# Orange Water and Sewer Authority

## Meeting of the Board of Directors

June 13, 2019

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in a work session on Thursday, June 13, 2019, at 6:00 p.m. in OWASA's Community Room, 400 Jones Ferry Road, Carrboro.

Board Members present: Yinka Ayankoya (Chair), Ruchir Vora (Vice Chair), Ray DuBose (Secretary), Bruce Boehm, John Cooley, Jody Eimers, Robert Morgan, John N. Morris and John A. Young.

OWASA staff present: Kelly Belcher, Mary Darr, Monica Dodson, Robert Epting, Esq., (Epting and Hackney), Vishnu Gangadharan, Stephanie Glasgow, Tiffanie Hawley, Katie Harrold, Ed Kerwin, Simon Lobdell, Kenneth Loflin, Linda Low, Coleman Olinger, Andrea Orbich, Ruth Rouse, Kelly Satterfield, Todd Taylor, Stephen Winters and Richard Wyatt.

Others present: Meg Holton (UNC Water Resources Manager) and Ben Poulson (UNC Associate Director of Energy Services).

Motions

1. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Awarding a Construction Contract for the Dobbins Drive Water and Sewer Main Replacements Project. (Motion by Robert Morgan, second by Bruce Boehm and unanimously approved.)

2. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Honoring the Service of John A. Young to the Chapel Hill-Carrboro-Orange County Community as a Member of the Orange Water and Sewer Authority's Board of Directors. (Motion by Robert Morgan, second by Bruce Boehm and unanimously approved.).

3. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution to Authorize the Executive Director to Execute the Wester Intake Partnership Memorandum of Agreement. (Motion by Robert Morgan, second by Bruce Boehm and unanimously approved.)

4. Robert Morgan made a motion to approve the Minutes of the April 25, 2019 Meeting of the Board of Directors; second by Bruce Boehm and unanimously approved.

5. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Adopting the Schedule of Rates, Fees and Charges Effective on or after October 1, 2019. (Motion by Bruce Boehm, second by Ray DuBose and unanimously approved.)

6. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Adopting the Annual Budget for Orange Water and Sewer Authority for Fiscal Year July 1, 2019 through June 30, 2020. (Motion by Robert Morgan, second by Jody Eimers and unanimously approved.)

7. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Approving the Capital Improvements Program and Budget for Fiscal Years 2020-2024. (Motion by Ray DuBose, second by Robert Morgan and unanimously approved.)

8. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts Capital Project Resolution for Fiscal Year 2020 Infrastructure Improvements. (Motion by Ray DuBose, second by Bruce Boehm and unanimously approved.)

9. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Updating the Schedule of Employee Classification and Authorized Compensation; Adjusting Affected Employees' Compensation to the Minimum of the Pay Range; and Authorizing Cost of Labor and Merit Pay Increases for Eligible Employees including: a 1.75% Cost of Labor increase, 2.3% merit increase to employees earning a performance review rating during the October 2019 annual review process of Meets Expectations, 3.45% to employees earning a performance review rating of Exceeds Expectations, and 4.6% to employees earning a performance review rating of Exceptional. (Motion by Robert Morgan; second by John Morris and the motion passed with a vote of eight to one with Yinka Ayankoya opposed.)

10. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Authorizing the Executive Director to Execute Contract with International City/County Management Association (ICMA-RC) and Amend Retiree Health Insurance Benefits for New Hires including amending the Resolution so each of the fixed dollar amounts be adjusted by the annual cost of labor adjustment; second by Ray DuBose and unanimously approved. (Motion by John Young, second by Ray DuBose and unanimously approved.)

11. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution to Amend the Deferred Compensation Benefit for Employees including amending the Resolution to read, "Whereas, employees hired before September 1, 2019 shall have until 60 days after (date, to be provided) to choose to participate in the new plan or remain on the 457 Plan in-place prior to September 1, 2019." (Motion by Robert Morgan, second by Jody Eimers and unanimously approved.)

12. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Updating the Human Resources Policy; Changes to Retiree Health Benefits for New Hires and Deferred Compensation (457) Plan. (Motion by Robert Morgan, second by John Young and unanimously approved.)

