ORANGE WATER AND SEWER AUTHORITY

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

AGENDA
WORK SESSION OF THE OWASA BOARD OF DIRECTORS
THURSDAY, JUNE 11, 2015, 6:00 P.M.
OWASA COMMUNITY ROOM

The Board of Directors appreciates and invites the public to attend and observe its meetings. For the Board's Work Session, public comments are invited on only items appearing on this 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 a four minute time frame allowed each speaker. Additional time may be allowed at the discretion of the Board of Directors.

The Board may take action on any item on the agenda.

Announcements

I. Announcements by the Vice Chair
- 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.
- Staff report on OWASA's Baseline Assessment of Energy and Discussion of Potential Goals and Objectives for Energy Use is scheduled for June 25, 2015 Meeting
- Passing of Jonathan Howes on May 31, 2015, Former OWASA Board Member from 1976-1978 and Chair from 1977-1978

II. Announcements by Board Members
- Update on the June 2, 2015 Carrboro Board of Aldermen meeting (Steve Dear and Quinton Harper)
- Update on the June 8, 2015 Orange County's Commission for the Environment meeting (Terri Buckner)
- Care to Share (Terri Buckner)
- Community Engagement Committee meeting on Tuesday, June 23, 2015 at 5:30 PM in the OWASA Board Room (Steve Dear)

III. Announcements by Staff
- Affordability Outreach Project Partners meeting on Monday, June 15, 2015 at 2:00 PM in OWASA's Community Room (Denise Battle)

Discussion and Action

1. Review Information and Options for Employee Merit Pay for Fiscal Year 2016 (Michael Hughes)
2. Approval of the Schedule of Rates, Fees and Charges; Annual Budget; and Five-Year Capital Improvements Program (CIP) (Stephen Winters)
   - A. Resolution Adopting Schedule of Rates, Fees and Charges Applicable to All Customers On and After October 1, 2015
   - B. Resolution Adopting the Budget for Orange Water and Sewer Authority for Fiscal Year (FY) 2016
   - C. Resolution Approving the CIP for FY 2016-2020 and the Accompanying FY 2016 Capital Project Resolution

3. Resolution Awarding a Construction Contract for the Rehabilitation of the Mason Farm Wastewater Treatment Plant Digesters (Jeremy Fireline)

Discussion

4. Review Draft Scope of Work for Design of the Sewer System for the Historic Rogers Road Area (Mary Darr)
5. Request(s) by Board Committees, Board Members and Staff (Michael Hughes)
6. Review Board Work Schedule (Michael Hughes/Ed Kerwin)
   A. 12 Month Board Meeting Schedule
   B. June 25, 2015 Board Meeting
   C. July 9, 2015 Work Session

Election of Officers (Effective July 1, 2015)

7. Report of the Nominating Committee (Amy Witsil, Chair of the Nominating Committee) and Election of Officers (Michael Hughes)
   A. Chair of the Board
   B. Vice Chair of the Board
   C. Secretary of the Board

Summary of Work Session Items

8. Executive Director will summarize the key staff action items from the Work Session

Agenda Item 1:

Review Information and Options for Employee Merit Pay for Fiscal Year 2016

Purpose:

To provide the Board of Directors information to make a decision on employee pay adjustments, if any, for Fiscal Year 2016.

Background:

Last year, the Board decided to make future decisions on employee compensation adjustments as part of the annual budget development process.

Compensation adjustment information was e-mailed to the Human Resource Committee for review and comment on April 28, 2015.

Compensation adjustment information was provided to the Board at the May 14, 2015 Work Session. The Board requested a flat dollar amount option be provided on June 11, 2015.

A decision on a Pay Range Adjustment and Employee Merit Pay for Fiscal Year 2016 is requested at the June 11, 2015 Board meeting.

Information:

- Information and Options for Pay Range Adjustments and Employee Merit Pay for Fiscal Year 2016
- World At Work Salary Survey Data
- Resolution Updating the Schedule of Employee Classification and Authorized Compensation; Adjusting Affected Employees' Compensation to the Minimum of the Pay Range; Authorizing Merit Pay Increases for Eligible Employees

Purpose

To provide the Board of Directors information and options to make a decision on pay range adjustments and employee compensation adjustments, if any, for Fiscal Year (FY) 2016.

Background

Last year, the Board decided to make future decisions on employee compensation adjustments as part of the annual budget development process. Staff has prepared the following information to assist the Board in its decision.

If approved, pay range adjustments and merit pay increases normally go into effect in November.

The information herein was received and discussed by the Board at the May 14, 2015 work session. At that meeting, the Board asked staff to provide options for a fixed amount merit increase in addition to the percentage increase options. Options are shown in the table on page three of this memo.

Administration of Employee Compensation Increases

The most recent Classification and Pay Study (Study) included recommendations for maintaining a market-based pay structure and for implementing employee compensation increases.

Cost of Labor Adjustments to OWASA's Pay Structure

The Study recommended that our pay structure be adjusted annually in proportion to movements in the labor market.

> "The percentage allocated for future adjustments to the pay structure will be based on movement of salaries in the market. For example, if salaries have increased on average by two percent (e.g., Cost of Labor equals two percent), the salary structure would need to be adjusted upward by two percent, to maintain OWASA's position relative to the market. This would be accomplished by moving the entire structure by two percent. If the pay structure moves, all employees' salaries in the structure should move a minimum of the same amount to avoid compression."

Merit Pay Adjustments

Our performance management system provides four overall ratings for employee performance:

- Exceptional
- Successful
- Needs Improvement
- Unsuccessful

Only employees with Exceptional or Successful performance ratings are to receive an increase in compensation. Regarding increases for employees receiving an Exceptional or Successful rating, the Study states that the amount recommended for merit increases:

> "Should be based on data collected through a market review. Data can be collected from benchmark organizations to determine the average budgets for merit pay increases or data from WorldatWork[1] can be used to determine the acceptable increases that should be allocated." It further states, "It is recommended that employees receiving "Exceptional" ratings should receive a percent increase of at least twice the level of the increase for a "Successful" rating."

Market Analysis

Based on the most recent WorldatWork survey data available (which is the same data used in the fall of 2014), for the calendar year 2015, merit increases are projected to be from 1.6% to 3.1%. (See attachment for WorldatWork survey data.)

The following table shows planned compensation increases for local entities.

Entity	Merit	Cost of Labor
City of Durham	3-3.5%	N/A
Town of Cary	4%	N/A
Town of Hillsborough	3.25%	N/A
Cape Fear Public Utility	2.5%	1.5%
Town of Chapel Hill	N/A	4% (2% in July & 2% in January)
Town of Carrboro	N/A	2%
Orange County	0, $500 or $1,000 Bonus Based on Performance	2%

Compensation Increases Scenarios

OWASA's current pay administration guidelines, recommended by the Study, state that employees rated as Exceptional and Successful are eligible for merit increases: Exceptional at a rate of twice that awarded to Successful. Last year, the Board opted to award employees rated Exceptional a merit increase of 50% higher than the increase awarded to employees rated Successful. The scenarios below are based on these two approaches.

[1] WorldatWork (www.worldatwork.org) is a nonprofit human resources association for professionals and organizations focused on compensation, benefits, work-life effectiveness and total rewards.

The following table has been modified from the version the Board reviewed on May 14 to include options for fixed amount merit increases. Two options are presented and follow the Board's request that they result in an increase in total wages approximately equal to the merit increase provision in the proposed FY 2016 budget.

Type of increase	Percent	Percent	Percent	Percent	Fixed Amt	Fixed Amt
Employees rated Successful % or fixed amount increase	1.5%	2.0%	2.5%	3.0%	$1,600 per	$1,500 per
Employees rated Exceptional[2] Option 1 – E's receive 1.5 times merit of S's % or fixed amount increase	2.25%	3%	3.75%	4.5%	$2,400 per	
Employees rated Exceptional Option 2 – E's receive 2 times merit of S's % or fixed amount increase	3.0%	4.0%	5.0%	6.0%		$3,000 per
Option 1 Total impact on wages expense	**$110,300**	**$147,100**	**$183,900**	**$220,500**	**$212,000**	**$208,500**

Preliminary Fiscal Year 2016 Budget

The preliminary Fiscal Year 2016 budget includes a placeholder for a merit increase of 3% of wages or about $210,000.

