Orange Water and Sewer Authority

Meeting of the Board of Directors

February 22, 2018

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a regular meeting on Thursday, February 22, 2018, at 7:00 p.m. in Chapel Hill Town Hall Council Chamber.

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

OWASA staff present: Mary Darr, Monica Dodson, Robert Epting, Esq., (Epting and Hackney), Katie Harrold, Ken Loflin, Andrea Orbich, Johnny Riley, Nick Rogers, Todd Taylor, Mary Tiger and Stephen Winters.

Others present: Alice Boyle, Sara Baumgartner, N. Helen Carlson, Rachel Connerly, Margaret Holton (University of North Carolina Water Resources Manager), Martha Kelder, Ben Poulson (UNC Associate Director of Energy Services), Sharon Reese, Lisa Stanffer, Corey Sturmer, Logan Valleroy, Claire Viadro and Lamont Wilkins.

Motions

1. Yinka Ayankoya made a motion to approve the Minutes January 25, 2018 Meeting of the Board of Directors; second by Ray DuBose and unanimously approved.

2. Yinka Ayankoya made a motion to approve the Minutes February 8, 2018 Closed Session of the Board of Directors for the purpose of discussing a personnel matter; second by Ray DuBose and unanimously approved.

3. John Young made a motion that for the 2018-2019 Birdwatching Season, the Cane Creek Reservoir be open for two Saturday mornings; second by John Morris and the motion failed with a vote of three to five with Yinka Ayankoya, Jeff Danner, Ray DuBose, Robert Morgan and Ruchir Vora opposed.

4. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Accepting North Carolina Division of Water Infrastructure's Loan Offer and Acceptance Documents for Six Projects and Authorizing Executive Director to Execute and Administer Loan Offer and Acceptance Documents. (Motion by John Young, second by Jeff Danner and unanimously approved.)

5. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Directing the Filing of an Application with the North Carolina Local Government Commission for Approval of the Issuance and Public Sale of Orange Water and

Sewer Authority Water and Sewer System Revenue Refunding Bonds, Series 2018. (Motion by Ray DuBose, second by Barbara Foushee and unanimously approved.)

6. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Requesting the North Carolina Government Commission to Approve the Financing Team to be Used in Connection with the Issuance and Sale of Orange Water and Sewer Authority Water and Sewer System Revenue Refunding Bonds, Series 2018. (Motion by Ray DuBose, second by Jeff Danner and unanimously approved.)

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Announcements

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

Ray DuBose said that he provided OWASA's annual update to the Orange County Board of Commissioners on February 20, 2018. The items reported on included: Water Supply, Rogers Road Sewer Project, Advanced Metering Infrastructure (Agua Vista), Fluoridation Review – Request to Orange County Health Department, Mountains-to-Sea Trail, Affordability Outreach, Communications and Community Relations Officer, and Employee Diversity and Inclusion. The Commissioners asked the following questions which staff responded to via e-mail on February 21, 2018: whether the Rogers Road work included service connections; whether solar or wind alternatives were being evaluated in our energy management plan; whether we were experiencing growth of reclaimed water system; and about the methodology used to determine the lowest tier for system development charges.

John Young said the Natural Resources and Technical Services Committee will meet to discuss and evaluate the Drought Response Operating Protocol on Monday, February 26, 2018, at 5:00 p.m. in the OWASA Boardroom.

Barbara Foushee said the Human Resources Committee will meet to continue discussing retiree health benefits for new hires and 457 deferred compensation on Monday, March 19, 2018, at 4:30 p.m. in the OWASA Boardroom.

Todd Taylor announced that the Jones Ferry Road Water Treatment Plant maintained the Excellence in Water Treatment Award for the seventh consecutive year in 2017. Mr. Taylor noted that this achievement is a true team effort across the organization and expressed appreciation to the Board and customers for their support necessary to promote this high level of service.

Ken Loflin announced that the annual chlorine disinfection of drinking water will begin on March 1, 2018 and will continue through the end of month. Chlorine disinfection ensures a high level of disinfection in the community's network of water mains.

Stephen Winters announced that he attended the February 19, 2018 forum of the Chapel Hill Alliance for a Livable Town (CHALT); Barbara Foushee and John Morris also attended. The forum discussed the sustainability of tiny homes, affordable housing in the community, challenges and how to overcome them.

Petitions and Requests

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

Item One: 12 Month Board Meeting Schedule

Ruchir Vora requested that an agenda item be added at a future agenda to discuss selection and retention of banking service providers; the Board agreed.

Item Two: Minutes

Yinka Ayankoya made a motion to approve the Minutes January 25, 2018 Meeting of the Board of Directors; second by Ray DuBose and unanimously approved. Please see Motion 1 above.

Item Three: Minutes

Yinka Ayankoya made a motion to approve the Minutes February 8, 2018 Closed Session of the Board of Directors for the purpose of discussing a personnel matter; second by Ray DuBose and unanimously approved. Please see Motion 2 above.

Item Four: Update on Unregulated Compounds in Water Resources, Including Recent Regional Analysis of Per-fluorinated Substances

Katie Harrold, Laboratory Supervisor (Water Treatment Plant) provided a presentation on unregulated compounds in water resources, including recent regional analysis of per- and polyfluoroalkyl substances.

Alice Boyle said she is concerned about what is added to the drinking water and does not consent to fluoridating the drinking water.

Rachel Connerly asked the Board to rethink fluoridating the drinking water.

Sara Baumgartner said she is opposed to fluorosilicic acid in the drinking water.

Claire Viadro thanked OWASA for looking at unregulated compounds in the drinking water. She also expressed disappointment in OWASA for reinstating fluoride in October 2017 and does not consent to fluoridating the drinking water.

Logan Valleroy said he does not give OWASA consent to fluoridate the drinking water.

Corey Sturmer petitioned the Board to provide evidence that the ingestion of hydrofluorosilicic acid in the drinking water does not harm, impact, or alter the thyroid in any way.

Robert Morgan noted that OWASA staff met with the Director of the Orange County Health Department to explore a County-wide process for the periodic review of drinking water fluoridation and the Orange County Board of Health is expected to consider this matter on February 28, 2018.

He also reminded the public that on March 9, 2017, the OWASA Board decided to continue the current policy of fluoridating drinking water. On April 13, 2017, the Board approved the Action Plan for improvements to the safety and reliability of the fluoride feed system at the Jones Ferry Road Water Treatment Plant. And, therefore, the Board took no further action on their requests at this time.

John Morris requested information regarding any on-going monitoring of Jordan Lake for perfluorinated compounds.

Ruchir Vora inquired if the EPA considers synergist effects of multiple compounds when evaluating health risks.

Robert Morgan noted staff's recommendation to continue to stay abreast of scientific research of various unregulated compounds and to provide updates to the Board as needed.

After discussion, the Board agreed to continue discussing this item at the March 8, 2018 meeting.

