE

- To request the Board's approval to award a construction contract for the Little Creek Interceptor Replacement Project.

BACKGROUND

- The Project consists of 1,210 feet of 16-inch diameter gravity sewer and associated work.

- Plans and specifications for the construction of this project were prepared by Rummel, Klepper, and Kahl, LLP ("Engineer").

- Prospective bidders for the construction contract were screened through a prequalification process. Minority outreach was performed for the prequalification process in accordance with standard practice. Five bidders were prequalified.

- Bids from four prequalified contractors were received and opened on March 24, 2015. The apparent low bidder was Pipeline Utilities, Inc. (Pipeline) with a bid of $874,000. The Engineer's estimate was $826,865.89.

- The Engineer evaluated bids and recommended award of the construction contract to Pipeline.

STAFF RECOMMENDATION

- Staff recommends that the Board of Directors adopt the attached resolution awarding the construction contract for the Little Creek Interceptor Replacement Project to Pipeline.

April 23, 2015

ORANGE WATER AND SEWER AUTHORITY

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

M E M O R A N D U M

TO: Board of Directors

THROUGH: Ed Kerwin

FROM: Vishnu Gangadharan, P. E.

DATE: April 15, 2015

SUBJECT: **Award of Construction Contract for Little Creek Interceptor Replacement Project**

Purpose

This memorandum recommends that OWASA award a construction contract to Pipeline Utilities, Inc. ("Pipeline") for the construction of the Little Creek Interceptor Replacement Project.

Background

The Little Creek Interceptor captures and conveys flows from the northeast section of the OWASA service area, including portions of the neighborhoods of Briarcliff, Colony Woods, and The Oaks. (This interceptor would not receive any flows from the Ephesus-Fordham area redevelopment; these would be captured instead by the Booker Creek Interceptor.) A project location map is included as Attachment 1.

Flow monitoring and hydraulic modeling conducted during the 2011 collection system master plan identified the need for this capacity project, which will replace approximately 1,210 LF of 12" gravity sewer with 16" gravity sewer along the Little Creek Interceptor from the Rogerson Drive Pump Station to east of Little Street. The project was designed by Rummel, Klepper, and Kahl, LLP ("RK&K" or "Engineer").

Advertising and Bidding

Because of the size and complexity of this construction contract, prospective bidders were screened through the prequalification process recently approved by the Board in October 2014. This process involved having interested contractors submit a package outlining their qualifications, including past performance on similar projects, credentials of their management team, safety record, etc. Only those firms that clearly demonstrated the capability to adequately perform the project work were invited to submit bids.

After extensive review of contractor qualifications, staff prequalified five contractors to bid on the project. The invitation for bids was issued to the prequalified contractors on February 20, 2015. A total of four bids were received by the March 24, 2015 deadline and were opened publicly. Pipeline was the low, responsive and responsible bidder for the project with a bid of $874,000. A copy of the certified bid tabulation is attached with the Engineer's recommendation to award (Attachment 2), and the results are summarized below:

Pipeline Utilities, Inc.	$874,000.00
Haren Construction Company	$982,408.50
Park Construction Company of NC	$1,036,397.13
Moffat Pipe	$1,564,716.40
Engineer's Estimate at 100% design	*$826,865.89*

Minority and Women Business Enterprise (MWBE) Participation

OWASA's Minority Business Participation Outreach Plan and Guidelines include all of the statutory requirements from the State of North Carolina, and specify a 10% goal for participation by minority businesses. In keeping with standard practice, OWASA staff took several actions to solicit minority participation in this contract, including advertising the RFQ in the Greater Diversity News, the North Carolina Institute of Minority Economic Development, OWASA's website, and plan rooms, and requiring bidders to follow "good faith" efforts to solicit participation by minority subcontractors. The apparent low bidder (Pipeline) provided documentation of good faith efforts and identified MWBE participation of $25,000 (2.9% of the total bid amount).

Bid Analysis and Recommendation

The four bids received were spread over a relatively large range due to the outlier of the highest bid, which was 79% higher than the low bid. As was the case in the Gravity Sewer Rehabilitation Phase 1 contract which was bid this past summer, this bidder may have included a premium to account for current workload and backlog. Regardless, the low bid was within 6% of the Engineer's estimate and reflects a reasonable and competitive cost for the work.

Pipeline's ability to complete this project successfully was evaluated thoroughly during the prequalification process, and they demonstrated sufficient qualifications in past project performance (including several recent successful projects with OWASA), personnel qualifications/experience, reference checks, and all other rated categories. OWASA staff also determined that Pipeline's safety performance, relevant project experience, bonding capacity, and other non-rated categories met our requirements.

RK&K's recommendation that the construction contract for this project be awarded to Pipeline is attached along with the certified bid tabulation (Attachment 2). OWASA staff strongly concurs with this recommendation and requests the Board's adoption of the attached resolution (Attachment 3) awarding the construction contract to Pipeline.

Please let me know if you have any questions or need additional information. I can be reached at 537-4248 or vgangadharan@owasa.org. Thank you.

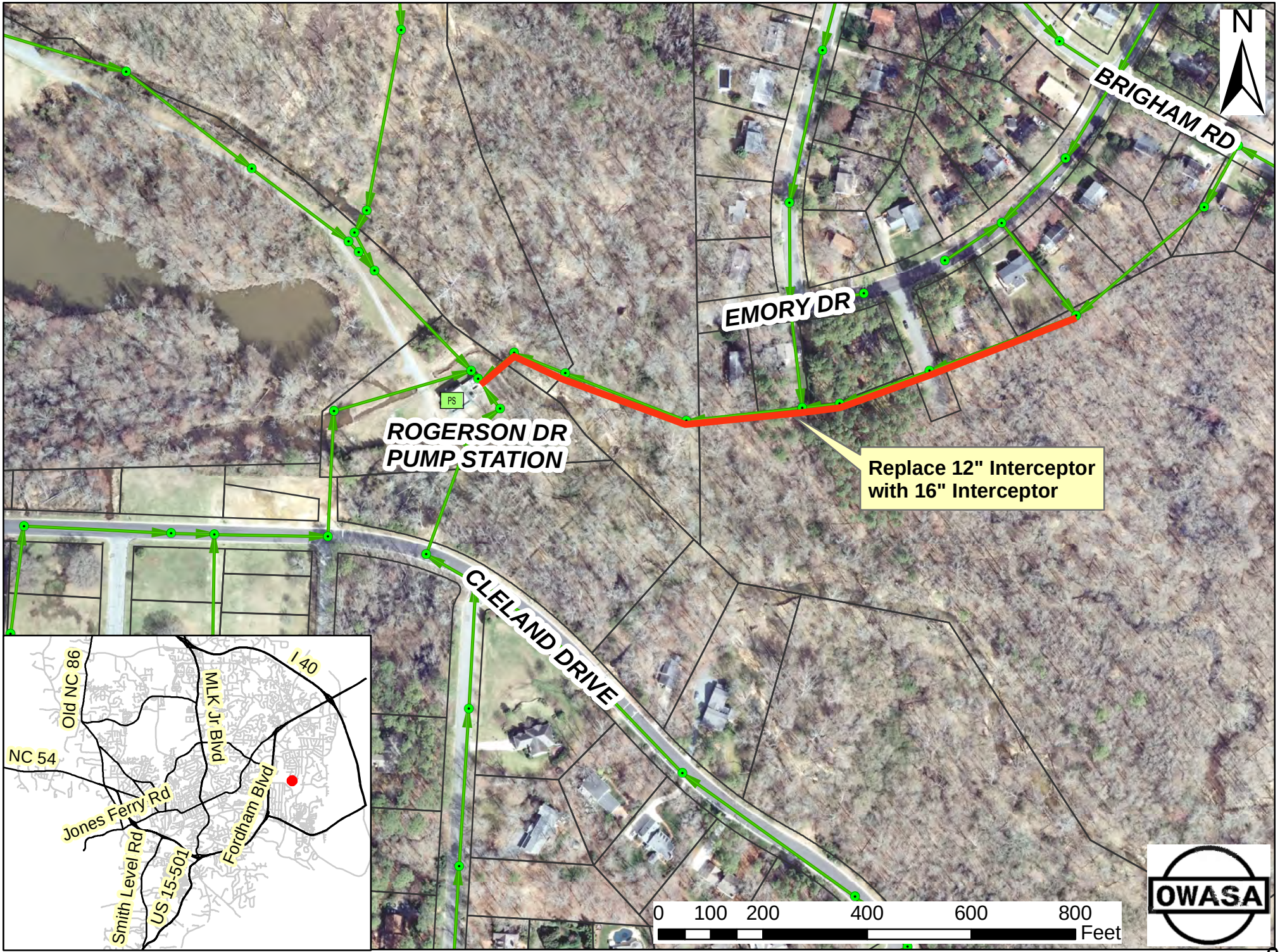


Vishnu Gangadharan, P.E.
Utilities Engineer

Attachment 1 – Little Creek Interceptor Project Location Map
Attachment 2 – Engineer's Recommendation for Award and Certified Bid Tabulation
Attachment 3 – Resolution