Pay-range Market Adjustment

Based on the Cost of Labor information from WorldatWork, our pay-ranges should be adjusted from between 1.5% to 2.5%. This adjustment does not result in a raise for employees unless an employee's

[2] Amount of budget impact for employees rated Exceptional assumes no more than 10% of employees (13) are rated Exceptional. Wages for this 10% of employees is assumed to be the current average annual salary of $55,055.

compensation, after application of the range adjustment, and any applicable merit increase, is below the minimum salary for his or her pay range. Those employees would then receive the amount needed to bring them to the minimum of their pay range.

Staff Recommendation

Staff recommends that the Board discuss the information provided and make the following determinations:

1. The pay range for all positions shall be increased by _____% effective November 2, 2015 (this is not a pay increase, it is adjusting the pay ranges).

2. Employees rated as "Successful" in their October 2015 annual performance review shall receive a merit pay increase of _____ effective November 2, 2015.

3. Employees rated as "Exceptional" in their October 2015 annual performance review shall receive a merit pay increase of _____ effective November 2, 2015.

The draft resolution which contains these three elements is attached.

WORLD AT WORK SALARY SURVEY DATA

	2014				2015 projected			
	COLA	**Merit**	**Other**	**Total [4]**	**COLA**	**Merit**	**Other**	**Total [4]**
	(Percent)				(Percent)			
1-499 Employees, $30M-$100M revenue								
All Industries								
National	1.2	2.8	0.7	3.1	1.5	3.1	0.9	3.3
Southern [1]	2.2	2.7	0.9	3.1	2.2	2.9	1.7	3.3
NC	*	2.6	*	3.2	*	2.6	*	3.2
Public Administration [2]								
National	2.0	1.5	*	2.5	2.0	2.0	*	2.5
Southern [1]	2.0	0.5	*	2.5	2.0	*	*	2.5
NC	*	*	*	*	*	*	*	*
Utilities [3]								
National	*	2.4	*	2.9	*	1.6	0.8	2.4
Southern [1]	*	*	*	*	*	*	*	*
NC	*	*	*	*	*	*	*	*
All Size Employees, All Size Revenue								
All Industries								
National	1.4	2.8	0.8	3.0	1.6	2.9	0.8	3.1
Southern [1]	1.3	2.8	0.9	3.0	1.5	2.9	0.8	3.0
NC	1.2	2.7	0.7	2.9	1.5	2.8	0.7	3.0
Public Administration [2]								
National	1.9	2.3	1.6	2.7	1.8	2.5	0.7	2.5
Southern [1]	1.6	2.2	1.1	2.6	1.6	2.5	0.6	2.5
NC	*	2.5	*	2.0	*	2.6	*	2.1
Utilities [3]								
National	2.1	2.8	1.1	3.1	2.5	2.8	1.2	3.1
Southern [1]	1.1	2.7	0.9	3.0	1.7	2.7	1.1	3.0
NC	*	2.7	0.7	2.9	*	2.4	0.1	2.8

* Not enough responses for World at Work to report on this category

[1] Southern includes these states: AL, AR, FL, GA, LA, MS, NC, OK, SC, TN, TX

[2] Public Administration includes cities, states, port authorities, retirement systems, airport authorities, etc.

[3] Utilities include organizations such as Alliant Energy, American Water Works, Black Hills Corp, City Utilities of Springfield, MO, Denver Water Dept, Entergy, NY Power Authority, Southern California Edison, TN Valley Authority, Vermont Gas Systems, Westinghouse Electric

[4] The "Total Increase" is the increase for each year but it includes all types of increases. Therefore, it is not a straight average of the three "Types of Increase." The Total Increase will be an average of all increases across the three options listed (COLA, Merit, Other). When a Total Increase indicates an average that is higher than any of the three options, it means there are organizations that are giving multiple increases and the Total Increase is calculated using all increases provided by that organization.

RESOLUTION UPDATING THE SCHEDULE OF EMPLOYEE CLASSIFICATION AND AUTHORIZED COMPENSATION; ADJUSTING AFFECTED EMPLOYEES' COMPENSATION TO THE MINIMUM OF THE PAY RANGE; AND AUTHORIZING MERIT PAY INCREASES FOR ELIGIBLE EMPLOYEES

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

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

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

NOW THEREFORE, BE IT RESOLVED:

1. That the Board of Directors hereby approves the updated Schedule of Employee Classification and Compensation increasing each pay grade by _____% and it shall therefore remain in effect until further modification or revision by the Board of Directors.

2. That the Board of Directors hereby approves increasing the base pay of any employee who would be paid less than the minimum of the newly established pay ranges, to the minimum of the pay range.

3. That the Board of Directors hereby approves increasing the base pay of employees receiving a performance review rating of "Successful" during the October 2015 annual review process by _____.

4. That the Board of Directors hereby approves increasing the base pay of employees receiving a performance review rating of "Exceptional" during the October 2015 annual review process by _____.

5. That the Board of Directors hereby determines that employees receiving "Needs Improvement" or "Unsuccessful" during the October 2015 annual review process receive no merit increase.

6. That the aforementioned pay adjustments will be effective November 2, 2015.

Adopted this 11th day of June 2015.

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

ATTEST:

_____
Heather Payne
Secretary

Agenda Item 2:

Approval of the Schedule of Rates, Fees and Charges; Annual Budget; and Five-Year Capital Improvements Program (CIP):

A. Resolution Adopting the Schedule of Rates, Fees and Charges Applicable to All Customers on or After October 1, 2015;
B. Resolution Adopting the Budget for Orange Water and Sewer Authority for Fiscal Year (FY) 2016; and
C. Resolution Approving the CIP for FY 2016-2020 and the Accompanying FY 2016 Capital Project Resolution

Background:

North Carolina General Statutes and OWASA's Bond Order require that on or before July 1 of each fiscal year, OWASA must adopt an Annual Budget for the ensuing year. Following consideration of comments received from the public, the Board of Directors directed staff to present for adoption an Annual Budget for FY 2016 that provides funding for $20.8 million in operating expenses, $8.3 million in debt service payments, and $11.5 million for capital improvements expenditures ($10.6 million for CIP and $875,000 for capital equipment).

The attached Annual Budget is unchanged from the budget considered during the public hearings held on May 28, 2015.

The proposed Annual Budget includes projected operating revenues which are based on no increase in OWASA's monthly water, sewer, and reclaimed water rates. Certain other fees have been adjusted based on changes in the costs of providing the services. Staff has developed a proposed Schedule of Rates, Fees and Charges that would become effective October 1, 2015.

Board approval of the CIP formally indicates the Board's endorsement of the proposed projects and identified needs, and funding for the first year of the CIP is formally adopted as part of the annual budget ordinance.

Recommendation/Action Needed:

Approval of the resolutions adopting: (a) the Schedule of Rates, Fees and Charges applicable to all customers on or after October 1, 2015; (b) the Annual Budget for FY 2016; (c) the CIP for FY 2016-2020 and the accompanying capital project resolution.

Information:

- Memorandum to the Board of Directors
- Resolution A – Schedule of Rates, Fees and Charges effective October 1, 2015
- Resolution B – Budget for FY 2016
- Resolution C – CIP for FY 2016-2020 and Capital Project FY 2016

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: June 5, 2015

SUBJECT: **Approval of the Schedule of Rates, Fees and Charges (Rate Schedule), Annual Budget, and Five-Year Capital Improvements Program (CIP) for Fiscal Year (FY) 2016**

Purpose

This memorandum and attachments are provided to the Board of Directors as a basis for discussion and approval of the Rate Schedule, the Annual Budget, and the CIP for FY 2016.

Background

The Board of Directors held public hearings on May 28, 2015 for the purpose of receiving stakeholder input on the FY 2016 budget and rate adjustment. After the close of the public hearings and subsequent discussion, the Board directed staff to present the budget and rates for adoption at the June 11, 2015 Board Meeting.

The Board plans to approve a Rate Schedule that will go into effect on October 1, 2015 that includes no increase in OWASA's monthly water, sewer, and reclaimed water rates. Certain other fees have been adjusted based on changes in the costs of providing the services.

The Board of Directors has previously discussed drafts of the FY 2016 Budget. No changes have been made to the budget information presented at the public hearings.

Annual Budget

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

Capital Improvements Program

The total Five-Year CIP for FY 2016-2020 is approximately $80 million and FY 2016 spending is budgeted to be about $10.6 million. The dollar amounts presented in the attached resolutions are consistent with previous discussions and direction of the Board of Directors.