Item Five: Presentation on the Partnership for Safe Water and Partnership for Clean Water Programs

Todd Taylor (General Manager of Operations), Ken Loflin (Water Supply and Treatment Manager), Monica Dodson (Interim Wastewater Treatment and Biosolids Recycling Manager) and Nick Rogers (Assistant Distribution and Collection Systems Manager) provided a presentation on OWASA's participation in the Partnership for Safe Water and Partnership for Clean Water Programs.

The Board expressed appreciation to staff for a job well done and continued support in the Partnership programs.

Item Six: Response to a Request Regarding the Birdwatching Program at Cane Creek Reservoir

Johnny Riley, Senior Lake Warden, provided the Board the following options for the Birdwatching Program at Cane Creek Reservoir: current practice of Wednesday mornings from 7:00 – 11:00 a.m.; change from Wednesday to Friday mornings from 7:00 – 11:00 a.m.; or change from Wednesday morning to Saturday mornings from 7:00 – 11:00 a.m. at a cost of about $145 per week/$2,250 per year.

After discussion, John Young made a motion that for the 2018-2019 Birdwatching Season, the Cane Creek Reservoir be open for two Saturday mornings; second by John Morris and the motion failed with a vote of three to five with Yinka Ayankoya, Jeff Danner, Ray DuBose, Robert Morgan and Ruchir Vora opposed. Please see Motion No. 3 above.

After discussion, the Board agreed to continue with the current Birdwatching Program, Wednesday mornings from 7:00 – 11:00 a.m. during the non-recreational season at Cane Creek Reservoir.

Item Seven: Resolution Accepting Six Low-Interest Loan Offers from the State of North Carolina, and Authorizing Executive Director to Execute and Administer all Related Loan Offers and Acceptance Documents

Jeff Danner asked for clarification on the savings of the debt service comparison information as it relates to low-interest loans from the State of North Carolina.

John Young made a motion to approve the resolution; second by Jeff Danner and unanimously approved. Please see Motion No. 4 above.

Item Eight: Resolutions in Preparation of the Issuance of Series 2018 Water and Sewer Revenue Refunding Bonds

Ray DuBose made a motion to approve the Resolution Directing the Filing of an Application with the North Carolina Local Government Commission for Approval of the Issuance and Public Sale of Orange Water and Sewer Authority Water and Sewer System Revenue Refunding Bonds, Series 2018; second by Barbara Foushee and unanimously approved. Please see Motion No. 5 above.

Ray DuBose made a motion to approve the Resolution Requesting the North Carolina Local Government Commission to Approve the Financing Team to be Used in Connection with the Issuance and Sale of Orange Water and Sewer Authority Water and Sewer System Revenue Refunding Bonds, Series 2018; second by Jeff Danner and unanimously approved. Please see Motion No. 6 above.

Item Nine: Summary of Board Meeting Action Items

Todd Taylor noted the following items for staff follow-up:

- Consideration of criteria in arranging banking services will be added to the 12 Month Board Meeting Schedule.
- Provision of information regarding current status of on-going monitoring of Jordan Lake for perfluorinated compounds.
- Determination as to whether EPA considers synergist effects of multiple compounds when evaluating health risks.

- Clarify the savings expected from accepting the State's low interest loan offer as compared with traditional bond financing.

Item Ten: Closed Session

Without objection, the Board convened in a closed session for the purpose of discussing a personnel matter.

The Board meeting was adjourned at 9:15 p.m.

Respectfully submitted by:

Andrea Orbich

Andrea Orbich
Executive Assistant/Clerk to the Board

Attachments

Resolution Accepting North Carolina Division of Water Infrastructure's Loan Offer and Acceptance Documents for Six Projects and Authorizing Executive Director to Execute and Administer Loan Offer and Acceptance Documents

Whereas, the Federal Clean Water Act Amendments of 1987, the 1996 Amendments to the Federal Safe Drinking Water Act, and the North Carolina Clean Water Revolving Loan and Grant Act of 1987, have authorized the state to make loans and grants to aid eligible units of government for financing water and/or wastewater utility improvements and studies; and

Whereas, the North Carolina Department of Environmental Quality has offered State Revolving Loans in the following amounts for the following water and wastewater utility system improvements:

(a) $6,132,000 Drinking Water State Revolving Fund loan for the Advanced Metering Infrastructure System project (Project #WIF-1930);
(b) $1,525,000 Drinking Water State Reserve Program loan for the Dobbins Drive Water Main Replacement project (Project #H-SRP-D-17-0021);
(c) $1,056,000 Drinking Water State Reserve loan for the Brandywine Road Water Main Rehabilitation project (Project #H-SRP-D-17-0012);
(d) $3,390,000 Drinking Water State Revolving Fund loan for the Jones Ferry Road Water Treatment Plant Sedimentation Basin Rehabilitation project (Project #WIF-1928);
(e) $1,658,000 Wastewater State Reserve Program loan for the Dobbins Drive Sewer Main Rehabilitation project (Project #E-SRP-W-17-0047);
(f) $1,071,000 Wastewater State Reserve Program loan for the Mason Farm Wastewater Treatment Plant Intermediate Pump Stations Rehabilitation project (Project #E-SRP-W-17-0049); and

Whereas, the Orange Water and Sewer Authority intends to construct said projects in accordance with the approved plans and specifications;

Now, Therefore, Be It Resolved:

1. That the Orange Water and Sewer Authority Board of Directors hereby accepts the following loan offer and acceptance documents, copies of which are attached to this resolution:

(a) Loan Offer and Acceptance document for a $6,132,000 Drinking Water State Revolving Fund loan for the Advanced Metering Infrastructure System project (Project #WIF-1930);
(b) Loan Offer and Acceptance document for a $1,525,000 Drinking Water State Reserve Program loan for the Dobbins Drive Water Main Replacement project (Project #H-SRP-D-17-0021);
(c) Loan Offer and Acceptance document for a $1,056,000 Drinking Water State Reserve loan for the Brandywine Road Water Main Rehabilitation project (Project #H-SRP-D-17-0012);

(d) Loan Offer and Acceptance document for a $3,390,000 Drinking Water State Revolving Fund loan for the Jones Ferry Road Water Treatment Plant Sedimentation Basin Rehabilitation project (Project #WIF-1928);
(e) Loan Offer and Acceptance document for a $1,658,000 Wastewater State Reserve Program loan for the Dobbins Drive Sewer Main Rehabilitation project (Project #E-SRP-W-17-0047); and
(g) Loan Offer and Acceptance document for a $1,071,000 Wastewater State Reserve Program loan for the Mason Farm Wastewater Treatment Plant Intermediate Pump Stations Rehabilitation project (Project #E-SRP-W-17-0049).

2. That the Orange Water and Sewer Authority hereby gives its assurance to the North Carolina Department of Environmental Quality that all items specified in the loan offers will be adhered to.