Little Creek Interceptor Replacement

Attachment 1



900 Ridgefield Drive, Suite 350 | Raleigh, NC 27609 | P 919.878.9560 | T 888.521.4455 | F 919.790.8382 | www.rkk.com

April 6, 2015

Orange Water and Sewer Authority
Attention: Mr. Vishnu Gangadharan
400 Jones Ferry Road
Carrboro, NC 27510

Reference: Recommendation of Contract Award
Little Creek Interceptor Replacement (OWASA CIP #276-47)
RK&K No. 313-124

Dear Mr. Gangadharan:

On March 24, 2015, bids were received for the Little Creek Interceptor Replacement. The project consists of approximately 1,210 linear feet of 16-inch ductile iron gravity sewer; manholes; stream crossings; connections with existing sewer lines, sewer service lines and Rogerson Drive Pump Station; abandonment or removal of the existing 12-inch interceptor and manholes; utility access road; and all associated appurtenances.

The project required all bidders to be pre-qualified. Qualification applications were accepted from interested contractors on or before November 13, 2014 and reviewed. The review process resulted in five contractors being prequalified to submit a bid for the Little Creek Interceptor Replacement. The prequalified bidders were:

- D.H. Griffin Infrastructure, LLC
- Haren Construction Company, Inc.
- Moffat Pipe, Inc.
- Park Construction of NC
- Pipeline Utilities, Inc.

The "Advertisement for Bids" for the Little Creek Interceptor Replacement was provided to each of the prequalified bidders and placed on the Orange Water and Sewer Authority website (www.owasa.org). Bidding Documents were available for review during the advertisement period at the OWASA Administration Building, 400 Jones Ferry Road, Carrboro, NC; and at the office of Rummel, Klepper & Kahl, LLP located at 900 Ridgefield Drive, Raleigh, NC.

Four bids were received on a unit price basis with Total Bid amounts ranging from a low of $874,000.00 up to $1,561,716.40. The apparent low bidder is Pipeline Utilities, Inc. with a Total Bid amount of $874,000.00. The Engineer’s opinion of probable construction cost is $826,865.89, approximately 5 percent less than the low bid. The second low bid amount of $982,408.50 is approximately 12 percent higher than the low bid amount. The third low bid contained an error that was resolved in favor of the bid unit price as prescribed by the Bidding Documents. The third low bid amount of $1,036,397.13 is approximately 19 percent higher than the low bid amount. The fourth and highest bid is in the amount of $1,561,716.40 and is approximately 79 percent higher than the low amount. We conclude that the bidding process was fair and competitive; and the bids represent the best pricing available from the prequalified bidders.

The Total Bid amounts are summarized below.

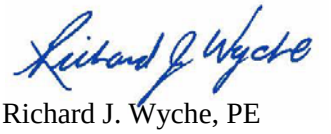
- Pipeline Utilities, Inc. $874,000.00
- Haren Construction Company, Inc. $982,408.50
- Park Construction of NC $1,036,397.13
- Moffat Pipe, Inc. $1,561,716.40

Pipeline Utilities, Inc. has been notified of being the apparent low bidder.

Based on the bids received from the prequalified bidders, RK&K recommends Orange Water and Sewer Authority award the Little Creek Interceptor Replacement to Pipeline Utilities, Inc. for a Total Bid Amount of $874,000.00.

Please contact me if you have any questions or need additional information.

Sincerely,
Rummel, Klepper & Kahl, LLP



Richard J. Wyche, PE
Senior Manager, Municipal Engineering

cc: Stuart Carson w/enclosure
Darren Berger w/enclosure

Enclosure: Bid Tabulation Sheet

Orange Water and Sewer Authority
Little Creek Interceptor Replacement

BID TABULATION
Bid Opening Date/Time: 2:00 PM Tuesday, March 24, 2015

Rummel, Klepper & Kahl, LLP
900 Ridgefield Drive, Suite 350
Raleigh, NC 27609
919-878-9560

Item Number	Description	Units	Estimated Quantity	Pipeline Utilities, Inc. 2204-F Associate Drive Raleigh, NC 27603		Haren Construction Company, Inc. 1715 Highway 411 North P.O. Box 350 Etowah, TN 37331		Park Construction of NC, Inc. P.O. Box 500 Morrisville, NC 27560		Moffat Pipe, Inc. 2708 Connector Drive Wake Forest, NC 27587	
				Bid Unit Price	Extended Total	Bid Unit Price	Extended Total	Bid Unit Price	Extended Total	Bid Unit Price	Extended Total
1	Mobilization (3% of bid)	Lump Sum	1	$26,220.00	$26,220.00	$28,000.00	$28,000.00	$29,000.00	$29,000.00	$45,000.00	$45,000.00
2	Clearing and Grubbing Within Easement and Construction Limits	Lump Sum	1	$62,573.00	$62,573.00	$20,000.00	$20,000.00	$75,000.00	$75,000.00	$40,000.00	$40,000.00
3	Removal of Trees Outside Easement and Construction Limits	Lump Sum	1	$5,423.00	$5,423.00	$15,000.00	$15,000.00	$20,000.00	$20,000.00	$6,500.00	$6,500.00
4	6 Ft. Height Chain Link Fence on University of N.C. Endowment Fund Property	Lump Sum	1	$2,278.00	$2,278.00	$4,000.00	$4,000.00	$4,000.07	$4,000.07	$1,500.00	$1,500.00
5	16-inch MJ Restrained Joint DIP Interceptor Pipe 0-6 Ft. Depth	Linear Foot	69.06	$169.00	$11,671.14	$290.00	$20,027.40	$244.00	$16,850.64	$425.00	$29,350.50
6	16-inch MJ Restrained Joint DIP Interceptor Pipe 6-8 Ft. Depth	Linear Foot	4.09	$201.00	$822.09	$300.00	$1,227.00	$245.00	$1,002.05	$425.00	$1,738.25
7	16-inch MJ Restrained Joint DIP Interceptor Pipe 8-10 Ft. Depth	Linear Foot	46.93	$214.00	$10,043.02	$310.00	$14,548.30	$246.00	$11,544.78	$425.00	$19,945.25
8	16-inch Push On Joint DIP Interceptor Pipe 6-8 Ft. Depth	Linear Foot	137.81	$151.00	$20,809.31	$220.00	$30,318.20	$199.00	$27,424.19	$360.00	$49,611.60
9	16-inch Push On Joint DIP Interceptor Pipe 8-10 Ft. Depth	Linear Foot	80.03	$171.00	$13,685.13	$225.00	$18,006.75	$200.00	$16,006.00	$360.00	$28,810.80
10	16-inch Restrained Push On Joint DIP Interceptor Pipe 0-6 Ft. Depth	Linear Foot	69.28	$150.00	$10,392.00	$290.00	$20,091.20	$149.00	$10,322.72	$400.00	$27,712.00
11	16-inch Restrained Push On Joint DIP Interceptor Pipe 6-8 Ft. Depth	Linear Foot	330.81	$166.00	$54,914.46	$300.00	$99,243.00	$150.00	$49,621.50	$400.00	$132,324.00
12	16-inch Restrained Push On Joint DIP Interceptor Pipe 8-10 Ft. Depth	Linear Foot	204.04	$191.00	$38,971.64	$310.00	$63,252.40	$152.00	$31,014.08	$400.00	$81,616.00
13	16-inch Restrained Push On Joint DIP Interceptor Pipe 10-12 Ft. Depth	Linear Foot	46.33	$244.00	$11,304.52	$325.00	$15,057.25	$170.00	$7,876.10	$400.00	$18,532.00
14	16-inch Class 56 Restrained Push On Joint DIP Interceptor Pipe 0-6 Ft. Depth	Linear Foot	220	$175.00	$38,500.00	$375.00	$82,500.00	$180.00	$39,600.00	$425.00	$93,500.00
15	4 Ft. Diameter Manhole 0-6 Ft. Depth	Each	5	$12,000.00	$60,000.00	$12,000.00	$60,000.00	$15,200.00	$76,000.00	$25,000.00	$125,000.00
16	4 Ft. Diameter Drop Manhole 0-6 Ft. with Outside Drop	Each	1	$12,000.00	$12,000.00	$24,000.00	$24,000.00	$21,000.00	$21,000.00	$30,000.00	$30,000.00