STAFF RECOMMENDATIONS FOR BOARD ACTION

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



Stephen Winters, CPA
Director of Finance and Customer Service

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

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED:

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

2. That the rates shown on the attached schedule shall become effective for all service billings rendered on and after October 1, 2015.

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

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

Adopted this 11th day of June 2015.

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

ATTEST:

_____
Heather Payne, Secretary

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

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

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

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

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

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

Background and Authorization

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

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

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

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

SECTION I: WATER RATES AND FEES

MONTHLY WATER RATES

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

Water Service Charge

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

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

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

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

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

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

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

RESOLUTION ADOPTING THE ANNUAL BUDGET FOR ORANGE WATER AND SEWER AUTHORITY FOR THE FISCAL YEAR JULY 1, 2015 THROUGH JUNE 30, 2016

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

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

NOW, THEREFORE, BE IT RESOLVED:

1. That pursuant to the provisions of North Carolina G.S. Chapter 159-13 the attached pages marked 2 through 6 be, and they hereby are, adopted as the official Budget of Orange Water and Sewer Authority of the Fiscal Year beginning July 1, 2015 through June 30, 2016.

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

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

Adopted this 11th day of June 2015.

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

ATTEST:

_____
Heather Payne, Secretary

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

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

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

		FY 2016 Annual Budget
General Fund		
Resources		
Transfer From Revenue	$8,100,604	
Annual Income Available for Capital		$8,100,604
Transfer from Construction Fund (Bond Proceeds)		0
Total Available for Capital		8,100,604
Capital Expenditures		
Project ordinances		
General Fund Contribution	10,615,000	
Funded by Bond Proceeds	0	
Total Project Resolutions		10,615,000
Capital Equipment		875,000
Total Capital Outlay		11,490,000
Annual General Fund Balance		(3,389,396)
General Fund Beginning Balance		24,829,978
General Fund Ending Balance		21,440,582
Project Funding	6,682,382	
Reserves		
Rate/Revenue Stabilization	1,750,000	
Capital Improvements	2,800,000	
Working Capital	10,208,200	21,440,582
Unallocated General Fund Balance		$0

REVENUE FUND

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

BOND SERVICE FUND

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

GENERAL FUND

Fund Balance July 1, 2015		$24,829,978
Receipts		
Transfer From Revenue fund	8,100,604	
Transfer From Construction Fund (Loan Proceeds)	0	
Interest	0	
Assessments	0	
Grants and contributions	0	
Total Receipts		8,100,604
Total Balance Before Expenditures		32,930,582
Expenditures		
Capital Equipment/Leases	875,000	
Project Resolutions	10,615,000	
Transfer to Revenue Fund	0	
Total Expenditures		(11,490,000)
Fund Balance June 30, 2016		$21,440,582
Allocation of Fund Balance June 30, 2016		
Project Funding	6,682,382	
Capital Reserves	14,758,200	
Total Allocation		$21,440,582
Unallocated General Fund Balance June 30, 2016		0
Change in Available Balance		($3,389,396)

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

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

WHEREAS, the Capital Improvements Program and Budget for Fiscal Years 2016-2020 have been developed by the staff, reviewed by the Board of Directors, and revisions incorporated therein; and

WHEREAS, a Public Hearing on the Capital Improvements Program was held on May 28, 2015;

NOW, THEREFORE, BE IT RESOLVED:

1. The Board of Directors of Orange Water and Sewer Authority approves the Capital Improvements Program and Budget for Fiscal Years 2016-2020 as required by the Financial Management Policy.

2. That the Executive Director be, and is hereby, authorized to administer the planning, studies, design, and financing, and make recommendations to the Board of Directors for award of contracts, as appropriate, for the projects in the Capital Improvements Budget.

3. The Five-Year Capital Improvements Program Budget for Fiscal years 2016-2020 is as follows:

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

Adopted this 11th day of June 2015.

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

ATTEST:

_____
Heather Payne, Secretary

CAPITAL PROJECT RESOLUTION
FOR
FISCAL YEAR 2016 INFRASTRUCTURE IMPROVEMENTS

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

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

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

NOW, THEREFORE, BE IT RESOLVED:

1. A project fund of $10,615,000 is hereby established and expenditures therefrom authorized for the following improvements:

Expenditures:

Water Supply Improvements:	
Jordan Lake Raw Water Supply Allocation	$5,000
Stone Quarry Reservoir Development	15,000
Cane Creek and University Lake Sodium Permanganate Feed Systems	64,000
Cane Creek Office HVAC Replacement	18,000
Subtotal	102,000
Water Treatment and Distribution Improvements:	
Water Treatment Plant and Adjacent OWASA Facilities Pavement Improvements	89,000
Water Treatment Plant Secondary Chemical Spill Containment	127,000
WTP Pulsator Controls Electrical Upgrades	70,000
WTP Generator Building Louvers Replacement	8,000
Nunn Mountain Pump Station Evaluation	58,000
Water Main Road Improvement Projects	250,000
Water Line Rehabilitation/Replacement Projects	1,407,000
Evergreen and Ridge Lanes Water Mains	376,000
Foxcroft Drive Water Main	35,000
Stancell Drive Water Main	119,000
Dobbins Drive Water Main	66,000
Advanced Meter Infrastructure (AMI) System	200,000
Galvanized Water Main Replacements	324,000
Barnes Street Water Main Valve Insertions	34,000
Brandywine Road Water Main	47,000
Emory Drive Water Main	249,000
Subtotal	3,459,000
Wastewater Collection, Treatment and Disposal Improvements:	
Sanitary Sewer Rehabilitation (CIPP & MH)	1,057,000
Bolinwood Drive Interceptor (Bolin 1)	160,000
Little Creek Interceptor (Little 1)	833,000
Gravity Sanitary Sewer Creek Crossings Upgrades	273,000

Rogers Road Gravity Sanitary Sewer Extension	370,000
(Credit for Rogers Road Sanitary Sewer Extension – expenditures paid by local municipalities)	(370,000)
Easement Acquisition Program	30,000
Force Main Condition Evaluation	166,000
Eastowne Pump Station Rehabilitation	32,000
Rogerson Drive Pump Station Rehabilitation	348,000
Piney Mountain Pump Station Rehabilitation	105,000
Knolls Pump Station and Manning Drive Pump Station Sites Rehabilitation	139,000
Heritage Hills Pump Station and Eubanks Road Pump Station Rehabilitation	31,000
Comprehensive Coatings Program	300,000
WWTP Polymer Feed System and Replacement Gravity Belt Thickeners	56,000
WWTP Digesters #1 & #2 Rehabilitation	1,986,000
WWTP Intermediate Pump Stations (IPS) Rehabilitation/Replacement	40,000
WWTP Stormwater Pump Station Electrical System Rehabilitation	292,000
WWTP Non Drinking Water Pump Replacements	109,000
WWTP and WW PS LED Lighting Upgrades	74,000
WWTP Pavement Improvements	113,000
WWTP Administration Building Renovations	43,000
WWTP Secondary Clarifier Algae Sweep System Upgrade	70,000
WWTP Solids Handling Biofilter Rehabilitation/Replacement	70,000
WWTP Anoxic Zone Mixer Hyper-Pitch Blades Attachments	58,000
WWTP Piping Heat Tracing and Insulation	35,000
Comprehensive Roof Systems Replacement Program	264,000
WWTP Biosolids Conveyance and Loading Improvements	91,000
WWTP Filtrate Side Stream Treatment	194,000
Subtotal	6,969,000
Support Services Facilities Improvements:	
Administration Building HVAC System Upgrade	85,000
Subtotal	85,000
Total Expenditures	$10,615,000
Revenues:	
Transfers from the General Fund, Bond or Loan Proceeds, and Grants	$10,615,000

2. That supplementary funds will be appropriated in future years for completion of the projects.

3. That this Resolution shall take effect upon its passage.

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

Adopted this 11th day of June 2015.

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

ATTEST:

_____
Heather Payne, Secretary

Agenda Item 3:

Resolution Awarding a Construction Contract for the Rehabilitation of the Mason Farm Wastewater Treatment Plant Digesters

Purpose:

To request the Board's approval to award a construction contract for the Rehabilitation of the Mason Farm Wastewater Treatment Plant Digesters.

Background:

The project consists of constructing new concrete walls inside the existing concrete walls in digesters 1 & 2, replacement of the gas collection system above digester 1, and replacement of various valves and appurtenances in the interconnected piping.

The need for this project was identified by staff and verified by Brown and Caldwell (Engineer).