3. That the Board of Directors hereby designates the Executive Director as Orange Water and Sewer Authority's authorized representative for the above projects, and authorizes and directs the Executive Director to execute said Loan Offer and Acceptance Documents and to do all things necessary for the management and execution of the terms and conditions of said documents.

4. That the Orange Water and Sewer Authority has substantially complied or will substantially comply with all federal, state, and local laws, rules, regulations, and ordinances applicable to the above-specified projects and to federal and state loans pertaining thereto.

Adopted this 22nd day of February 2018.

Robert Morgan, Chair

ATTEST:

Yinka Ayankoya, Secretary

STATE OF NORTH CAROLINA
DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF WATER INFRASTRUCTURE

Funding Offer and Acceptance

Legal Name and Address of Award Recipient (Applicant)

Orange Water and Sewer Authority
400 Jones Ferry Road
Carrboro, North Carolina 27510

Project Number: **H-LRX-F-17-1930**
Project Number: N/A
CFDA Number: **66.468**

Drinking Water ☒ / **Wastewater** ☐	**Additional Amount for Funding Increases**	**Previous Total**	**Total Offered**
State Revolving Fund (SRF) ☒			
State Reserve Loan (SRP) ☐			
State Reserve Grant (SRP) ☐			
State Emergency Loan (SEL) ☐			
Asset Inventory & Assessment Grant (AIA) ☐			
Merger/Regionalization Feasibility Grant (MRF) ☐			

Project Description:

Replace/retrofit approx. 21,000 ex. water meters with proposed AMR-type water meters and appurtenances, to include radio-read registers and transmitters, the installation of a fixed-read network, necessary computer software, and so forth.

Total Financial Assistance Offer: **$6,132,000**
Total Project Cost: **$6,252,000**
Estimated Closing Fee*: **$122,640**
For Loans
Principal Forgiveness: **$ - 0 -**
Interest Rate: **1.53**% Per Annum
Maximum Loan Term: **20** Years

**Estimate closing fee calculated based on grant and loan amount.*

Pursuant to North Carolina General Statute 159G:

- The applicant is eligible under Federal and State law,
- The project is eligible under Federal and State law, and
- The project has been approved by the Department of Environmental Quality as having sufficient priority to receive financial assistance,

The Department of Environmental Quality, acting on behalf of the State of North Carolina, hereby offers the financial assistance described in this document.

For the State of North Carolina: **Kim H. Colson, P.E., Director, Division of Water Infrastructure**
North Carolina Department of Environmental Quality

Signature _____ Date 7/28/17

On Behalf of: **Orange Water and Sewer Authority**
Name of Representative in Resolution: **Mr. Ed Kerwin**
Title (Type or Print): **Executive Director**

I, the undersigned, being duly authorized to take such action, as evidenced by the attached CERTIFIED COPY OF AUTHORIZATION BY THE APPLICANT'S GOVERNING BODY, do hereby accept this Financial Award Offer and will comply with the Assurances and the Standard Conditions.

Signature _____ Date 2/26/18

STANDARD CONDITIONS FOR FEDERAL SRF LOANS

1. The following "super cross-cutters" apply to SRF projects and may be found in the Public Policy Requirements section of the EPA General Terms and Conditions for each year's appropriation. This document can be found at www.epa.gov/ogd/tc.htm. Please note that nothing is submitted to the State's SRF program offices regarding compliance with these items.

   (a) Title VI of the Civil Rights Act of 1964
   (b) Section 504 of the Rehabilitation Act of 1973
   (c) The Age Discrimination Act of 1975
   (d) Section 13 of the Federal Water Pollution Control Act Amendments of 1972

2. Acquisition of Real Property must comply with all applicable provisions of the Uniform Relocation and Real Property Acquisition Policies Act of 1970 (PL 92-646), as amended. The Applicant shall certify it has or will have a fee simple, or such other estate or interest in the site of the project, including necessary easements and rights-of-way, to assure undisturbed use and possession for purposes of construction and operation for the estimated life of the project using a certification form provided by the Department of Environmental Quality (DEQ).

3. Specific MBE/WBE "disadvantaged businesses enterprise" (DBE) forms and instructions are provided, which are to be included in the contract specifications. These forms will assist with documenting positive efforts made by the Applicant, their consultant(s) and contractor(s) to utilize DBEs. Such efforts should allow DBEs the maximum feasible opportunity to compete for subagreements and subcontracts to be performed. Documentation of efforts made to utilize DBE firms must be maintained by the Applicant and their construction contractor(s), and made available upon request.

4. The Applicant shall comply fully with Subpart C of the Code of Federal Regulations (CFR), Chapter 2, Part 180, entitled, "Responsibilities of Participants Regarding Transactions Doing Business with Other Persons," as implemented and supplemented by 2 CFR Part 1532. The Applicant is responsible for ensuring that any lower-tier covered transaction, as described in Subpart B of 2 CFR Part 180, entitled "Covered Transactions," includes a term or condition requiring compliance with Subpart C. The Applicant is responsible for further requiring the inclusion of a similar term or condition in any subsequent lower-tier covered transactions. The Applicant may access suspension and debarment information at: http://www.sam.gov. This system allows applicants to perform searches determining whether an entity or individual is excluded from receiving Federal assistance.

5. The construction contract(s) require(s) the contractor to adhere to the Davis-Bacon and Related Acts Provisions and Procedures, as listed in the Code of Federal Regulations, Chapter 29, Part 5, Section 5 (29 CFR 5.5). Public Law pertaining to this is also enacted in Title 40, United States Code, Subtitle II Section 3141 through Section 3148.

6. As required by H.R. 3547, "Consolidated Appropriations Act, 2014" Section 436, Division G, Title IV, this project is subject to the federal "American Iron-and-Steel" provisions. The State provides detailed requirements, to be included in the construction contract specifications.

ASSURANCES

1. The Applicant intends to construct the project, or cause it to be constructed to final completion, in accordance with the Application approved for financial assistance by the Division of Water Infrastructure. The Applicant acknowledges that in the event a milestone contained within the most recent Drinking Water State Revolving Fund Intended Use Plan and/or the Letter of Intent to Fund is missed, the Department of Environmental Quality will rescind this Funding Award Offer.

2. The Applicant is responsible for paying for those costs that are ineligible for SRF funding.

3. The construction of the project, including the letting of contracts in connection therewith, conforms to the applicable requirements of State and local laws and ordinances.

4. As of the acceptance of this Funding Award Offer, Steps "A-D" in the "**North Carolina SRF Program Overview and Guidance**" (SRF Guidance Document enclosed with the Funding Award Offer) will be complete. These Assurances, likewise, incorporate the most recent version of the SRF Guidance Document, and the Applicant hereby certifies by accepting this Funding Award Offer that it will adhere to the subsequent steps in the SRF Guidance Document. The remaining steps generally govern project design, bidding, contracting, inspection, reimbursements, close-out and repayment.