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				Pipeline Utilities, Inc. 2204-F Associate Drive Raleigh, NC 27603		**Haren Construction Company, Inc. 1715 Highway 411 North P.O. Box 350 Etowah, TN 37331**		**Park Construction of NC, Inc. P.O. Box 500 Morrisville, NC 27560**		**Moffat Pipe, Inc. 2708 Connector Drive Wake Forest, NC 27587**	
17	4 Ft. Diameter Manhole Depth Over 6 Ft.	Vertical Foot	20.29	$300.00	$6,087.00	$1,300.00	$26,377.00	$900.00	$18,261.00	$1,100.00	$22,319.00
18	Pipe Anti-Flotation	Each	13	$471.00	$6,123.00	$835.00	$10,855.00	$3,200.00	$41,600.00	$3,000.00	$39,000.00
19	Locate Sewer Service Connections	Each	2	$1,719.00	$3,438.00	$800.00	$1,600.00	$3,000.00	$6,000.00	$5,000.00	$10,000.00
20	4-inch Sewer Service Connections	Each	2	$6,301.00	$12,602.00	$4,500.00	$9,000.00	$5,000.00	$10,000.00	$10,000.00	$20,000.00
21	Connection to Existing Sewer at Manhole No. 3	Lump Sum	1	$4,262.00	$4,262.00	$8,500.00	$8,500.00	$11,500.00	$11,500.00	$20,000.00	$20,000.00
22	Connection of two (2) Collector Sewers at Manhole No. 6	Lump Sum	1	$9,339.00	$9,339.00	$22,000.00	$22,000.00	$40,500.00	$40,500.00	$20,000.00	$20,000.00
23	Connection at Rogerson Drive Pump Station	Lump Sum	1	$18,294.00	$18,294.00	$24,000.00	$24,000.00	$70,000.00	$70,000.00	$40,000.00	$40,000.00
24	Stream Crossing with Concrete Encasement	Each	2	$34,000.00	$68,000.00	$32,000.00	$64,000.00	$42,000.00	$84,000.00	$96,000.00	$192,000.00
25	Class I Rip-Rap at Stream and Ditch Crossings	Square Yard	74	$78.00	$5,772.00	$100.00	$7,400.00	$45.00	$3,330.00	$250.00	$18,500.00
26	Foundation Stone (#57 Stone)	Ton	120	$38.00	$4,560.00	$70.00	$8,400.00	$42.00	$5,040.00	$100.00	$12,000.00
27	Trench Borrow – Select Backfill	Cubic Yard	886	$33.00	$29,238.00	$50.00	$44,300.00	$40.00	$35,440.00	$110.00	$97,460.00
28	Temporary By-Pass Equipment Onsite During Rock Blasting Operations	Lump Sum	1	$20,000.00	$20,000.00	$20,000.00	$20,000.00	$25,000.00	$25,000.00	$5,000.00	$5,000.00
29	Rock Excavation	Cubic Yard	150	$179.00	$26,850.00	$200.00	$30,000.00	$200.00	$30,000.00	$250.00	$37,500.00
30	Pavement Removal and Replacement	Linear Foot	28	$142.00	$3,976.00	$300.00	$8,400.00	$75.00	$2,100.00	$500.00	$14,000.00
31	Repair Curb & Gutter	Lump Sum	1	$2,916.00	$2,916.00	$2,000.00	$2,000.00	$4,500.00	$4,500.00	$6,000.00	$6,000.00
32	Remove Rip-Rap Near Station 4+40	Lump Sum	1	$1,525.00	$1,525.00	$1,500.00	$1,500.00	$950.00	$950.00	$2,000.00	$2,000.00
33	Remove 8 Feet of 18” Storm Pipe and Relocate Flared End Near MH No. 3	Lump Sum	1	$885.00	$885.00	$2,000.00	$2,000.00	$1,500.00	$1,500.00	$3,000.00	$3,000.00
34	Remove Stacked Brick Near Station 9+80	Lump Sum	1	$1,264.00	$1,264.00	$1,500.00	$1,500.00	$500.00	$500.00	$1,000.00	$1,000.00
35	Remove Fence Encroaching On Easement	Lump Sum	1	$988.00	$988.00	$1,250.00	$1,250.00	$2,000.00	$2,000.00	$4,000.00	$4,000.00
36	Remove Playhouse Near Station 11+00	Lump Sum	1	$1,340.00	$1,340.00	$1,500.00	$1,500.00	$450.00	$450.00	$1,000.00	$1,000.00
37	Remove Existing Manholes	Each	3	$752.00	$2,256.00	$1,750.00	$5,250.00	$500.00	$1,500.00	$2,200.00	$6,600.00

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				Pipeline Utilities, Inc. 2204-F Associate Drive Raleigh, NC 27603		Haren Construction Company, Inc. 1715 Highway 411 North P.O. Box 350 Etowah, TN 37331		Park Construction of NC, Inc. P.O. Box 500 Morrisville, NC 27560		Moffat Pipe, Inc. 2708 Connector Drive Wake Forest, NC 27587	
38	Abandon Existing Manholes	Each	4	$1,368.00	$5,472.00	$1,000.00	$4,000.00	$1,100.00	$4,400.00	$4,500.00	$18,000.00
39	Remove Existing 12-inch Interceptor	Linear Foot	335	$35.00	$11,725.00	$20.00	$6,700.00	$6.00	$2,010.00	$35.00	$11,725.00
40	Abandon Existing 12-inch Interceptor	Linear Foot	879	$16.00	$14,064.00	$20.00	$17,580.00	$20.00	$17,580.00	$23.00	$20,217.00
41	Seeding and Mulching	Lump Sum	1	$20,000.69	$20,000.69	$15,000.00	$15,000.00	$10,250.00	$10,250.00	$11,000.00	$11,000.00
42	Erosion Control	Lump Sum	1	$89,000.00	$89,000.00	$45,000.00	$45,000.00	$37,000.00	$37,000.00	$80,000.00	$80,000.00
43	Tree Protection Fencing	Lump Sum	1	$2,603.00	$2,603.00	$5,000.00	$5,000.00	$6,250.00	$6,250.00	$5,000.00	$5,000.00
44	Utility Access Road West of Little Street	Per Foot	800	$76.00	$60,800.00	$45.00	$36,000.00	$64.00	$51,200.00	$55.00	$44,000.00
45	Utility Access Road East of Little Street	Per Foot	283	$123.00	$34,809.00	$75.00	$21,225.00	$158.00	$44,714.00	$85.00	$24,055.00
46	Cellular Confinement System	Square Yard	80	$170.00	$13,600.00	$90.00	$7,200.00	$280.00	$22,400.00	$390.00	$31,200.00
47	3” Ballast Stone for Utility Access Road Foundation Stone East of Little Street	Cubic Yard	120	$104.00	$12,480.00	$75.00	$9,000.00	$68.00	$8,160.00	$110.00	$13,200.00
48	Warning Signs for Shallow Bury Pipe	Each	2	$62.00	$124.00	$300.00	$600.00	$1,000.00	$2,000.00	$400.00	$800.00
Total of All Unit Price Bid Items					**$874,000.00**		**$982,408.50**		**$1,036,397.13**		**$1,561,716.40**

Indicates error in bid resolved in favor of the unit price.



CERTIFICATION:

THIS TABULATION OF BIDS IS CERTIFIED TO BE AN ACCURATE TABULATION OF BIDS RECEIVED FOR THE LITTLE CREEK INTERCEPTOR REPLACEMENT.