Plans and specifications for the construction of this project were prepared by Brown and Caldwell.

A request for contractor qualifications was published on the OWASA website and in the Greater Diversity News (Wilmington, NC) on January 27, 2015, and six contractors were pre-qualified to bid on the project.

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

The Engineer evaluated the apparent low bid and found it to be responsive to the bid requirements.

RTD Construction of Zephyrhills, Florida was the low responsive, responsible bidder for the project with a bid of $1,905,964. The Engineer's estimate was $1,905,328.

Staff Recommendation:

Staff recommends that the Board of Directors adopt the attached resolution awarding the construction contract for the Mason Farm Wastewater Treatment Plant Digesters 1 & 2 Rehabilitation Project to RTD Construction.

Information:

- Memorandum to the Board of Directors
- Attachment 1 – Engineer's Recommendation for Award and Certified Bid Tabulation
- Attachment 2 – Resolution

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: Jeremy Fireline, P. E.

DATE: June 4, 2015

SUBJECT: **Award of Construction Contract for the Rehabilitation of the Mason Farm Wastewater Treatment Plan Digesters (Capital Improvements Project #278-52)**

Purpose

This memorandum recommends that OWASA award a construction contract in the amount of $1,905,964 to RTD Construction, Inc. (RTD) for the rehabilitation of digesters 1 & 2 at the Mason Farm Wastewater Treatment Plant (WWTP). OWASA policy requires that the Board approve construction contracts that have been procured using formal bidding procedures per North Carolina General Statute 143-129.

Background

Digester 1 and Digester 2 (installed in the late 1960's) are two of our four anaerobic digesters used around the clock to ensure high-quality biosolids are produced (as well as methane gas). The concrete walls of digesters 1 & 2 are showing signs of degradation from age related cracks and are a suspected source of odors. Due to the age of the digesters, a full rehabilitation including the construction of new concrete walls inside the existing walls is warranted to provide both a gas barrier and structural strengthening. The new walls will contain a coating on the interior that will provide a vapor barrier, preventing odors from escaping the digesters. This project will also replace the gas collection system on digester 1 that captures methane produced in the digestion process. The system is nearing the end of its useful life, and replacement during construction of the tank rehabilitation provides a cost effective opportunity to replace the aging gas collection system.

Brown and Caldwell (B&C) completed the design of the rehabilitation in February 2015 that will include placing concrete linings in the interior of digesters 1 & 2, replacement of the gas collection membrane system on the top of digester 1, and miscellaneous valve replacements in interconnected pipes.

The contract schedule calls for the work to begin within 30 days of the Notice of Award, allows 245 days for substantial completion, and 275 days for final completion.

Advertising and Bidding

Because of the size and complexity of this construction contract, prospective bidders were screened through a prequalification process in which interested contractors were required to submit a package outlining their qualifications, including past performance on similar projects, credentials of their management team, safety record, etc. according to OWASA pre-qualification procedures. Only those firms that clearly demonstrated the capability to successfully complete the project were invited to submit bids on the project.

Staff posted a Request for Qualifications (RFQ) on January 27, 2015. Eight (8) RFQ submittals were received on February 26, 2015 and after review of the submissions, six (6) contractors were prequalified to bid on the project. An invitation for bids was issued to the prequalified contractors on March 26, 2015. Five (5) bids were received and opened publicly on May 5, 2015 as summarized below:

Crowder Construction	$2,046,220
English Construction Company	$2,352,000
Haren Construction	$2,892,000
M.B. Kahn Construction	$2,195.150
RTD Construction	$1,905,964
Engineer's Estimate at 100% design completion	*$1,905,328*
FY 2016 CIP construction budget (proposed)	*$1,712,000*
Contingency	*$172,000*

B&C reviewed the apparent low bid (RTD) and determined that it was complete and responsive to the bid requirements (Attachment 2). RTD's bid is consistent with the Engineer's Opinion of Probable Cost (EOPC).

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, OWASA's website, and plan rooms, and requiring bidders to follow "good faith" efforts to solicit participation by minority subcontractors. The total value of work RTD is proposing to have provided by minority firms is $24,800 (1.3%) and they have documented "good faith" efforts to solicit participation from minority firms according to OWASA policy.

Recommendation

RTD was pre-qualified to bid on the project under OWASA's policy for contractor prequalification. The bid submitted was determined to be complete and responsive. Thus, RTD's bid has been deemed the lowest responsive and responsible bid and it is hereby staff's recommendation, with the supporting recommendation from B&C, to award the contract to RTD for $1,905,964.

Please let me know if you have any questions or need additional information. I can be reached at 919-537-4249 or jfireline@owasa.org. Thank you.



Jeremy Fireline, P.E.
Utilities Engineer

Attachment 1 – Engineer's Recommendation for Award and Certified Bid Tabulation
Attachment 2 – Resolution

5430 Wade Park Boulevard, Ste. 200
Raleigh, North Carolina 27607
Tel: 919-233-9178
Fax: 919-233-0144
www.brownandcaldwell.com

Brown AND Caldwell

May 15, 2015

Mr. Jeremy Fireline, P.E.
Orange Water and Sewer Authority
400 Jones Ferry Road
Carrboro, North Carolina 27510-0366

147044

Subject: OWASA Mason Farm WWTP – Digester 1 and 2 Rehabilitation
Receipt of Bids and Recommended Award of Contract

Dear Mr. Fireline:

On May 5, 2015, OWASA opened bids for the referenced project. Bids were received from five of the six prequalified contractors as summarized below:

Bid Summary	
Bidder	Bid Price
RTD Construction	$1,905,964
Crowder Construction	$2,046,220
M.B. Kahn Construction	$2,195,150
English Construction	$2,352,000
Haren Construction	$2,892,000

Brown and Caldwell reviewed the bid packages of RTD Construction and Crowder Construction in detail and determined that RTD Construction is the lowest responsive and responsible bidder. RTD Construction's qualifications were previously pre-qualified by Brown and Caldwell as part of the pre-qualification process and they received the highest score of the pre-qualified bidders that actually bid this project. RTD Construction also attended the mandatory pre-bid meeting. RTD Construction submitted Affadavit D – Good Faith Efforts and supporting documentation within 72 hours of being notified that they were the lowest responsive and responsible bidder. Brown and Caldwell reviewed these documents and they appear to be in order.

Based on our review of the submitted information, Brown and Caldwell recommends award of the contract to RTD Construction in the amount of $1,905,964. Brown and Caldwell's opinion of probable cost at 100% design was $1,905,328.

If after review you have any questions, please do not hesitate to contact me.
Very truly yours,

BROWN AND CALDWELL

Peter F. Schuler, P.E.
Vice President / Mid-Atlantic WW Practice Leader

NORTH CAROLINA PROFESSIONAL SEAL 10323 ENGINEER PETER F. SCHULER 5/15/15

Attachment - Certified Bid Tab

z:\owasa\147044 - owasa - mason farm - d1 and d2 rehabilitation\060_correspondence\01_sent\ltr 07 - jfireline recommendation of award.doc

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

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

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

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED:

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

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

Adopted this 11th day of June 2015.

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

ATTEST:

_____
Heather Payne, Secretary

Agenda Item 4:

Review Draft Scope of Work for Design of the Sanitary Sewer System for the Historic Rogers Road Area

Purpose:

To solicit feedback from the Board of Directors on the draft scope of services for our consultant, AECOM, to complete the design and permitting phase of the Historic Rogers Road Area (HRRA) sewer project.

Background:

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

In June, 2014, OWASA and Orange County entered into an Interlocal Agreement to conduct a preliminary engineering study to conduct field investigations in the HRRA to inform the sewer alignment and provide a budget level cost estimate.

At the April 23, 2015 OWASA Board Meeting, staff provided an overview of the preliminary engineering study for the HRRA sewer extension project and received feedback from the Board. The Board requested the design phase services for the HRRA sewer system include comparison of a pump station and the 12-inch sewer outfall and a subarea breakdown of cost per parcel. The Board asked to review the draft scope of services before it is finalized.

OWASA and Orange County executed an Interlocal Agreement on May 19, 2015 for OWASA to proceed with the design and permitting phase of the project.

The draft scope of services document for the design and permitting phases of the HRRA Sanitary Sewer project that AECOM and OWASA staff has prepared is attached for review.

Orange County staff have been, and continue to be, involved in the review and revision of the draft scope of services. Their comments have been incorporated in the attached draft.