5. The Applicant will provide and maintain adequate engineering supervision and inspection.

6. The Applicant agrees to establish and maintain a financial management system that adequately accounts for revenues and expenditures. Adequate accounting and fiscal records will be maintained during the construction of the project, and these records will be retained and made available for a period of at least three (3) years following completion of the project.

7. All SRF funds loaned shall be expended solely for carrying out the approved project, and an audit shall be performed in accordance with G.S. 159-34. Partial disbursements on this loan will be made promptly upon request, subject to adequate documentation of incurred eligible costs, and subject to the Applicant's compliance with the "Standard Conditions" of this Funding Award Offer. The Applicant agrees to make prompt payment to its contractor, and to retain only such amount as allowed by North Carolina General Statute.

8. The Applicant will expend all the requisitioned funds for the purpose of paying the costs of the project within three (3) banking days following the receipt of the funds from the State. Please note the State is not a party to the construction contract(s) and the Applicant is expected to uphold its contract obligations regarding timely payment.

Acknowledgement of Standard Conditions and Assurances

The Applicant hereby gives assurance to the Department of Environmental Quality that the declarations, assurances, representations, and statements made by the Applicant in the Application; and all documents, amendments, and communications filed with the Department of Environmental Quality by the Applicant in support of its request for financial assistance, will be fulfilled.

Signature		Date
[signature]		2/26/18

STATE OF NORTH CAROLINA
DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF WATER INFRASTRUCTURE

Funding Offer and Acceptance

Legal Name and Address of Award Recipient

Orange Water and Sewer Authority
400 Jones Ferry Road
Carrboro, NC 27510

Project Number: **H-SRP-D-17-0021**

Drinking Water ☒ / **Wastewater** ☐	**Additional Amount for Funding Increases**	**Previous Total**	**Total Offered**
State Revolving Fund (SRF) ☐			
State Reserve Loan (SRP) ☒			$ 1,525,000
State Reserve Grant (SRP) ☐			
State Emergency Loan (SEL) ☐			
Asset Inventory & Assessment Grant (AIA) ☐			
Merger/Regionalization Feasibility Grant (MRF) ☐			

Project Description:

Dobbins Drive Water Main Replacement

Total Financial Assistance Offer: **$ 1,525,000**
Total Project Cost: **$ 1,525,000**
Estimated Closing Fee*: **$ 30,500**
For Loans
Principal Forgiveness: **$**_____
Interest Rate: **1.53**% Per Annum
Maximum Loan Term: **20** Years

**Estimate closing fee calculated based on grant and loan amount.*

Pursuant to North Carolina General Statute 159G:

- The applicant is eligible under Federal and State law,
- The project is eligible under Federal and State law, and
- The project has been approved by the Department of Environmental Quality as having sufficient priority to receive financial assistance,

The Department of Environmental Quality, acting on behalf of the State of North Carolina, hereby offers the financial assistance described in this document.

For The State of North Carolina: **Kim H. Colson, P.E., Director, Division of Water Infrastructure**
North Carolina Department of Environmental Quality

Signature _____ Date 8/3/17

On Behalf of: **Orange Water and Sewer Authority**
Name of Representative in Resolution: _____
Title (Type or Print): _____

I, the undersigned, being duly authorized to take such action, as evidenced by the attached CERTIFIED COPY OF AUTHORIZATION BY THE APPLICANT'S GOVERNING BODY, do hereby accept this Financial Award Offer and will comply with the Assurances and the Standard Conditions.

Signature _____ Date 7/26/18

STANDARD CONDITIONS & ASSURANCES FOR STATE RESERVE PROJECTS

1. Specific MBE/WBE (DBE) forms and instructions are provided that are to be included in the contract specifications. These forms will assist with documenting positive efforts made by recipients, their consultants and contractors to utilize disadvantaged businesses enterprises. Such efforts should allow DBEs the maximum feasible opportunity to compete for sub agreements and subcontracts to be performed. Documentation of efforts made to utilize DBE firms must be maintained by all recipients, and construction contractors, and made available upon request.

2. The Applicant intends to construct the project or cause it to be constructed to final completion in accordance with the Application approved for financial assistance by the Division.
The recipient acknowledges that in the event a milestone contained in the Letter of Intent to Fund is missed, the Department of Environmental Quality will rescind this Funding Offer.

3. The Applicant is responsible for paying for the costs ineligible for State funding.

4. The construction of the project, including the letting of contracts in connection therewith, conforms to the applicable requirements of State and local laws and ordinances.

5. As of the acceptance of this Funding Award Offer, steps A-D in the Funding Guidance will be complete. These Assurances, likewise, incorporate the most recent version of the Funding Guidance, and the Applicant hereby certifies by accepting this Funding Award Offer that it will adhere to the subsequent steps in the Funding Guidance document. The remaining steps generally govern project design, bidding, contracting, inspection, reimbursements, closeout and repayment.

6. The Applicant will provide and maintain adequate engineering supervision and inspection.

7. The recipient agrees to establish and maintain a financial management system that adequately accounts for revenues and expenditures. Adequate accounting and fiscal records will be maintained during the construction of the project and these records will be retained and made available for a period of at least three years following completion of the project.

8. All State funds loaned shall be expended solely for carrying out the approved project, and an audit shall be performed in accordance with G.S. 159-34. Partial disbursements on this loan will be made promptly upon request, subject to adequate documentation of incurred eligible costs, and subject to the recipient's compliance with the Standard Conditions of this Award. The Applicant agrees to make prompt payment to its contractor, and to retain only such amount as allowed by North Carolina General Statute.

9. The applicant will expend all of the requisitioned funds for the purpose of paying the costs of the project within three (3) banking days following the receipt of the funds from the State. Please note that the State is not a party to the construction contract(s) and the Applicant is expected to uphold its contract obligations regarding timely payment.

Acknowledgement of Standard Conditions and Assurances

The Applicant hereby gives assurance to the Department of Environmental Quality that the declarations, assurances, representations, and statements made by the Applicant in the Application; and all documents, amendments, and communications filed with the Department of Environmental Quality by the Applicant in support of its request for financial assistance will be fulfilled.

Signature	GW	Date 2/26/19

STATE OF NORTH CAROLINA
DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF WATER INFRASTRUCTURE

Funding Offer and Acceptance

Legal Name and Address of Award Recipient

Orange Water and Sewer Authority
400 Jones Ferry Road
Carrboro, NC 27510

Project Number: **H-SRP-D-17-0012**

Drinking Water / **Wastewater**	☒ / ☐	**Additional Amount for Funding Increases**	**Previous Total**	**Total Offered**
State Revolving Fund (SRF)	☐			
State Reserve Loan (SRP)	☒			$ 1,056,000
State Reserve Grant (SRP)	☐			
State Emergency Loan (SEL)	☐			
Asset Inventory & Assessment Grant (AIA)	☐			
Merger/Regionalization Feasibility Grant (MRF)	☐			

Project Description:

Brandywine Road Water Main Rehabilitation

Total Financial Assistance Offer: **$ 1,056,000**
Total Project Cost: **$ 1,056,000**
Estimated Closing Fee*: **$ 21,120**
For Loans
Principal Forgiveness: **$**_____
Interest Rate: **1.53%** Per Annum
Maximum Loan Term: **20** Years

**Estimate closing fee calculated based on grant and loan amount.*

Pursuant to North Carolina General Statute 159G:

- The applicant is eligible under Federal and State law,
- The project is eligible under Federal and State law, and
- The project has been approved by the Department of Environmental Quality as having sufficient priority to receive financial assistance,

The Department of Environmental Quality, acting on behalf of the State of North Carolina, hereby offers the financial assistance described in this document.