Rummel, Klepper & Kahl, LLP

Richard J. Wyche — 4/6/2015

Richard J. Wyche, P.E. **Date**

RESOLUTION AWARDING A CONSTRUCTION CONTRACT FOR THE LITTLE CREEK INTERCEPTOR REPLACEMENT PROJECT

WHEREAS, there is a need to increase the size of part of the Little Creek sewer interceptor; and

WHEREAS, plans and specifications for the construction of this project have been prepared by Rummel, Klepper, and Kahl, LLP; and

WHEREAS, advertisement for contractor qualifications was published on the websites of the North Carolina Institute of Minority Economic Development, North Carolina Department of Administration, and OWASA in October 2014, and five contractors were qualified to bid; and

WHEREAS, on February 20, 2015, the prequalified contractors were formally invited to submit construction bids for the project, and four bids were received; and

WHEREAS, Pipeline Utilities, Inc. of Raleigh, North Carolina has been determined to be the low responsive, responsible bidder for the project; and

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

NOW, THEREFORE, BE IT RESOLVED:

1. That the Orange Water and Sewer Authority Board of Directors awards the construction contract to Pipeline Utilities, Inc., the low responsive, responsible bidder for the Little Creek Interceptor Replacement Project, in accordance with the approved plans and specifications, in the amount of $874,000.00, subject to such change orders as may apply.

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

Adopted this 23rd day of April, 2015.

_____
John A. Young, Chair

ATTEST:

_____
Heather Payne, Secretary

AGENDA ITEM

- **RESOLUTION AWARDING AUDIT CONTRACT TO MARTIN STARNES & ASSOCIATES, CPAS, P.A. AND AUTHORIZING CHAIR OF THE BOARD OF DIRECTORS AND THE FINANCE OFFICER TO EXECUTE SAID CONTRACT**

BACKGROUND

- General Statutes of the State of North Carolina and OWASA's Bond Order require that Orange Water and Sewer Authority have its financial records audited annually by an independent Certified Public Accountant.

- In January of 2015, OWASA solicited audit proposals based upon the established criteria recommended by the North Carolina Local Government Commission.

- A panel consisting of one board member and three staff members reviewed and evaluated the proposals received based on qualifications and cost. After interviewing the eligible respondents, Martin Starnes & Associates, CPAs, P.A. was identified as presenting the best proposal.

- Martin Starnes & Associates, CPAs, P.A. has proposed to conduct the audit for Fiscal Year (FY) 2015 for a fee of $29,250 for the basic audit and, if required, an additional $1,500 for single audits of state and federal grant monies received and expended.

RECOMMENDATION

- Approve the FY 2015 audit contract with Martin Starnes & Associates, CPAs, P.A. for total base fees not to exceed $31,000.

ACTION NEEDED

- Adopt the Resolution Awarding Audit Contract to Martin Starnes & Associates, CPAs, P.A. and Authorizing Chair of the Board of Directors and the Finance Officer to execute the contract.

April 23, 2015

ORANGE WATER AND SEWER AUTHORITY

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

MEMORANDUM

TO: Board of Directors

THROUGH: Ed Kerwin

FROM: Stephen Winters, CPA

DATE: April 17, 2015

SUBJECT: Approval of Annual Audit Contract

Background

General Statute 159-34 requires Orange Water and Sewer Authority to have its accounts audited by an independent auditor after the close of each fiscal year. OWASA must prepare and publish an annual financial report in conjunction with its annual audit. The auditor's conclusions are to be set out in a report in the form of an opinion and comments relating to the financial statements. The auditor must be approved by, and reports to, the Board of Directors, and is engaged through a contract executed by the Board Chair and the Finance Officer.

In January of 2015, OWASA solicited audit proposals based upon the established criteria recommended by the North Carolina Local Government Commission. We received responses from 10 firms and selected three for in-person interviews. Interviews were conducted by a panel consisting of one board member and three OWASA staff members. Based on the proposals and the interviews, the panel unanimously chose Martin Starnes & Associates, CPAs, P.A. to conduct the audit for FY 2015. The firm has conducted OWASA's audit for the last four fiscal years and we have been very pleased with the service the firm has delivered. In addition, the firm is Minority and Women-owned Business Enterprise.

Martin Starnes & Associates, CPAs, P.A. has proposed to conduct OWASA's FY 2015 audit for $29,250 for the basic audit and, if required, an additional $1,500 for single audits of state and federal grant monies received and expended.

Recommendation

The audit proposal review panel and staff recommend that the Board engage Martin Starnes & Associates, CPAs, P.A. for auditing services for the fiscal year ending June 30, 2015. The attached resolution appoints Martin Starnes & Associates, CPAs, P.A. to perform the audit for a base fee not to exceed $31,000.

Stephen Winters, CPA
Director of Finance and Customer Service

RESOLUTION APPROVING AND AWARDING AUDIT CONTRACT TO MARTIN STARNES & ASSOCIATES, CPAS, P.A. AND AUTHORIZING CHAIR OF THE BOARD OF DIRECTORS AND THE FINANCE OFFICER TO EXECUTE THE CONTRACT

WHEREAS, Orange Water and Sewer Authority is required by the General Statutes of the State of North Carolina and the Series 2001 Bond Order to have its financial records audited at the termination of each fiscal year; and

WHEREAS, in January of 2015, the Authority solicited audit proposals based upon the established criteria recommended by the North Carolina Local Government Commission; and

WHEREAS, Martin Starnes & Associates, CPAs, P.A. provided satisfactory service related to the Fiscal Years 2011 through 2014 financial audits;

NOW, THEREFORE, BE IT RESOLVED:

1. That the contract between Orange Water and Sewer Authority and Martin Starnes & Associates, CPAs, P.A. for financial audit of the Fiscal Year Ending June 30, 2015, for charges not to exceed $31,000 is hereby approved subject to approval by the North Carolina Local Government Commission.

2. That the Chair of the OWASA Board of Directors and the Finance Officer are hereby authorized to execute such contract.

Adopted this 23rd day of April 23, 2015.

.

_____
John Young, Chair

ATTEST:

_____
Heather Payne, Secretary

AGENDA ITEM

- FINANCIAL REPORT FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2015

PURPOSE

- To inform the Board of Directors of OWASA's financial performance and fiscal position.

BACKGROUND

- The financial report consists of a Statement of Net Position, an Income Statement that includes a budget to actual comparison, graphical presentations of financial performance indicators and a Financial Management Policy Report Card.

- Highlights of the report include:

  - All financial performance targets were met.

  - Operating Revenues for the period were about $750,000 or 2.8% over budget.

  - Operating Expenses were about $84,000 or less than 1% over budget.

  - Customer Fees (Service Availability Fees) exceeded budget for the period by approximately $500,000.

  - Net Income less Debt Service was 18% over budget or roughly $1.3 million.

  - Capital Improvement Program expenditures were about 36% less than projections for the period.

  - Capital equipment expenditures were under budget by about $313,000.

ACTION NEEDED

- Receive and discuss the Financial Report for the nine month period ended March 31, 2015.

April 23, 2015

ORANGE WATER AND SEWER AUTHORITY

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

MEMORANDUM

TO: Board of Directors

THROUGH: Ed Kerwin

FROM: Stephen Winters, CPA

DATE: April 17, 2015

SUBJECT: Financial Report for the nine month period ended March 31, 2015

Purpose

The financial report for the nine month period ended March 31, 2015 is presented to inform the Board of Directors of OWASA's financial position and financial performance in relation to budget.

Contents

- Statement of Net Position
- Income Statement
- Graphs of Key Performance Indicators
- Financial Management Policy Report Card

Fiscal Performance

- As shown on page 10 of the financial report, all financial performance measurement targets are being met.
- Average potable water sales for the period was 6.22 million gallons per day (MGD), 6.15 was projected. Combined potable and reclaimed water sales for the period averaged 6.70 MGD versus a projection of 6.85.
- Total Operating Revenue was 2.8% or about $750,000 over budget.
- Revenue from new system connections was over budget by about $500,000. We allocate the budget for system connection or "Customer Fees" ratably throughout the fiscal year. We set more meters than we projected in the first nine months and the actual average revenue per meter was higher than the average used for budgeting.
- Total operating expenses for the period were less than one percent over budget or approximately $84,000.
- Net Income less Debt Service for the period was approximately $1.3 million or 18% more than budget.
- Capital equipment expenditures were under budget by about $313,000. The annual budget (which includes equipment and computer software systems) included $500,000 for implementing a new finance and customer billing system. However, rather than invest in a new system, we decided to upgrade our current system; we are spending much less on the upgrade than we budgeted for a new system implementation.
- Capital Improvement Program (CIP) expenditures for the nine month period were 74% of the year-to-date budget. There were 21 CIP projects active during the first three quarters of FY 2015.

For the entire fiscal year, we forecast that CIP expenditures will be approximately 76% of our budget. Our current year-end forecast amount is less than our target range of 90% to 105% primarily due to delays in initiating the implementation of the Advanced Meter Infrastructure (AMI) project and the construction of the Little Creek Sanitary Sewer Interceptor Replacement project. Another contributing factor is a lower than expected construction contract amount for the Tom's Creek and Morgan Creek Sanitary Sewer Aerial Crossings project.