AECOM is developing the fee and schedule proposal for the draft scope of services. It is important to note that the scope of services has increased from the previous report and this may impact the fees. It will take at least one year to design and permit the project. The easement acquisition process, which will be carried out by the County, can impact the schedule.

As soon as Orange County approves the scope of services, fee and schedule, OWASA staff will finalize the contract with AECOM and the work will begin. We anticipate design work starting at the beginning of July.

Action Requested:

Provide feedback on the draft scope of services. A formal resolution of approval is not needed for this item.

Information:

- Draft Scope of Services for Design of Sewers in the Historic Rogers Road Area

PROJECT SCOPE OF SERVICES

AECOM will perform Final Design and Surveying Services (Services), as authorized in the Interlocal Agreement between Orange Water and Sewer Authority (OWASA) and Orange County. AECOM will design approximately 18,000 total linear feet (LF) of 8-inch and 12-inch diameter gravity sanitary sewer pipes[1]. Construction drawings and technical specifications will be prepared and conform to OWASA – Manual of Specifications, Standards and Design, latest edition.

AECOM will provide engineering final design and surveying services and prepare construction drawings and specifications, perform permitting activities necessary to advance the preparation of drawings and specifications, and develop easement requirements in tabular form to forward to the consultant preparing easement plats. Unless otherwise noted, the Construction Drawings are being developed for a single phase construction project. The costs associated with the preparation of multiple phases, if requested in the future, would add costs and are not included in this Scope. The Services will include the following tasks:

Task 1 – Life Cycle Analysis of Lift Station and 12-inch Diameter Outfall Sewer

AECOM will prepare a letter report comparing life cycle costs and environmental impacts to provide a lift station and force main in the proximity of Tallyho Drive in lieu of a 12-inch diameter gravity sanitary sewer pipe outfall. The life cycle cost and environmental impact analysis will include and assume the following:

Proposed Lift Station	**Outfall**
180 gallons per minute maximum capacity	12-inch diameter Gravity Sewer Main Pipe
6-inch diameter Force Main Pipe	Identify approximate environmental buffers
Approximate power requirements/usage	Identify stream crossings locations/depths
Operation and maintenance costs (20 years)	Operation and maintenance costs (20 years)
Address potential odor issues	Address potential odor issues
Easement requirements	Easement requirements
Permitting requirements	Permitting requirements
Upfront costs versus long term costs	Upfront costs versus long term costs
Overall opinion of probable costs	Overall opinion of probable costs

The AECOM report will include a geographic information system based (GIS-based) exhibit of the conceptual 12-inch diameter gravity sanitary sewer pipe outfall layout (plan and profile) and GIS-based exhibit showing the pump station's location and plan and profile of the 6-inch diameter force main pipe. The GIS-based exhibit will depict GIS-based parcel identifications, locations, and layouts with property owner names; locations of streams' tops of banks, bottoms of banks, centerline of streams beds, and zone 1 and zone 2 stream buffers; locations of roadways and structures; 30-feet wide easement alignments; and 10-feet interval topographic lines determined using light detection and ranging (LIDAR) technology.

[1] Note Task 3, item 1 on Page 3

AECOM will attend and participate in a meeting with primary stakeholders to discuss results of the life cycle cost and environmental impacts analysis and incorporate mutual stakeholder recommendations into final design and surveying services. This meeting will be coordinated by OWASA and is expect to last approximately 3 hours. It is possible that the results from the meeting may result in an amendment to the preliminary engineering report and to the Services described in this document.

Up to 5 hard copies of the letter report will be submitted for preliminary review and up to 5 hard copies and a digital copy will be submitted to OWASA as a final product.

Task 2 – Environmental Assessment

In compliance with the North Carolina State Environmental Protection Act (SEPA), AECOM will perform and submit an Environmental Assessment (EA) to the state. It is anticipated that the EA will document and demonstrate that the proposed activities will not cause significant impacts to the environment. AECOM will collect data, research and prepare an environmental document that will include:

- Proposed project description
- Purpose and need for the project
- Description of the area to be served by the project
- Project site plan
- Alternative analysis (including no action)
- Description of existing environmental features or natural resources (also called Affected Environment)
- Predicted environmental impacts (also called Environmental Consequences)
- Avoidance and minimization measures
- Other mitigation measures (e.g., rectification, reduction or compensation)
- Listing and schedule of state and federal permits required
- Various maps and aerial photography, depicting as applicable:
  - Construction and project study areas (including properties to be served)
  - Environmental features described
  - High growth areas
  - Environmental justice populations
  - Land use
  - Existing and proposed public utilities
  - Public lands
  - Watershed boundaries
  - References
- Summary of agency coordination and public involvement

The following environmental elements, at a minimum, will be evaluated in the EA:

- Population and demographics
- Land use and zoning

DRAFT

- Neighborhoods and community resources
- Parklands
- Cultural, historic and archaeological resources (see Task 8)
- Air quality
- Noise
- Hazardous materials
- Threatened and endangered species (see Task 9)
- Wetlands (see Task 9)
- Floodplains
- Water quality
- Environmental justice

AECOM will submit the EA to the North Carolina State Department of Environment and Natural Resources (DENR) and, if it is determined through the DENR internal review process that a project's implementation will not result in significant impacts to the environment, a Finding of No Significant Impact (FONSI) will be issued. It is anticipated that a FONSI will be issued for this project.

However, if review of the EA indicates that a project is likely to, or will, have significant environmental impacts, an Environmental Impact Statement (EIS) will need to be prepared. Preparation of an EIS is not included in the Scope of Services.

Task 3 – Construction Drawing and Technical Specification Development

1. The project will include the design of approximately 18,000 LF of 8-inch and 12-inch diameter sanitary sewer main and associated appurtenances unless the pump station/force main option is warranted. In that case, the pump station and force main will be designed in lieu of the unneeded portion of the 12-inch diameter sanitary sewer main. Changes to the Services described in this document will be required if the pump station/force main option is selected.
2. The public sewer line extensions will be shown on both plan and profile sheets. Plan and profile drawings will be at a horizontal scale of 1" = 40' and a vertical scale of 1" = 4'.
3. AECOM will meet with OWASA and other stakeholders (up to 2 meetings) to review the exact project requirements and to obtain any remaining background material from the Town of Carrboro, Town of Chapel Hill and Orange County.
4. OWASA's preferred construction contract documents for general and bidding requirements, general conditions, and technical requirements will be used. The sanitary sewer infrastructure will be designed to the OWASA – Manual of Specifications Standards, and Design latest edition.
5. AECOM will provide 22" x 34" plan and profile drawings in a format acceptable to OWASA.
6. AECOM will provide 30%, 60%, 90%, and final drawings. One review meeting for each percent complete (i.e., 30%, 60%, 90%, and final) submittal will be included to review overall comments with OWASA.

    - 30% Construction Drawings (Horizontal Alignment Only) and Preliminary Table of

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Contents (TOC). 30% Drawings will be developed after Tasks 6 through 9 are completed.
- 60% Construction Drawings (Plan and Profile) and Preliminary Technical Specifications
- 90% Construction Drawings (Plan and Profile) and Final Technical Specifications
- Final Deliverable

7. Subarea Sewer Line Breakdown
   AECOM will use this subtask to breakdown the opinion of probable sewer construction costs and determine the estimated construction costs to serve the parcel(s) in each subarea.
   - AECOM will separate the HRRA into up to 5 subareas.
   - AECOM will calculate the opinion of probable costs to serve the parcel(s) in each sub area.
   - AECOM will provide a map showing the subareas and opinion of probable construction cost per subarea.
8. Opinions of Probable Costs (per industry standards) will be provided at each review interval (30%, 60%, 90%, and final). Construction costs per household for sanitary sewer segments in discrete subareas within the project area will be developed. Up to 5 subareas (sewer segments) will have overall construction costs itemized per household.

Task 4 – Stakeholder Communication Support

AECOM will identify all design phase and permitting phase field activities indicating the scope and schedule of the field activities for OWASA's use in notifying property owners/tenants of pending field work. OWASA will be provided such information for any needed field work at least two (2) weeks prior to commencement of the identified work in the field.

AECOM will attend and participate in up to 10 meetings with primary stakeholders to discuss concerns relative to providing services and design of a new collection system. (The meetings will be coordinated by OWASA, and OWASA will identify stakeholders that will be invited to the meetings.) The meetings are anticipated to last 2 hours each.