For The State of North Carolina: **Kim H. Colson, P.E., Director, Division of Water Infrastructure**
North Carolina Department of Environmental Quality

Signature _____ Date 8/3/17

On Behalf of: **Orange Water and Sewer Authority**
Name of Representative in Resolution: _____
Title (Type or Print): _____

I, the undersigned, being duly authorized to take such action, as evidenced by the attached CERTIFIED COPY OF AUTHORIZATION BY THE APPLICANT'S GOVERNING BODY, do hereby accept this Financial Award Offer and will comply with the Assurances and the Standard Conditions.

Signature _____ EW Date 2/20/18

STANDARD CONDITIONS & ASSURANCES FOR STATE RESERVE PROJECTS

1. Specific MBE/WBE (DBE) forms and instructions are provided that are to be included in the contract specifications. These forms will assist with documenting positive efforts made by recipients, their consultants and contractors to utilize disadvantaged businesses enterprises. Such efforts should allow DBEs the maximum feasible opportunity to compete for sub agreements and subcontracts to be performed. Documentation of efforts made to utilize DBE firms must be maintained by all recipients, and construction contractors, and made available upon request.

2. The Applicant intends to construct the project or cause it to be constructed to final completion in accordance with the Application approved for financial assistance by the Division.
The recipient acknowledges that in the event a milestone contained in the Letter of Intent to Fund is missed, the Department of Environmental Quality will rescind this Funding Offer.

3. The Applicant is responsible for paying for the costs ineligible for State funding.

4. The construction of the project, including the letting of contracts in connection therewith, conforms to the applicable requirements of State and local laws and ordinances.

5. As of the acceptance of this Funding Award Offer, steps A-D in the Funding Guidance will be complete. These Assurances, likewise, incorporate the most recent version of the Funding Guidance, and the Applicant hereby certifies by accepting this Funding Award Offer that it will adhere to the subsequent steps in the Funding Guidance document. The remaining steps generally govern project design, bidding, contracting, inspection, reimbursements, closeout and repayment.

6. The Applicant will provide and maintain adequate engineering supervision and inspection.

7. The recipient agrees to establish and maintain a financial management system that adequately accounts for revenues and expenditures. Adequate accounting and fiscal records will be maintained during the construction of the project and these records will be retained and made available for a period of at least three years following completion of the project.

8. All State funds loaned shall be expended solely for carrying out the approved project, and an audit shall be performed in accordance with G.S. 159-34. Partial disbursements on this loan will be made promptly upon request, subject to adequate documentation of incurred eligible costs, and subject to the recipient's compliance with the Standard Conditions of this Award. The Applicant agrees to make prompt payment to its contractor, and to retain only such amount as allowed by North Carolina General Statute.

9. The applicant will expend all of the requisitioned funds for the purpose of paying the costs of the project within three (3) banking days following the receipt of the funds from the State. Please note that the State is not a party to the construction contract(s) and the Applicant is expected to uphold its contract obligations regarding timely payment.

Acknowledgement of Standard Conditions and Assurances

The Applicant hereby gives assurance to the Department of Environmental Quality that the declarations, assurances, representations, and statements made by the Applicant in the Application; and all documents, amendments, and communications filed with the Department of Environmental Quality by the Applicant in support of its request for financial assistance will be fulfilled.

Signature		Date

STATE OF NORTH CAROLINA
DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF WATER INFRASTRUCTURE

Funding Offer and Acceptance

Legal Name and Address of Award Recipient (Applicant)

Orange Water and Sewer Authority
400 Jones Ferry Road
Carrboro NC 27510

Project Number: **H-LRX-F-17-1928**
Project Number: N/A
CFDA Number: **66.468**

Funding Program

Drinking Water ☒ / **Wastewater** ☐	**Additional Amount for Funding Increases**	**Previous Total**	**Total Offered**
State Revolving Fund (SRF) ☒			
State Reserve Loan (SRP) ☐			
State Reserve Grant (SRP) ☐			
State Emergency Loan (SEL) ☐			
Asset Inventory & Assessment Grant (AIA) ☐			
Merger/Regionalization Feasibility Grant (MRF) ☐			

Project Description:

Rehabilitate sedimentation basins at the Jones Ferry Road WTP by: 1) Replacing the influent channel top slab; 2) Remove the softened concrete from the walls and resurface with mortar; 3) Install a concrete coating on all interior wall surfaces; and 4) Replace the basins' influent and effluent channel mud valves and associated piping.

Total Financial Assistance Offer: **$3,390,000**
Total Project Cost: **$3,456,000**
Estimated Closing Fee*: **$67,800**
For Loans
Principal Forgiveness: **$ - 0 -**
Interest Rate: **1.53**%PerAnnum
Maximum Loan Term: **20** Years

**Estimate closing fee calculated based on grant and loan amount.*

Pursuant to North Carolina General Statute 159G:

- The applicant is eligible under Federal and State law,
- The project is eligible under Federal and State law, and
- The project has been approved by the Department of Environmental Quality as having sufficient priority to receive financial assistance,

The Department of Environmental Quality, acting on behalf of the State of North Carolina, hereby offers the financial assistance described in this document.

For The State of North Carolina: **Kim H. Colson, P.E., Director, Division of Water Infrastructure**
North Carolina Department of Environmental Quality

Signature _____ Date 9/21/17

On Behalf of: **Orange Water and Sewer Authority**
Name of Representative in Resolution: **Mr. Ed Kerwin**
Title (Type or Print): **Executive Director**

I, the undersigned, being duly authorized to take such action, as evidenced by the attached CERTIFIED COPY OF AUTHORIZATION BY THE APPLICANT'S GOVERNING BODY, do hereby accept this Financial Award Offer and will comply with the Assurances and the Standard Conditions.

Signature _____ Date 2/20/18

STANDARD CONDITIONS FOR FEDERAL SRF LOANS

1. The following "super cross-cutters" apply to SRF projects and may be found in the Public Policy Requirements section of the EPA General Terms and Conditions for each year's appropriation. This document can be found at www.epa.gov/ogd/tc.htm. Please note that nothing is submitted to the State's SRF program offices regarding compliance with these items.