The AMI project is being evaluated for implementation in a different manner than envisioned when the FY 2015 CIP budget was developed and will result in spending approximately $1.2 million less than budgeted. The Little Creek Sanitary Sewer construction project is starting later than envisioned partially due to changes in scope, associated permitting requirements, and because recently promulgated prequalification regulations necessitated that potential bidders previously prequalified be prequalified again under the new regulations. These issues will result in approximately $670,000 less being spent in FY 2015 on the Little Creek job than anticipated. The ongoing Tom's Creek and Morgan Creek project is expected to be completed in FY 2015 as scheduled; however, its total project cost is expected to be approximately $480,000 less than budgeted.

OWASA has current multi-year contracts in place for coatings work at our two treatment facilities and sanitary sewer pipe rehabilitation in various locations throughout the service area. As a result of the delays described above, we have taken advantage of opportunities to move some of this planned work from FY 2016 to FY 2015.

Detailed information on FY 2015 CIP projects with significant budget or schedule variances will be provided at the August 27, 2015 Board of Directors meeting as part of the recurring Semi-annual CIP Status Report.

Stephen Winters, CPA
Director of Finance and Customer Service

Orange Water and Sewer Authority

Financial Report
For the Nine Month Period Ended
March 31, 2015

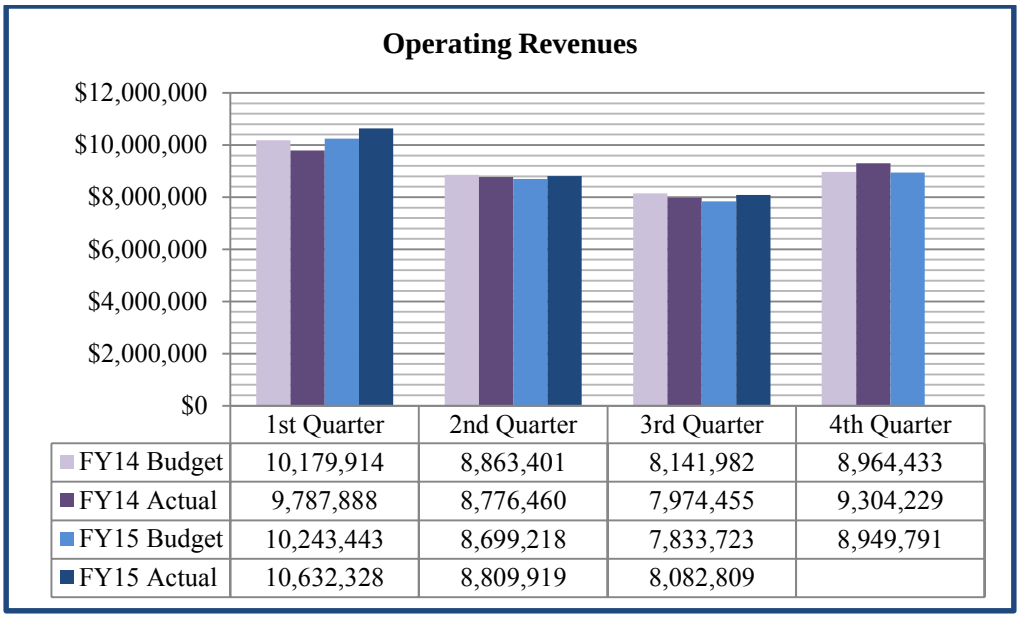
Orange Water and Sewer Authority
Statement of Net Position
March 31, 2015
(unaudited)

Assets	
Current Assets	
Cash	$25,209,833
Receivables	4,133,514
Inventory	936,301
Prepaid expenses	104,253
Restricted cash	5,397,734
Total Current Assets	35,781,635
Noncurrent Assets	
Capital Assets (net of depreciation)	268,770,449
Other Noncurrent assets	28,198,703
Total Noncurrent Assets	296,969,152
Total Assets	$332,750,787
Liabilities and Net Position	
Current Liabilities	
Accounts payable and accrued expenses	$1,483,445
Unearned income	621,908
Customer deposits	969,338
Total Current Liabilities	3,074,691
Noncurrent Liabilities	
Bonds payable	79,470,000
Other noncurrent liabilities	5,456,202
Total Noncurrent Liabilities	84,926,202
Net Position	
Contributed capital	113,763,340
Net Position at the beginning of the year	125,577,566
Year-to-date accrual basis net income	5,408,988
Total Liabilities and Net Position	$332,750,787
Net income reconciliation:	
Accrual basis net income	$5,408,988
Depreciation, other post-employment benefits, and interest expense	8,852,719
Modified accrual basis net income	$14,261,707

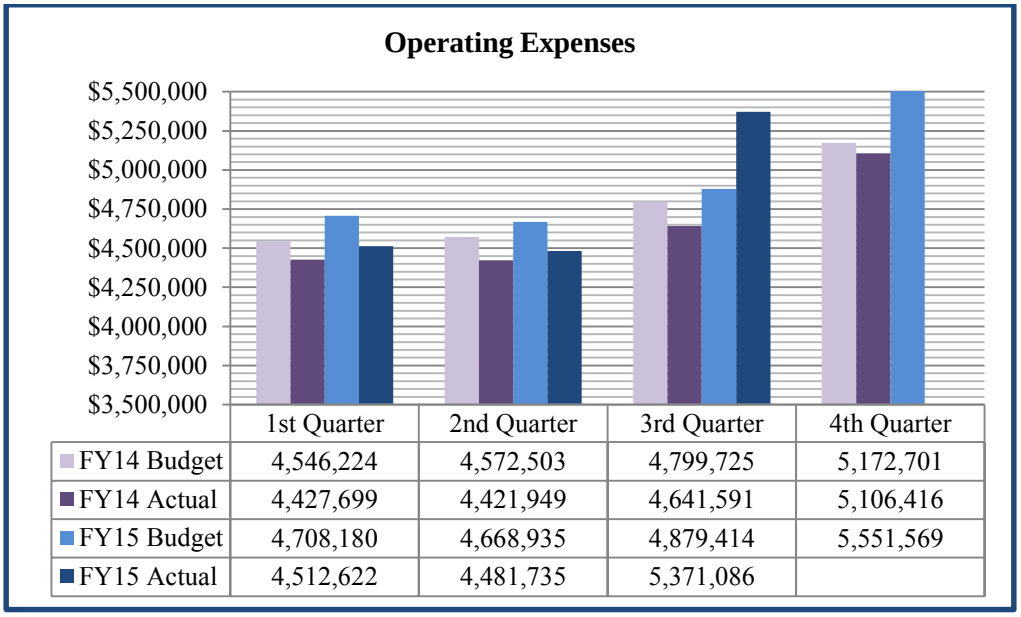
Orange Water and Sewer Authority
Income Statement
For the Nine Month Period Ended March 31, 2015
(unaudited)

	Actual through March 31, 2015	Budget through March 31, 2015	Variance (effect on net change in Fund Balance)	Percent Variance
Operating Revenue:				
Water	$13,456,425	$13,095,317	$361,108	2.8%
Sewer	12,780,498	12,483,909	296,589	2.4
Reclaimed Water	309,919	352,245	(42,326)	(12.0)
Service Initiation Fees	113,260	134,980	(21,720)	(16.1)
Other	1,077,774	896,692	181,082	20.2
Refunds and Allowances	(212,820)	(186,752)	(26,068)	14.0
Total Operating Revenue	27,525,056	26,776,391	748,665	2.8
Non-operating Income:				
Customer Fees	1,091,056	586,779	504,277	85.9
Interest	11,038	40,941	(29,903)	(73.0)
Total Non-operating Income	1,102,094	627,720	474,374	75.6
Total Income	28,627,150	27,404,111	1,223,039	4.5
Operating Expense:				
General and Administrative	4,464,227	4,447,947	(16,280)	(0.4)
Water Supply and Treatment	3,443,835	3,362,097	(81,738)	(2.4)
Water Distribution	2,172,293	1,908,535	(263,758)	(13.8)
Wastewater Treatment	3,311,358	3,535,540	224,182	6.3
Wastewater Collection	973,730	1,026,845	53,115	5.2
Total Operating Expense	14,365,443	14,280,964	(84,479)	(0.6)
Net Income (modified accrual)	14,261,707	13,123,147	1,138,560	8.7
Debt Service	5,849,199	5,991,656	145,457	2.4
Net Income less Debt Service	8,415,508	7,131,491	1,284,017	18.0
Less: CIP Expenditures	5,373,945	8,393,000	3,019,055	36.0
Capital Equipment Expenditures	418,501	731,859	313,358	42.8
Net Change in Fund Balance	$2,623,062	$(1,993,368)	$4,616,430	NA