Task 5 – Surveying

Topographic Survey:
Global Positioning System (GPS) control points will be set at the project site to establish horizontal and vertical control which is tied to the North Carolina State Plane Coordinate System. The North American Datum of 1983 (NAD 83) will be used for the horizontal datum and the North American Vertical Datum of 1988 (NAVD 88) will be used for the vertical datum. Sufficient data will be surveyed to map 2 feet contour lines. Survey work will include the following:
- Topographic survey of approximately 18,000 LF of sewer alignment (average 75 feet swath width)
- Setting/re-establishing GPS control points
- Locate property irons/corners as needed for easement recordation and for wetland flagging "plats"
- Locating wetland flagging
- Top of bank, bottom of bank, centerline of stream and water elevation
- NCDOT, Duke Energy, and railroad rights of way width verification

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- Locate up to 85 lowest adjacent grades (LAGs) and finished floor elevations (FFEs)
- Locate up to 28 existing manholes (including elevations of tops and inverts)
- Locate private well locations (within, and adjacent to, surveyed swath)
- Locate private septic systems/residential pump tanks within surveyed swath (above ground features only)
- Locate storm water infrastructure inverts within surveyed swath (including driveway pipes)
- Locate above ground utilities within surveyed swath (including overhead power line crossings)
- Locate residential structure corners and detached structures within surveyed swath
- Note/locate miscellaneous above ground obstructions (e.g., abandoned cars, bollards, wood piles, play areas, pools, etc.) within surveyed swath
- Locate edges of pavement (EOPs), striping, signs, mailboxes, landscaping, driveways (widths and type) along roadways
- Locate fencing/gates and type (within swath and along roadways)
- Locate edge of woods along existing easements and roadways
- Locate edge of woods along existing driveways and gravel/dirt roadways
- Locate trees 15 inches and greater in diameter
- Adjacent to the Orange County Landfill parcel only, locate the tree line adjacent to methane gas line adjacent to the surveyed swath
- Locate edge of woods for the Duke Energy right of way within the surveyed swath
- Locate edge of woods and centerline location of old roadbed within the Council parcel (Parcel ID 9870636032), Ferrell parcel (Parcel ID 9870626666), and/or the Joelin parcel (Parcel ID 9870720716).

Easement Plat Development:

- The project will require the development of new permanent sewer easements and temporary construction easements. Easement plats will have to go through OWASA's review process and Orange County plat review and recording process. If Orange County elects to proceed with easement plat development, AECOM can perform easement plat development services on a per parcel basis. Easement plat development services may be performed as an Additional Service through OWASA's contract with AECOM.

Task 6 – Geotechnical Investigations

AECOM will provide geotechnical investigations including exploratory work, field testing, laboratory testing, engineering interpretations and evaluation of exploratory and test data, and technical recommendations. AECOM anticipates providing the following:

Field Investigations:

1. Coordinating the locations of field test borings with all utility companies and property owners before beginning any work to avoid damage to existing utilities.
2. Setting up traffic control signs for each boring prior to drilling.
3. Performing a subsurface exploration program using standard penetration test (SPT) borings:

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a. Drilling up to 20 borings to depths ranging from 10 to 25 feet. Additional depth may be needed depending upon the encountered subsurface conditions. Review of the most recent Orange County soils maps and comparison of them to the actual conditions encountered in the field.
b. Measuring and recording the depth at which groundwater is encountered during field testing.
c. Measuring and recording the depth of rock/refusal.

Engineering Analysis and Recommendations:
After completion of the field investigation and laboratory testing, AECOM will evaluate the field and laboratory test data, and perform engineering analysis and reporting that will include the following:

1. Field test results, boring logs, and color photographs of the site.
2. A discussion of the understanding of the proposed construction including locations, dimensions, and bearing elevations.
3. A discussion of the regional and site geology and topography.
4. Groundwater elevations and its effect upon the proposed design and construction.
5. Rock encountered, if any, and its effect upon proposed design and construction.
6. Engineering interpretations of the field and laboratory data.
7. Recommendations for subgrade improvement and site preparation.
8. Recommendations for construction.

Task 7 – Subsurface Utility Exploration

AECOM will call ONE CALL at various intersections within the HRRA to obtain Project Planning (Quality Level D) subsurface utility explorations (SUEs) for existing utilities. Up to 5 Preliminary Design (Quality Level B) SUEs at various sewer roadway crossing locations within the existing roadway rights of way in the HRRA will be obtained. It is anticipated that each location will have up to 5 different underground utilities and will be located up to 100 LF for each utility.

AECOM will provide up to 4 American Society of Civil Engineers (ASCE) Final Design (Quality Level A) (SUEs) at the intersections of Homestead Road and Seawell School Road and up to 2 Level A SUEs at the intersection of Homestead Road and Hearthstone Lane. One Level A SUE will be required just south of the intersection of Rogers Road and Priscilla Lane (west side of Rogers Road) and up to 3 Level A SUEs will be required along Tallyho Drive.

Task 8 – Sensitive Cultural / Historical / Archaeological Areas

Sensitive Cultural/Historical Areas:
The sensitive cultural/historical areas survey will include background research and limited investigative fieldwork and reporting of findings from said research and fieldwork.

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Archaeological Areas:
The archaeological field studies will include a combination of field reconnaissance and hand excavation of shovel test pits (STPs) at 20-meter (66-feet) or 30-meter (100-feet) intervals, utilizing the former for relatively level areas and the latter for areas where slope exceeds eight-percent. If needed, closer interval STPs (15-meter/50-feet and/or 10-meter/33-feet) will be excavated to further refine our knowledge of the extent of artifacts to horizontally define the boundaries of any site(s) discovered. The visual inspection will include an examination of any exposed surfaces, such as plowed agricultural land, stream banks, and other exposed surfaces (e.g., tree root throws, exposed areas of slope wash). STPs will be excavated at least 10 cm into culturally sterile subsoil, or a maximum depth of one meter below ground surface. Soils excavated from STPs will be sifted through quarter-inch wire mesh for uniform artifact recovery. Soil profiles will be recorded using standard US Department of Agriculture (USDA) terminology, with colors noted in reference to the Munsell standard. Each shovel test will be documented through the use of standardized forms. Further, the locations of STPs will be plotted on project area maps and recorded with a GPS unit. Digital photographs will be taken to document identified site(s) and field conditions at the time of the fieldwork. Furthermore, the field director will keep a log of activities and field impressions. Once completed, all STPs will be backfilled.

Upon completion of the field survey, any recovered artifacts will be processed and a report of findings will be drafted. Cultural materials obtained during the survey will be cleaned, stabilized (when necessary), and identified to the standards outlined in the *Requirements for Curation of Artifacts by the Office of State Archaeology*, *Catalog Procedures for the Office of Archaeology*, and *Archaeological Curation Standards and Guidelines of the North Carolina Department of Cultural Resources*. Specifically, materials will be washed and labeled. Artifacts will be analyzed in terms of form, function, age, and if possible, cultural affiliation. The latest research and local typologies will be used to identify any cultural materials located.

Reporting tasks will include a brief end-of-fieldwork summary memorandum and a technical report for submission to the North Carolina State Historic Preservation Office (NC HPO) for review and comment. If archaeological resources are identified, a NC HPO site form will be required to be completed for each identified site. If identified, the NC HPO site forms can be completed as an Additional Service.

Task 9 – Environmental Impacts (Buffers and Wetlands)

AECOM will perform Ecological Services within the project area. The primary tasks for the ecological survey include, but are not limited to, background research, field investigations, report preparation, and preparation of permit applications. These tasks are described below:

Field Delineation of Jurisdictional Waters of the United States (US):

AECOM will conduct a field delineation of Waters of the US in accordance with the current federal delineation methodology.

1. Background Research:
   AECOM will perform background research prior to commencing fieldwork. Research will

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include publicly available information on soils, water resources, geology, and mapped wetlands, including but not limited to the US Fish and Wildlife Service (USFWS) National Wetland Inventory (NWI) maps, USDA Natural Resources and Conservation Service (NRCS) county soil survey and maps, US Geological (USGS) topographic quadrangle maps, and North Carolina State Geographic Information System (GIS) hydrological data.