   (a) Title VI of the Civil Rights Act of 1964
   (b) Section 504 of the Rehabilitation Act of 1973
   (c) The Age Discrimination Act of 1975
   (d) Section 13 of the Federal Water Pollution Control Act Amendments of 1972

2. Acquisition of Real Property must comply with all applicable provisions of the Uniform Relocation and Real Property Acquisition Policies Act of 1970 (PL 92-646), as amended. The Applicant shall certify it has or will have a fee simple, or such other estate or interest in the site of the project, including necessary easements and rights-of-way, to assure undisturbed use and possession for purposes of construction and operation for the estimated life of the project using a certification form provided by the Department of Environmental Quality (DEQ).

3. Specific MBE/WBE "disadvantaged businesses enterprise" (DBE) forms and instructions are provided, which are to be included in the contract specifications. These forms will assist with documenting positive efforts made by the Applicant, their consultant(s) and contractor(s) to utilize DBEs. Such efforts should allow DBEs the maximum feasible opportunity to compete for subagreements and subcontracts to be performed. Documentation of efforts made to utilize DBE firms must be maintained by the Applicant and their construction contractor(s), and made available upon request.

4. The Applicant shall comply fully with Subpart C of the Code of Federal Regulations (CFR), Chapter 2, Part 180, entitled, "Responsibilities of Participants Regarding Transactions Doing Business with Other Persons," as implemented and supplemented by 2 CFR Part 1532. The Applicant is responsible for ensuring that any lower-tier covered transaction, as described in Subpart B of 2 CFR Part 180, entitled "Covered Transactions," includes a term or condition requiring compliance with Subpart C. The Applicant is responsible for further requiring the inclusion of a similar term or condition in any subsequent lower-tier covered transactions. The Applicant may access suspension and debarment information at: http://www.sam.gov. This system allows applicants to perform searches determining whether an entity or individual is excluded from receiving Federal assistance.

5. The construction contract(s) require(s) the contractor to adhere to the Davis-Bacon and Related Acts Provisions and Procedures, as listed in the Code of Federal Regulations, Chapter 29, Part 5, Section 5 (29 CFR 5.5). Public Law pertaining to this is also enacted in Title 40, United States Code, Subtitle II Section 3141 through Section 3148.

6. As required by H.R. 3547, "Consolidated Appropriations Act, 2014" Section 436, Division G, Title IV, this project is subject to the federal "American Iron-and-Steel" provisions. The State provides detailed requirements, to be included in the construction contract specifications.

ASSURANCES

1. The Applicant intends to construct the project, or cause it to be constructed to final completion, in accordance with the Application approved for financial assistance by the Division of Water Infrastructure. The Applicant acknowledges that in the event a milestone contained within the most recent Drinking Water State Revolving Fund Intended Use Plan and/or the Letter of Intent to Fund is missed, the Department of Environmental Quality will rescind this Funding Award Offer.

2. The Applicant is responsible for paying for those costs that are ineligible for SRF funding.

3. The construction of the project, including the letting of contracts in connection therewith, conforms to the applicable requirements of State and local laws and ordinances.

4. As of the acceptance of this Funding Award Offer, Steps "A-D" in the "**North Carolina SRF Program Overview and Guidance**" (SRF Guidance Document enclosed with the Funding Award Offer) will be complete. These Assurances, likewise, incorporate the most recent version of the SRF Guidance Document, and the Applicant hereby certifies by accepting this Funding Award Offer that it will adhere to the subsequent steps in the SRF Guidance Document. The remaining steps generally govern project design, bidding, contracting, inspection, reimbursements, close-out and repayment.

5. The Applicant will provide and maintain adequate engineering supervision and inspection.

6. The Applicant agrees to establish and maintain a financial management system that adequately accounts for revenues and expenditures. Adequate accounting and fiscal records will be maintained during the construction of the project, and these records will be retained and made available for a period of at least three (3) years following completion of the project.

7. All SRF funds loaned shall be expended solely for carrying out the approved project, and an audit shall be performed in accordance with G.S. 159-34. Partial disbursements on this loan will be made promptly upon request, subject to adequate documentation of incurred eligible costs, and subject to the Applicant's compliance with the "Standard Conditions" of this Funding Award Offer. The Applicant agrees to make prompt payment to its contractor, and to retain only such amount as allowed by North Carolina General Statute.

8. The Applicant will expend all the requisitioned funds for the purpose of paying the costs of the project within three (3) banking days following the receipt of the funds from the State. Please note the State is not a party to the construction contract(s) and the Applicant is expected to uphold its contract obligations regarding timely payment.

Acknowledgement of Standard Conditions and Assurances

The Applicant hereby gives assurance to the Department of Environmental Quality that the declarations, assurances, representations, and statements made by the Applicant in the Application; and all documents, amendments, and communications filed with the Department of Environmental Quality by the Applicant in support of its request for financial assistance, will be fulfilled.

Signature		Date
	BW	2/26/18

STATE OF NORTH CAROLINA
DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF WATER INFRASTRUCTURE

Funding Offer and Acceptance

Legal Name and Address of Award Recipient

Orange Water and Sewer Authority
400 Jones Ferry Road
Carrboro, North Carolina 27510

Project Number: **E-SRP-W-17-0047**

Drinking Water ☐ **Wastewater** ☒	Additional Amount for Funding Increases	Previous Total	Total Offered
State Revolving Fund (SRF) ☐			
State Reserve Loan (SRP) ☒			$ 1,658,000
State Reserve Grant (SRP) ☐			
State Emergency Loan (SEL) ☐			
Asset Inventory & Assessment Grant (AIA) ☐			
Merger/Regionalization Feasibility Grant (MRF) ☐			

Project Description:

Dobbins Drive Sewer Main Rehabilitation

Total Financial Assistance Offer:	**$ 1,658,000**
Total Project Cost:	**$ 1,691,000**
Estimated Closing Fee*:	**$ 33,160**
For Loans	
Principal Forgiveness:	**$ 0**
Interest Rate:	**1.53** % Per Annum
Maximum Loan Term:	**20** Years

**Estimate closing fee calculated based on grant and loan amount.*

Pursuant to North Carolina General Statute 159G:

- The applicant is eligible under Federal and State law,
- The project is eligible under Federal and State law, and
- The project has been approved by the Department of Environmental Quality as having sufficient priority to receive financial assistance,

The Department of Environmental Quality, acting on behalf of the State of North Carolina, hereby offers the financial assistance described in this document.

For The State of North Carolina: **Kim H. Colson, P.E., Director, Division of Water Infrastructure**
North Carolina Department of Environmental Quality

Signature _____ Date 9/14/17

On Behalf of: **Orange Water and Sewer Authority**
Name of Representative in Resolution: _____
Title (Type or Print): _____

I, the undersigned, being duly authorized to take such action, as evidenced by the attached CERTIFIED COPY OF AUTHORIZATION BY THE APPLICANT'S GOVERNING BODY, do hereby accept this Financial Award Offer and will comply with the Assurances and the Standard Conditions.