Orange Water and Sewer Authority
Select Financial Data
For the Nine Month Period Ended March 31, 2015



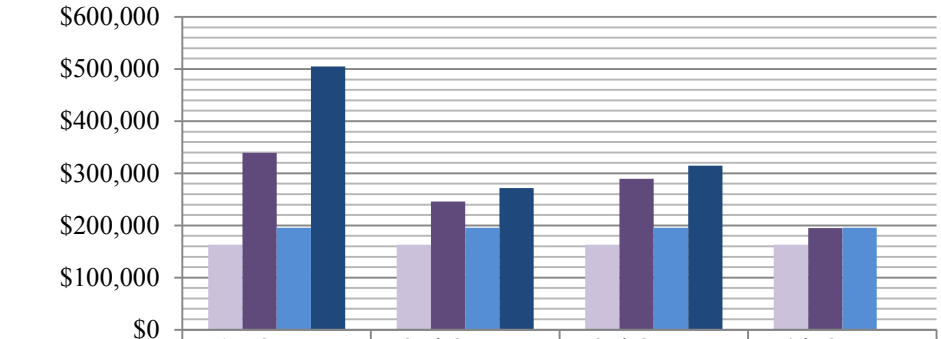
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
FY14 Budget	10,179,914	8,863,401	8,141,982	8,964,433
FY14 Actual	9,787,888	8,776,460	7,974,455	9,304,229
FY15 Budget	10,243,443	8,699,218	7,833,723	8,949,791
FY15 Actual	10,632,328	8,809,919	8,082,809	



	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
FY14 Budget	4,546,224	4,572,503	4,799,725	5,172,701
FY14 Actual	4,427,699	4,421,949	4,641,591	5,106,416
FY15 Budget	4,708,180	4,668,935	4,879,414	5,551,569
FY15 Actual	4,512,622	4,481,735	5,371,086	

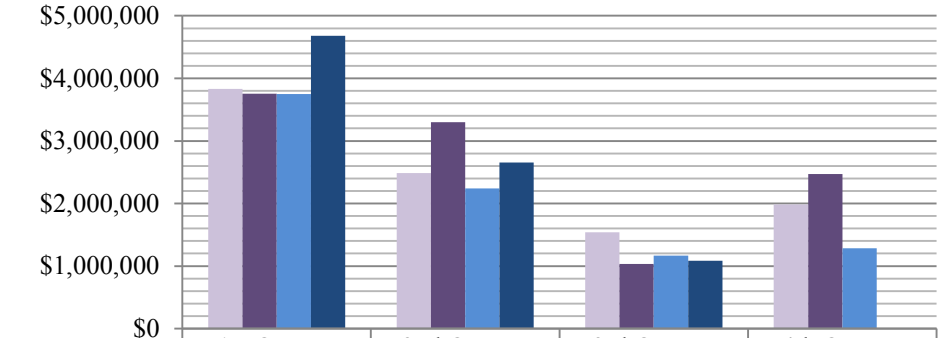
Orange Water and Sewer Authority
Select Financial Data
For the Nine Month Period Ended March 31, 2015

Customer Fees (Service Availability Fees)



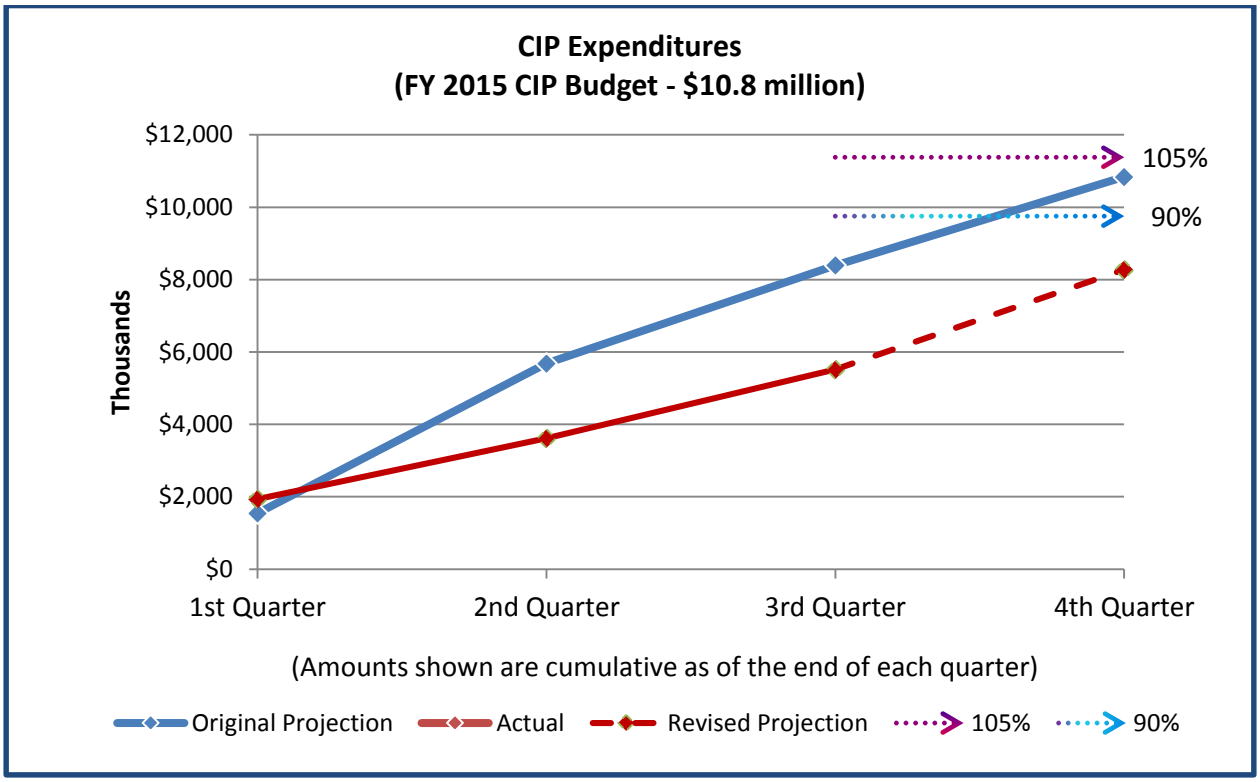
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
FY14 Budget	163,278	163,279	163,279	163,279
FY14 Actual	339,164	245,940	289,215	195,232
FY15 Budget	195,593	195,593	195,593	195,593
FY15 Actual	504,869	271,531	314,656	

Net Revenue less Debt Service



	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
FY14 Budget	3,829,078	2,486,287	1,537,646	1,987,121
FY14 Actual	3,753,104	3,299,911	1,035,466	2,468,532
FY15 Budget	3,747,285	2,242,305	1,166,331	1,282,244
FY15 Actual	4,678,908	2,654,224	1,082,376	

Orange Water and Sewer Authority
Select Financial Data
For the Nine Month Period Ended March 31, 2015

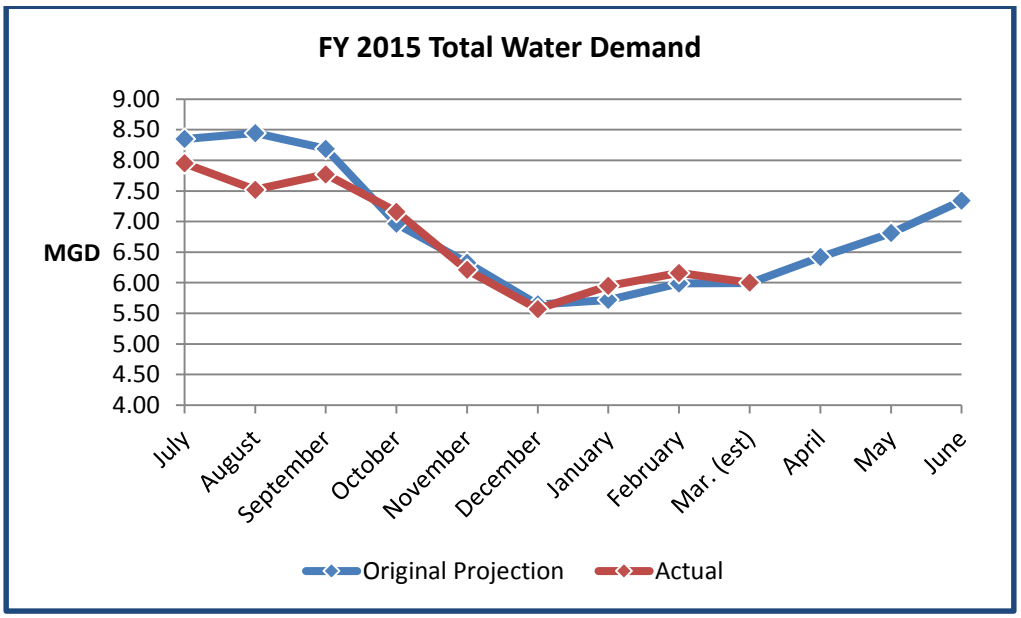


Orange Water and Sewer Authority
Select Financial Data
For the Nine Month Period Ended March 31, 2015