2. Field Delineation:
AECOM will survey the project corridor for jurisdictional Waters of the US, including wetlands. AECOM also will conduct a Jordan Lake riparian buffer evaluation and delineate the tops-of-banks of any identified streams. AECOM will identify habitat types, vegetated wetlands, waterbodies, and other regulated special aquatic sites encountered. The boundaries of all jurisdictional Waters of the US within the survey corridor will be demarcated using high visibility flagging. AECOM will document, using the most current US Army Corps of Engineer (USACE) wetland delineation data form, two sample plots for each vegetated wetland: one in the wetland and one in the adjacent upland. In large wetlands, additional plots will be established, as necessary, where major changes in wetland types are encountered within the same crossing. For each jurisdictional Waters of the US stream identified, AECOM will complete a USACE *Stream Quality Assessment Worksheet* and a NC Division of Water Resources (DWR) *Stream Identification Form* (Version 4.11). For each Waters of the US waterbody identified, AECOM will collect specific information about its width, depth, and bank characteristics.

   AECOM will classify the identified Waters of the US resource according to the U.S. Fish and Wildlife Service (USFWS) *Classification of Wetlands and Deepwater Habitats of the United States*. Observations supporting potential functions and values, and representative photographs will be recorded for each wetland. Additionally, AECOM will note wetland features that have implications for construction and selection of wetland crossing technique, such as unstable soils and degree of saturation.

   AECOM will map the location of each field delineated boundary flag using GPS units with sub-meter accuracy. Complete notes documenting the location and type of environmental feature identified will be recorded in the field logbook during data collection, including sketches so that AECOM's GIS manager may later edit GPS positions, if necessary. Field data will be used in GIS analysis to produce tables and maps required for permit applications.

3. Wetland Delineation Report:
AECOM will prepare a Wetland Delineation Report for submittal to the USACE and DWR. This delineation report will be prepared in accordance with USACE requirements and will include an overview of resource identification methodology; a summary resource table of field delineated jurisdictional Waters of the US; a narrative description of waterbodies and wetlands including vegetation, soils, and hydrology; a map(s) depicting the location of the field delineated jurisdictional Waters of the US; the completed wetland and stream data forms; and representative photographs.

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Threatened and Endangered Species Data:

AECOM will collect and document data on any potential Federal- or State-listed species or their habitats that may occur on or within the vicinity of the project.

- Agency Coordination:
  Based on the background research and their understanding of project impacts, AECOM will prepare an informal coordination letter to the USFWS requesting information on any known threatened or endangered species on or within the vicinity of the project, and any surveys for threatened or endangered species that their agency recommends, if any, to be conducted prior to construction of the project.

- Field Observation Data:
  As part of the field delineation of jurisdictional Waters of the US, as described above, AECOM will document the presence of any observed threatened or endangered species or their habitat within the project survey corridor.

Permitting:

AECOM will incorporate the USACE-approved jurisdictional Waters of the US wetland and stream boundaries in the project plans. AECOM will review the plans for consistency with the Clean Water Act Section 404(B) (1) avoidance, minimization, and compensation guidelines. AECOM will develop a strategy to obtain permits required to impact regulated natural resources. AECOM will identify necessary permits and issuing regulatory agencies, prepare a schedule for submitting necessary documentation, and estimate of the regulatory agency approval time frame. AECOM will identify appropriate compensatory mitigation options to offset any unavoidable impacts to wetlands and streams.

AECOM anticipates the project will be authorized under USACE Nationwide Permit No. 12 (under Section 404 of the Clean Water Act and Section 10 of the Rivers and Harbors Act). AECOM will prepare a Pre-Construction Notification (PCN) for submittal to the USACE, Wilmington District. AECOM will request a Clean Water Act Section 401 Water Quality Certification from DWR concurrent with submittal of the PCN to the USACE. This PCN will also include a request for Jordan Lake Riparian Buffer Rule approval.

Task 10 – Permitting

AECOM will provide permitting activities necessary to complete design including the following:

- 401/404 PCN including buffer determination and wetlands
  - Wetlands Delineation Report
  - USFWS Coordination Letter
  - PCN Application
  - Documentation of presence or absence of threatened or endangered species (only in areas of installation and future maintenance)
- NCDOT Encroachment Permit, using NCDOT Standard Traffic Control Details Only
- NCDENR Sewer Extension Permit:
  - Watershed Classification Form (WSACS 01-15)

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  - Flow Tracking/Acceptance Form (FTSE 08-13)
- NCDENR Erosion and Sediment Control Permit and associated calculations
- Towns of Carrboro and Chapel Hill Stormwater Management requirements and associated calculations

Task 11 – Deliverables

Furnish the following:

- Letter Report – Life cycle and environmental impact analysis of a Pump Station/Force Main versus a 12-inch diameter Gravity Sanitary Sewer Outfall (5 copies of preliminary report; 5 copies of final report plus a digital copy)

Environmental Assessment (Up to 12 hard copies and digital copy)

- 30% Construction Drawings (Horizontal Alignment Only) and Preliminary Table of Contents (TOC) (5 copies)
- Subarea Sewer Line Breakdown (Up to 5 hard copies of opinion of probable cost for each sub area and map showing location of each sub area).
- 60% Construction Drawings (Plan and Profile) and Preliminary Technical Specifications (5 copies)
- 90% Construction Drawings (Plan and Profile) and Final Technical Specifications (5 copies)
- Final Construction Drawings and Specifications (5 copies and digital copy)
- Geotechnical Report
- Environmental Permitting Package (including any associated report)
- Table of Recommended Easements

OWASA RESPONSIBILITIES

- OWASA will provide access letters for access to property/parcels.
- OWASA will obtain permissions to enter property for additional testing and evaluations.
- OWASA will coordinate all stakeholders' meetings and will identify stakeholders that will be invited to the meetings.
- OWASA will provide standard specifications, standard details, and other standards necessary for completion of design.
- OWASA will provide existing water line easement documentation/plats.
- OWASA will provide timely reviews of submittals by stakeholders.
- OWASA to complete Flow Tracking/Acceptance Form (FTSE 08-13)

EXCLUSIONS

- Preparation and submittal of an EIS
- Development of NCDOT Traffic Control Plan other than by standard NCDOT details.
- Easement plat development and acquisition services
- Preparation and submission of Wetland and Buffer Mitigation documents/mapping and payment of Wetland and Buffer Mitigation fees

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- Obtaining any other permits/agreements, payment of fees, and privileges and assurances not specifically defined in this Scope of Services
- Clearing and grubbing for access of Geotechnical exploration services in within private property.
- Provide traffic control for more than 5 geotechnical borings within NCDOT right-of-way.
- Threatened and Endangered Species Surveys and Formal Section 7 Consultation. Based on the information obtained from data collected and USFWS coordination, AECOM will determine if species specific field surveys and formal section 7 consultation is required, and will issue a separate Scope of Work for these tasks.
- SUE Level B locations with over 5 underground utilities and locating more than 100 LF for each underground utility per location.
- Completion of NC HPO site forms are not included in the Scope of Services. If archaeological resources are identified, a NC HPO site form will be required to be completed for each identified site.
- Lift (Pump) station and force main design
- Any other work not specifically defined in the Scope of Services

ADDITIONAL SERVICES

AECOM will provide additional engineering services beyond Services included in this document as required and authorized in writing by OWASA.

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Agenda Item 6:

Review Board Work Schedule

Purpose:

a) Review and update the 12 Month Board Meeting Schedule
b) Review the draft agenda and discuss expectations for the June 25, 2015 business meeting
c) Review the draft agenda and discuss expectations for the July 9, 2015 work session

Information:

- Draft 12 Month Board Meeting Schedule
- Draft agenda for the June 25, 2015 business meeting
- Draft agenda for the July 9, 2015 work session

OWASA Board of Directors – 12 Month Board Meeting Schedule

(June 11, 2015)