Signature _____ Date 2/26/18

STANDARD CONDITIONS & ASSURANCES FOR STATE RESERVE PROJECTS

1. Specific MBE/WBE (DBE) forms and instructions are provided that are to be included in the contract specifications. These forms will assist with documenting positive efforts made by recipients, their consultants and contractors to utilize disadvantaged businesses enterprises. Such efforts should allow DBEs the maximum feasible opportunity to compete for sub agreements and subcontracts to be performed. Documentation of efforts made to utilize DBE firms must be maintained by all recipients, and construction contractors, and made available upon request.

2. The Applicant intends to construct the project or cause it to be constructed to final completion in accordance with the Application approved for financial assistance by the Division.
The recipient acknowledges that in the event a milestone contained in the Letter of Intent to Fund is missed, the Department of Environmental Quality will rescind this Funding Offer.

3. The Applicant is responsible for paying for the costs ineligible for State funding.

4. The construction of the project, including the letting of contracts in connection therewith, conforms to the applicable requirements of State and local laws and ordinances.

5. As of the acceptance of this Funding Award Offer, steps A-D in the Funding Guidance will be complete. These Assurances, likewise, incorporate the most recent version of the Funding Guidance, and the Applicant hereby certifies by accepting this Funding Award Offer that it will adhere to the subsequent steps in the Funding Guidance document. The remaining steps generally govern project design, bidding, contracting, inspection, reimbursements, closeout and repayment.

6. The Applicant will provide and maintain adequate engineering supervision and inspection.

7. The recipient agrees to establish and maintain a financial management system that adequately accounts for revenues and expenditures. Adequate accounting and fiscal records will be maintained during the construction of the project and these records will be retained and made available for a period of at least three years following completion of the project.

8. All State funds loaned shall be expended solely for carrying out the approved project, and an audit shall be performed in accordance with G.S. 159-34. Partial disbursements on this loan will be made promptly upon request, subject to adequate documentation of incurred eligible costs, and subject to the recipient's compliance with the Standard Conditions of this Award. The Applicant agrees to make prompt payment to its contractor, and to retain only such amount as allowed by North Carolina General Statute.

9. The applicant will expend all of the requisitioned funds for the purpose of paying the costs of the project within three (3) banking days following the receipt of the funds from the State. Please note that the State is not a party to the construction contract(s) and the Applicant is expected to uphold its contract obligations regarding timely payment.

Acknowledgement of Standard Conditions and Assurances

The Applicant hereby gives assurance to the Department of Environmental Quality that the declarations, assurances, representations, and statements made by the Applicant in the Application; and all documents, amendments, and communications filed with the Department of Environmental Quality by the Applicant in support of its request for financial assistance will be fulfilled.

Signature	Date

STATE OF NORTH CAROLINA
DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF WATER INFRASTRUCTURE

Funding Offer and Acceptance

Legal Name and Address of Award Recipient

Orange Water and Sewer Authority
400 Jones Ferry Road
Carrboro, North Carolina 27510

Project Number: **E-SRP-W-17-0049**

Drinking Water ☐ **Wastewater** ☒	**Additional Amount for Funding Increases**	**Previous Total**	**Total Offered**
State Revolving Fund (SRF) ☐			
State Reserve Loan (SRP) ☒			$ 1,071,000
State Reserve Grant (SRP) ☐			
State Emergency Loan (SEL) ☐			
Asset Inventory & Assessment Grant (AIA) ☐			
Merger/Regionalization Feasibility Grant (MRF) ☐			

Project Description:

WWTP Intermediate Pump Stations Rehabilitation

Total Financial Assistance Offer:	**$ 1,071,000**
Total Project Cost:	**$ 1,092,000**
Estimated Closing Fee*:	**$ 21,420**
For Loans	
Principal Forgiveness:	**$ 0**
Interest Rate:	**1.53** % Per Annum
Maximum Loan Term:	**20** Years

**Estimate closing fee calculated based on grant and loan amount.*

Pursuant to North Carolina General Statute 159G:

- The applicant is eligible under Federal and State law,
- The project is eligible under Federal and State law, and
- The project has been approved by the Department of Environmental Quality as having sufficient priority to receive financial assistance,

The Department of Environmental Quality, acting on behalf of the State of North Carolina, hereby offers the financial assistance described in this document.

For The State of North Carolina: **Kim H. Colson, P.E., Director, Division of Water Infrastructure**
North Carolina Department of Environmental Quality

Signature _____ Date 9/14/17

On Behalf of: **Orange Water and Sewer Authority**
Name of Representative in Resolution: _____
Title (Type or Print): _____

I, the undersigned, being duly authorized to take such action, as evidenced by the attached CERTIFIED COPY OF AUTHORIZATION BY THE APPLICANT'S GOVERNING BODY, do hereby accept this Financial Award Offer and will comply with the Assurances and the Standard Conditions.

Signature _____ EW Date 2/26/18

STANDARD CONDITIONS & ASSURANCES FOR STATE RESERVE PROJECTS

1. Specific MBE/WBE (DBE) forms and instructions are provided that are to be included in the contract specifications. These forms will assist with documenting positive efforts made by recipients, their consultants and contractors to utilize disadvantaged businesses enterprises. Such efforts should allow DBEs the maximum feasible opportunity to compete for sub agreements and subcontracts to be performed. Documentation of efforts made to utilize DBE firms must be maintained by all recipients, and construction contractors, and made available upon request.

2. The Applicant intends to construct the project or cause it to be constructed to final completion in accordance with the Application approved for financial assistance by the Division.
The recipient acknowledges that in the event a milestone contained in the Letter of Intent to Fund is missed, the Department of Environmental Quality will rescind this Funding Offer.

3. The Applicant is responsible for paying for the costs ineligible for State funding.

4. The construction of the project, including the letting of contracts in connection therewith, conforms to the applicable requirements of State and local laws and ordinances.

5. As of the acceptance of this Funding Award Offer, steps A-D in the Funding Guidance will be complete. These Assurances, likewise, incorporate the most recent version of the Funding Guidance, and the Applicant hereby certifies by accepting this Funding Award Offer that it will adhere to the subsequent steps in the Funding Guidance document. The remaining steps generally govern project design, bidding, contracting, inspection, reimbursements, closeout and repayment.

6. The Applicant will provide and maintain adequate engineering supervision and inspection.

7. The recipient agrees to establish and maintain a financial management system that adequately accounts for revenues and expenditures. Adequate accounting and fiscal records will be maintained during the construction of the project and these records will be retained and made available for a period of at least three years following completion of the project.

8. All State funds loaned shall be expended solely for carrying out the approved project, and an audit shall be performed in accordance with G.S. 159-34. Partial disbursements on this loan will be made promptly upon request, subject to adequate documentation of incurred eligible costs, and subject to the recipient's compliance with the Standard Conditions of this Award. The Applicant agrees to make prompt payment to its contractor, and to retain only such amount as allowed by North Carolina General Statute.