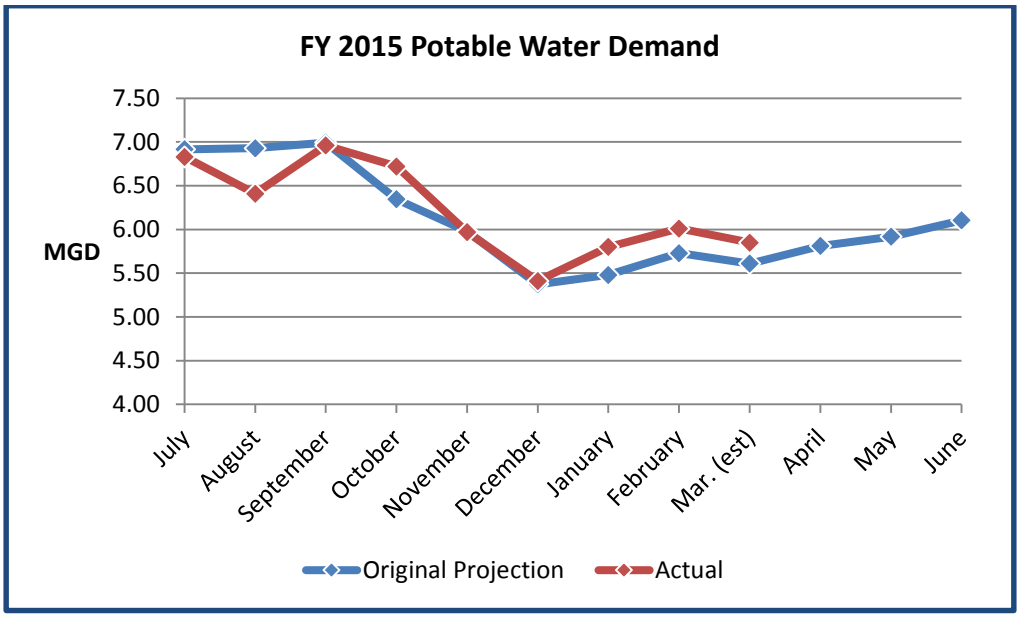
FY 2015 Water Sales Projection (Average Day)

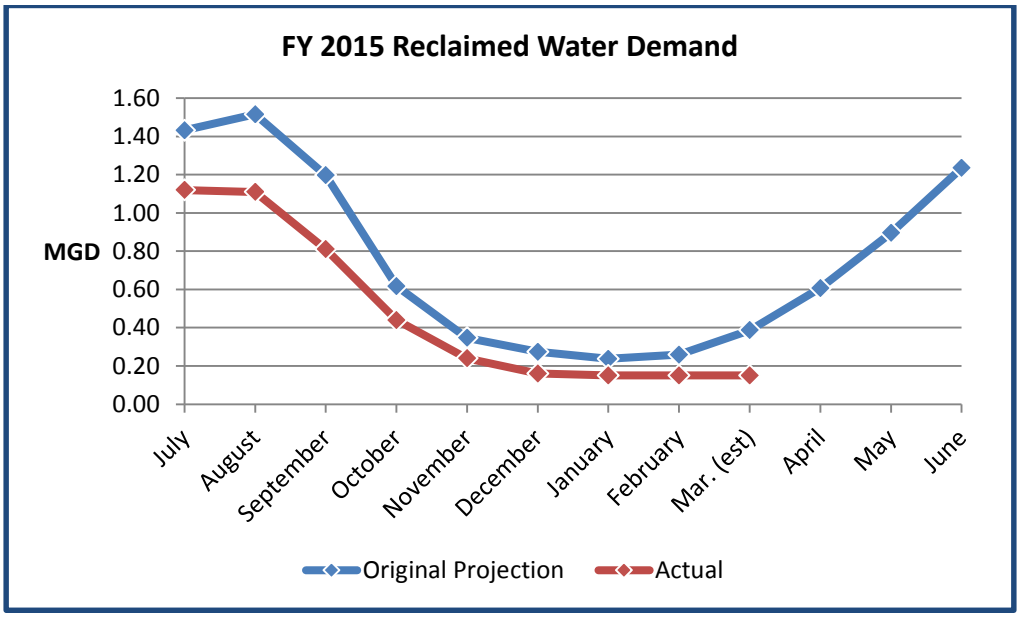
	Original FY 2015 Sales Projections		Actual FY 2015 Water Sales		Revised FY 2015 Sales Projections	
	PW	RCW	PW	RCW	PW	RCW
July	6.92	1.43	6.83	1.12	6.83	1.12
August	6.93	1.52	6.41	1.11	6.41	1.11
September	6.99	1.20	6.96	0.81	6.96	0.81
October	6.35	0.62	6.72	0.44	6.72	0.44
November	5.98	0.35	5.97	0.24	5.97	0.24
December	5.37	0.27	5.41	0.16	5.41	0.16
January	5.48	0.24	5.80	0.15	5.80	0.15
February	5.73	0.26	6.01	0.15	6.01	0.15
March	5.61	0.39	5.85	0.15	5.61	0.39
April	5.81	0.61			5.81	0.61
May	5.92	0.90			5.92	0.90
June	6.10	1.23			6.10	1.23
Average	6.10	0.75	6.22	0.48	6.13	0.61