Month	Board Meetings		Committee Meetings (dates to be determined)
	Work Session	**Business Meeting**	
June 2015	Approve Employee Merit Pay for FY 2016 ( ) Approve FY 16 Budget and Rates ( ) Review Draft Scope of Work for Design of Sewer System for Rogers Road Award Digester Rehab Contract for WWTP ~~Discuss if Board wants Counsel/staff to evaluate requirements regarding charitable causes~~ -1 Election of Officers ( ) *6/11/2015*	Review Draft Scope of Work for Total Compensation Study Discuss Energy Mgt. Plan's Baseline & Draft Goals Update on Affordability Pilot Project Revisit Board Members' Suggestions regarding Lake Recreation Activities Discuss Results of Board Self-Assessment – 2 *6/25/2015*	**Nominating Committee** *(6-4-2015)* - 1 **Community Engagement** *Continue Affordability Pilot Report discussion (6-23-2015)* - 3
July 2015	Swear in new Board Members (if needed) Approve Scope of Work for Total Compensation Study (if needed) *7/9/2015*	*To Be Determined* *7/23/2015*	
August 2015	AMI – Interview Findings & Technology/Strategy Review – 4 Discuss Reserves and Long Term Rate Structure Committee Assignments - 4 ( ) CS - General Counsel Review *8/13/2015*	12 Month Preliminary Financial Report ( ) CIP Semiannual Report ( ) CS - General Counsel Review ( ) *8/27/2015*	**NRTS -** *Energy Plan – Strategy Evaluation (TBD)*
September 2015	Discuss Draft Biosolids Management Plan, Part II Review Energy Plan – Strategy Evaluation CS – ED Review ( ) *9/10/2015*	Annual Report and Financial Audit ( ) Approve General Counsel Engagement ( ) CS – ED Review ( ) *9/24/2015*	
October 2015	Review AMI Prelim Economic & Financial Analysis – 4 Discuss LRWSP – Goals and Metrics Discuss 2016 Recreation Season Fees & Activities *10/8/2015*	Approve Biosolids Management Plan Q1 Financial Report ( ) Strategic Trends Report ( ) *10/22/2015*	
November 2015	Draft AMI Feasibility Study Presentation/ Report - 4 *11/12/2015*	*Holiday - no meeting*	
December 2015	Final Draft AMI Feasibility Study Presentation/Report - 4 *12/10/2015*	*Holiday - no meeting*	
January 2016	Annual Lakes Recreation Report ( ) Update on Employee Health Insurance *1/14/2016*	Q2 Financial Report ( ) CIP Semiannual Report ( ) *1/28/2016*	
February 2016	CS - General Counsel Interim Review ( ) *2/11/2016*	CS - General Counsel Interim Review ( ) *2/25/2016*	
March 2016	Draft Budget and Rates ( ) CS – ED Interim Review ( ) *3/10/2016*	Draft Budget and Rates ( ) Approve dates for public hearing on FY 17 budget and rates ( ) CS – ED Interim Review ( ) *3/24/2016*	
April 2016	Review Employee Health and Dental Insurance Renewal ( ) FY 16 Draft Budget and Rates ( ) *4/14/2016*	Q3 Financial Report ( ) Audit Firm Selection ( ) *4/28/2016*	
May 2016	Review Employee Health and Dental Insurance Renewal, if needed ( ) Review Employee Merit Pay for FY 2016 ( ) Appointment of Nominating Committee ( ) *5-12-2016*	Public Hearings - FY 16 Budget and Rates ( ) Approve Employee Health and Dental Insurance ( ) *5-26-2016*	

1 – Counsel/staff evaluating requirements for Board's review
2 – added Board committee meetings
3 – rescheduled from June 11th to June 25th
4 – added by staff

Revision language showing changes since May 14, 2015

OWASA Board of Directors – 12 Month Board Meeting Schedule

(June 11, 2015)

The 12 Month Board Meeting Schedule shows Strategic Plan initiatives and other priority efforts that the Board and staff plan to give greatest consideration to during the next twelve months. The schedule also shows major recurring agenda items that require Board action, or items that have been scheduled in response to the Board's prior standing request. This schedule does not show all the items the Board may consider in a work session or business meeting.

The 12 Month Board Meeting Schedule will be reviewed and updated at each monthly work session and may also be discussed and updated at the Board's business meetings.

In addition to the initiatives shown in this schedule, staff will be working on other Strategic Plan and organizational priorities that are not expected to require major additional discussion with the Board except as part of budget deliberations (e.g., continuing our comprehensive asset management work, evaluating our CIP investment practices).

The schedule implies that the following Strategic Plan initiatives would be addressed beyond the 12 month period. The Board may conclude that one or more of the following initiatives are higher priority. The schedule will be revised as needed to reflect the Board's priorities, and any additional initiatives that the Board may decide to address.

- Findings and policy recommendations from the sewer easements pilot project will be presented in a Board work session in FY 2016.
- Development of a plan and policy framework for OWASA lands is considered a longer-term priority.
- Improve effectiveness as a learning organization is considered a longer-term priority.
- Water Conservation Plan will be prepared concurrent with update of the Long-Range Water Supply Plan.

The OWASA Board determines which topics it wants to explore as a full Board (potentially in a work session format) and which topics it wants to assign to Board committees or committee chairs for further analysis and development of recommendations. Board also determines priorities and desired timeframes for addressing topics. Committee meetings will be updated on the schedule routinely.

Abbreviations Used in Draft Schedule:

↻	Recurring agenda item (generally these are "required" items)
AMI	Advanced Metering Infrastructure
CIP	Capital Improvements Program
COLA	Cost of Labor Adjustment
CS	Closed Session of the Board
CY	Calendar Year
ED	Executive Director
FY	Fiscal Year
JLP	Jordan Lake Partnership
LRWSP	Long-Range Water Supply Plan
Q	Quarter
WTP	Water Treatment Plant
WWTP	Wastewater Treatment Plant

AGENDA
MEETING OF THE OWASA BOARD OF DIRECTORS
THURSDAY, JUNE 25, 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 a four 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.
2. Announcements by Board Members
   A. Update on the June 23, 2015 Community Engagement Committee Meeting (Steve Dear)
3. Announcements by Staff

Petitions and Requests

1. Public
2. Board
3. Staff

CONSENT AGENDA

Action

1. Approval of the Minutes of the May 28, 2015 Public Hearings and Meeting of the Board of Directors (Andrea Orbich)
2. Approval of the Minutes of the June 9, 2015 Work Session of the Board of Directors (Andrea Orbich)

REGULAR AGENDA

Discussion and Action

3. Review Energy Management Plan's Baseline and Potential Goals and Objectives (Patrick Davis)
4. Review Draft Scope of Work for Employee Total Compensation Study (Ed Kerwin)

Discussion

5. Update on 12-Month Progress Report on Affordability Outreach Pilot Project (Patrick Davis)
6. Revisit Board Members' Suggestions regarding Lake Recreation Activities (Todd Taylor)

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Summary of Board Meeting Action Items

7. 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

Work Session

8. The Board will Convene in a Work Session for the Purpose of Discussing the Results of Board Self-Assessment (John Young)

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AGENDA
WORK SESSION OF THE OWASA BOARD OF DIRECTORS
THURSDAY, JULY 9, 2015, 6:00 P.M.
OWASA COMMUNITY ROOM

The Board of Directors appreciates and invites the public to attend and observe its meetings. For the Board's Work Session, public comments are invited on only items appearing on this 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 a four minute time frame allowed each speaker. Additional time may be allowed at the discretion of the Board of Directors.

The Board may take action on any item on the agenda.

Tentative Administer Oath of Office to Town of Carrboro and Town Chapel Hill Appointees

Announcements

a. Announcements by the Chair
   - 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. Announcements by Board Members

c. Announcements by Staff

Discussion

1. If Needed Approve Scope of Work for Employee Total Compensation Study (Ed Kerwin/John Anzivino)
2. Request(s) by Board Committees, Board Members and Staff (John Young)
3. Review Board Work Schedule (John Young/Ed Kerwin)
   a. 12 Month Board Meeting Schedule
   b. July 23, 2015 Board Meeting
   c. August 13, 2015 Work Session

Summary of Work Session Items

4. Executive Director will summarize the key staff action items from the Work Session

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Agenda Item 7:

Report of the Nominating Committee and Election of Officers

Background:

The Bylaws of Orange and Sewer Authority state that officers shall be elected annually at the Board's first regular meeting in June and shall hold office for one year or until their successors are elected and qualified.

At the May 14, 2015 Board meeting, the Chair of the Board appointed a Nominating Committee consisting of the following Board Members:

- Amy Witsil, Chair
- Terri Buckner
- Steve Dear
- Quinton Harper

The purpose of the Nominating Committee is to propose a slate of officers for election. The Nominating Committee held a meeting on June 4, 2015, to discuss the nominations received for Chair, Vice Chair and Secretary.

The Nominating Committee provided the following recommendations which was communicated to the Board of Directors on June 4, 2015:

- Chair of the Board – John A. Young
- Vice Chair of the Board – Michael M. Hughes, P.E.
- Secretary of the Board – Heather Payne

Nominations made by the Nominating Committee shall not preclude other nominations from the floor on June 11, 2015.

Action Needed:

Election of Officers by the Board of Directors.