9. The applicant will expend all of the requisitioned funds for the purpose of paying the costs of the project within three (3) banking days following the receipt of the funds from the State. Please note that the State is not a party to the construction contract(s) and the Applicant is expected to uphold its contract obligations regarding timely payment.

Acknowledgement of Standard Conditions and Assurances

The Applicant hereby gives assurance to the Department of Environmental Quality that the declarations, assurances, representations, and statements made by the Applicant in the Application; and all documents, amendments, and communications filed with the Department of Environmental Quality by the Applicant in support of its request for financial assistance will be fulfilled.

Signature	Date

RESOLUTION DIRECTING THE FILING OF AN APPLICATION WITH THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF THE ISSUANCE AND PUBLIC SALE OF ORANGE WATER AND SEWER AUTHORITY WATER AND SEWER SYSTEM REVENUE REFUNDING BONDS, SERIES 2018

WHEREAS, the Orange Water and Sewer Authority ("OWASA"), acting by and through its Board of Directors (the "Board"), is authorized by The State and Local Government Revenue Bond Act of North Carolina, Article 5 of Chapter 159 of the North Carolina General Statutes, as amended (the "Act"), and particularly Sections 159-83(a)(5) and 159-81(3)a and b thereof, to issue revenue bonds for the purpose of financing the cost of acquisition, construction, reconstruction, enlargement, equipping, extension, betterment or improvement of facilities for obtaining, conserving, treating and distributing water for domestic or industrial use, irrigation, sanitation, fire protection, or any other public or private use and the collection, treatment, purification or disposal of sewage and to refund revenue bonds issued for such purposes; and

WHEREAS, OWASA owns and operates facilities for the production, collection, treatment, transmission and distribution of water and the collection, transmission, treatment and disposal of sewage; and

WHEREAS, OWASA proposes to issue its Water and Sewer System Revenue Refunding Bonds, Series 2018 (the "Series 2018 Bonds") for the purpose of providing funds, together with other available funds, to (i) refund all of OWASA's outstanding Water and Sewer System Revenue Bonds, Series 2004B (the "Series 2004B Bonds") and (ii) pay certain costs and expenses incurred in connection with the issuance of the Series 2018 Bonds; and

WHEREAS, OWASA proposes to issue the Series 2018 Bonds in an aggregate principal amount not to exceed $21,000,000, the determination of the aggregate principal amount of the Series 2018 Bonds to be made at the time of the public sale of the Series 2018 Bonds;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE ORANGE WATER AND SEWER AUTHORITY DOES HEREBY DETERMINE AND RESOLVE, as follows:

1. The Board hereby finds and determines, in connection with the issuance of the Series 2018 Bonds, that (i) the issuance of the Series 2018 Bonds is necessary or expedient for OWASA, (ii) the proposed aggregate principal amount of the Series 2018 Bonds is adequate and not excessive for the proposed purposes of such issue, (iii) the refunding of the Series 2004B Bonds to be effectuated by the issuance of the Series 2018 Bonds is feasible, (iv) OWASA's debt management procedures and policies are good and OWASA's finances are managed in strict compliance with law and (v) under current economic conditions, the Series 2018 Bonds can be marketed at a reasonable interest cost to OWASA.

2. The Board hereby authorizes the filing of an application with the Local Government Commission for approval of the issuance of the Series 2018 Bonds, in an aggregate principal amount not to exceed $21,000,000, pursuant to Section 159-86 of the Act and directs the Executive Director of OWASA and the Director of Finance and Customer Service of OWASA, as representatives of OWASA, to file such application with the Local Government Commission.

3. The Local Government Commission is hereby requested to sell the Series 2018 Bonds at public sale after advertisement and upon sealed and electronic bids to the bidder offering to purchase the Series 2018 Bonds at the lowest interest cost to OWASA, such cost to be determined in accordance with the true interest cost method, subject to the right of OWASA to change, cancel or reschedule the date or time established for the receipt of bids.

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

Adopted this 22nd day of February, 2018.

Robert Morgan, Chair

ATTEST:

Yinka Ayankoya, Secretary

RESOLUTION REQUESTING THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION TO APPROVE THE FINANCING TEAM TO BE USED IN CONNECTION WITH THE ISSUANCE AND SALE OF ORANGE WATER AND SEWER AUTHORITY WATER AND SEWER SYSTEM REVENUE REFUNDING BONDS, SERIES 2018

WHEREAS, the Orange Water and Sewer Authority ("OWASA"), acting by and through its Board of Directors (the "Board"), is authorized by The State and Local Government Revenue Bond Act of North Carolina, Article 5 of Chapter 159 of the North Carolina General Statutes, as amended (the "Act"), and particularly Sections 159-83(a)(5) and 159-81(3)a and b thereof, to issue revenue bonds for the purpose of financing the cost of acquisition, construction, reconstruction, enlargement, equipping, extension, betterment or improvement of facilities for obtaining, conserving, treating and distributing water for domestic or industrial use, irrigation, sanitation, fire protection, or any other public or private use and the collection, treatment, purification or disposal of sewage and to refund revenue bonds issued for such purposes; and

WHEREAS, OWASA owns and operates facilities for the production, collection, treatment, transmission and distribution of water and the collection, transmission, treatment and disposal of sewage; and

WHEREAS, OWASA proposes to issue its Water and Sewer System Revenue Refunding Bonds, Series 2018 (the "Series 2018 Bonds") for the purpose of providing funds, together with other available funds, to (i) refund all of OWASA's outstanding Water and Sewer System Revenue Bonds, Series 2004B and (ii) pay certain costs and expenses incurred in connection with the issuance of the Series 2018 Bonds; and

WHEREAS, OWASA proposes to issue the Series 2018 Bonds in an aggregate principal amount not to exceed $21,000,000, the determination of the aggregate principal amount of the Series 2018 Bonds to be made at the time of the public sale of the Series 2018 Bonds; and

WHEREAS, OWASA has selected for recommendation to the Local Government Commission a financing team to be used in connection with the issuance and public sale of the Series 2018 Bonds; and

WHEREAS, the selection of said financing team was made by OWASA after a review of the record of service to OWASA of the members of said financing team; and

WHEREAS, OWASA wishes to obtain the approval of the Local Government Commission for said financing team;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE ORANGE WATER AND SEWER AUTHORITY DOES HEREBY DETERMINE AND RESOLVE, as follows:

1. The Board hereby recommends that the following financing team members be engaged in connection with the issuance and public sale of the Series 2018 Bonds and requests that the Local Government Commission approve said financing team members:

Bond Counsel:	McGuireWoods LLP
Trustee and Bond Registrar:	The Bank of New York Mellon Trust Company, N.A.
Financial Advisor to OWASA:	First Tryon Advisors

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

Adopted this 22nd day of February, 2018.

Robert Morgan, Chair

ATTEST:

Yinka Ayankoya, Secretary