Estimates shown in red

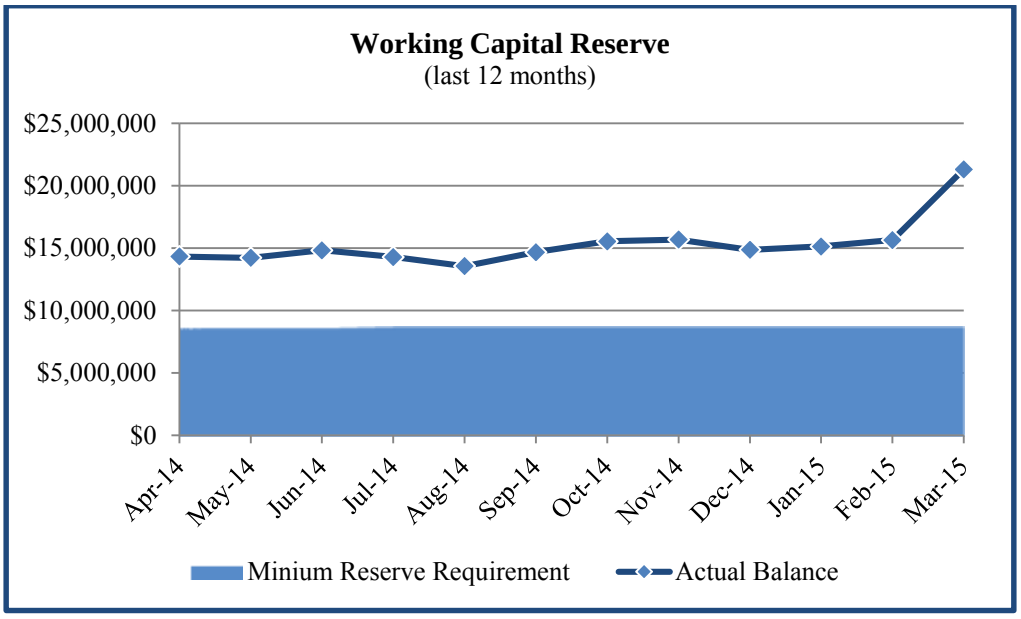


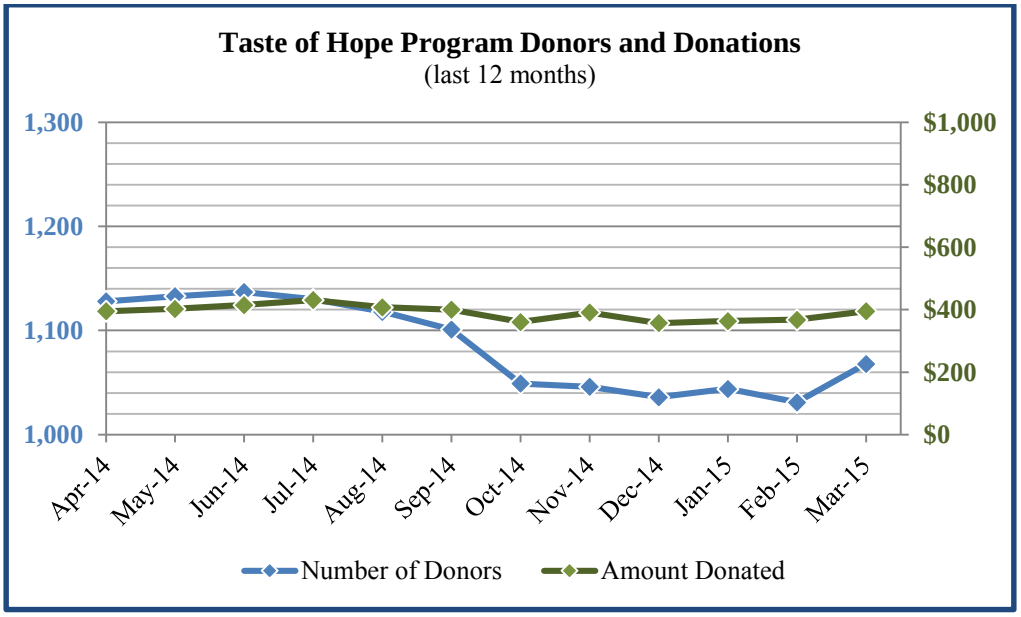
Orange Water and Sewer Authority
Select Financial Data
For the Nine Month Period Ended March 31, 2015





Orange Water and Sewer Authority
Select Financial Data
For the Nine Month Period Ended March 31, 2015





Orange Water and Sewer Authority
Financial Management Policy Report Card
For the Nine Month Period Ended March 31, 2015

Measurement	Objective	FY14 Results	FY15 Goal	FY15 YTD Results
Working Capital Reserves	Greater of four months Operating expenses or 20% of succeeding three years CIP	$14.8M	$8.6M	$21.3M
Capital Improvements Reserve	2% of Net Capital Assets (Funding $400,000 per year until reach goal of approximately $6M)	$2M	$2.4M	$2.4M
Rate / Revenue Stabilization Reserve	5% of annual Water and Sewer Revenue (Funding $250,000 per year until reach goal of approximately $2M)	$1.25M	$1.5M	$1.5M
Debt Burden to Asset Value	Total Debt not more than 50% of Total Assets	27%	≤ 50%	26%
Sufficiency of Revenues above Debt Requirements	Annual Debt Service no more than 35% of Gross Revenue	22%	≤ 35%	21%
Cash Financing of Capital	Annual revenues and reserves provide at least 30% of CIP funding	100%	≥ 30%	100%
Debt Service Coverage Ratio	Annual Net Income not less than two times Annual Debt Service	2.3	2.0	2.0 [2]
Service Affordability Ratio [1]	Average annual OWASA bill not more than 1.5% of area median household income	1.42%	1.5%	1.42%

M = million

[1] Calculation based on median household income of $59,793 (per 2012 U.S. Census Bureau, the most recent information available) and average monthly household water use of 4,000 gallons

[2] Calculation based on the FY 2015 Annual Budget until full-year results are available.

AGENDA ITEM

- **CONTINUE DISCUSSION OF OWASA BOARD OF DIRECTORS' ELECTION OF OFFICERS PROCESS**

PURPOSE

- Discuss scenarios and provide input to the chair, Nominating Committee, and Board concerning how the Board will conduct this year's election of its officers

TWO SCENARIOS FOR DISCUSSION

- The following two scenarios, A and B, serve as framework for discussion. Board members are encouraged to identify and discuss variations and alternative scenarios.

- In both scenarios, individual Board members have full power to nominate candidates for all positions from the floor, and the full board elects officers by majority vote. Also, Nominating Committee meetings are open to the public. These practices ensure that appropriate, transparent decisions are made.

Scenario A: "Low friction + high dignity"

1. The Board chair appoints a Nominating Committee consisting of four Board members
    a. Chair's objective is to form a representative, balanced, diverse, and credible Committee
    b. Committee members may include those potentially interested in serving as officers
    c. The Board chair delegates his/her duty to serve on the Nominating Committee, as defined by the By-Laws, to the Nominating Committee chair

2. The Nominating Committee evaluates all candidates and recommends a slate of nominees to the full Board

    a. All Committee meetings involving a majority (more than two) of the Committee members are open meetings
    b. The Committee or Committee chair assigns Committee members to ask individual Board members for input on selection criteria and recommended candidates
    c. The Committee meets as a whole, considers feedback from other Board members as reported by Committee members, and reaches preliminary consensus on selection criteria and leading candidates
    d. The Committee or Committee chair assigns Committee members to speak with leading candidates, as needed, to vet their willingness and ability to serve as officers
    e. The Committee meets as a whole and finalizes the slate of nominees. The slate may include one or more Committee members

Scenario B: "High efficiency + true democracy"

1. The Board chair appoints a Nominating Committee consisting of all nine Board members
2. The Nominating Committee, a committee of the whole, meets to evaluate all candidates and recommend a slate of nominees to the Board. The Nominating Committee accomplishes this by means of a straightforward, transparent voting process for each officer position ("All in favor of nominee X for the position of Secretary, please say 'aye.'")

Elements common to both Scenarios A and B:

1. The Board chair appoints a Nominating Committee and a Committee chair. The Committee members or chair may be modified by objection of a majority of Board members
2. All Committee meetings involving a majority of the Committee members are open meetings
3. The Committee initially considers all Board members as potential candidates for each officer position, except any Board members who wishes to withdraw herself/himself from consideration for one or more positions
    a. Withdrawal is accomplished by a public or private statement to the Committee chair
    b. Prior to decisions about withdrawal or not, Board members who are tentatively interested in serving as an officer may privately seek feedback from other Board members as to the likelihood of achieving the full Board's support
4. The Committee meets, deliberates, and reaches consensus on selection criteria and a recommended slate of nominees. It may review beliefs, principles, and/or practices that one or more Board members have expressed in the past that are not specified in the By-Laws
5. The Committee provides its report to the full Board
6. At a subsequent Board meeting, the full Board votes in transparent fashion to elect the officers. Just prior to the voting, the Board chair calls for nominees from the floor, which may include nominees recommended by Committee members with a minority viewpoint

<u>Relevant excerpts from OWASA by-laws</u>

"A Nominating Committee shall consist of the present Chair of the Board and enough other Board members, to be appointed by the Chair, to total not less than three (3) members. The nominations made by the Nominating Committee shall not preclude other nominations from the floor during the Annual Meeting of the Authority when elections are conducted. The Nominating Committee shall advise members of its nominations by mail and by email not less than seven (7) days before the day on which the elections are to be held."

"None of the power, authority or responsibility vested in the Authority may be delegated or surrendered to any Committee of the Board."

Relevant requirements of NC General Statutes

1. For matters related to recommending a slate of officers, Nominating Committee meetings must be transparent to public
2. Other nominations (from the floor) must be transparent to public
3. The board's voting for officers must be transparent to public

Other beliefs, principles and/or practices

These are beliefs, principles, and/or practices John Young has heard one or more Board members express, at a Board meeting or privately, and that are not specified in the By-Laws. These beliefs, principles, and/or practices are not necessarily consensus viewpoints and not necessarily current viewpoints of Board members who expressed them.

1. Unless a Board member is a current officer, she/he is not a suitable candidate to become chair. Other Board members, including committee chairs, do not qualify
2. More specifically, the Vice Chair is "next in line" to serve as chair
3. Unless a Board member has two or more years left before expiration of last term, she/he is not a suitable candidate to become chair (or other officer)
4. A key criterion for electing the Vice Chair and Secretary are the nominees' willingness to serve as Chair in the future
5. Chair typically serves 2 years
6. The past practices are unfair and should be reviewed

This is a corollary, but not one expressed by a Board member:

7. Unless a board member has three or more years left before expiration of last term, she/he is not a suitable candidate to become Vice Chair or Secretary