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Announcements

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

Ms. Ayankoya announced a change to the agenda, without objection, a Closed Session to discuss a personnel matter has been added to the end of the agenda.

Ms. Ayankoya announced a New Board Member Orientation Meeting #1 has been scheduled for Friday, June 21, 2019 at 8:00 a.m. in the OWASA Boardroom for John Cooley and Bruce Runberg.

Ed Kerwin announced a Cane Creek Community Engagement meeting for forest management on Thursday, June 20, 2019, at 6:00 p.m. at the Maple View Agricultural Education Center in Orange County.

Vishnu Gangadharan introduced Coleman Olinger, P.E., OWASA's new Utilities Engineer.

Item One: Award the Dobbins Drive Water and Sewer Replacements Construction Contract

Robert Morgan made a motion to adopt the Resolution Awarding a Construction Contract for the Dobbins Drive Water and Sewer Main Replacements Project; second by Bruce Boehm and unanimously approved. Please see Motion 1.

Item Two: Resolution Honoring the Service of John A. Young to the Chapel Hill-Carrboro-Orange County Community as a Member of the Orange Water and Sewer Authority's Board of Directors

Robert Morgan made a motion to approve the resolution; second by Bruce Boehm and unanimously approved. Please see Motion 2.

Item Three: Resolution to Authorize the Executive Director to Executive the Western Intake Partnership Memorandum of Agreement

Robert Morgan made a motion to adopt the resolution; second by Bruce Boehm and unanimously approved. Please see Motion 3.

Item Four: Minutes

Robert Morgan made a motion to approve the Minutes of the April 25, 2019 Meeting of the Board of Directors; second by Bruce Boehm and unanimously approved. Please see Motion 4.

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

Robert Morgan said he will support the Resolution Adopting the Schedule of Rates, Fees and Changes Effective on or after October 1, 2019 but he has reservations about changing the rate for the two or three OWASA customers where their meters are manually read; he feels it is a cost of switching to Advanced Metering Infrastructure. John Morris said he has the same reservations.

Bruce Boehm made a motion to adopt the Resolution Adopting the Schedule of Rates, Fees and Charges Effective on or after October 1, 2019; second by Ray DuBose and unanimously approved. Please see Motion No. 5.

Robert Morgan made a motion to adopt the Resolution Adopting the Annual Budget for Orange Water and Sewer Authority for the Fiscal Year July 1, 2019 through June 30, 2020; second by Jody Eimers and unanimously approved. Please see Motion No. 6.

Ray DuBose made a motion to adopt the Resolution Approving the Capital Improvements Program and Budget for Fiscal Years 2020-2024; second by Robert Morgan and unanimously approved. Please see Motion No. 7.

Ray DuBose made a motion to adopt the Capital Project Resolution for Fiscal Year 2020 Infrastructure Improvements; second by Bruce Boehm and unanimously approved. Please see Motion 8.

Robert Morgan made a motion to adopt the Resolution Updating the Schedule of Employee Classification and Authorized Compensation; Adjusting Affected Employees' Compensation to the Minimum of the Pay Range; and Authorizing Cost of Labor and Merit Pay Increases for Eligible Employees including: a 1.75% Cost of Labor increase, 2.3% merit increase to employees earning a performance review rating during the October 2019 annual review process of Meets Expectations, 3.45% to employees earning a performance review rating of Exceeds Expectations, and 4.6% to employees earning a performance review rating of Exceptional. Second by John Morris and the motion passed with a vote of eight to one with Yinka Ayankoya opposed. Please see Motion 9.

Item Six: Human Resources Committee Recommendations on the Retiree Health Insurance Benefit and Deferred Compensation (457) Plan

Ray DuBose suggested the resolution include adjusting the annual fixed dollar amounts for employees and OWASA contributions be adjusted annually when the Board approves a cost of labor adjustment.

John Young made a motion to adopt the Resolution Authorizing the Executive Director to Execute Contract with International City/County Management Association (ICMA-RC) and Amend Retiree Health Insurance Benefits for New Hires including amending the Resolution so each of the fixed dollar amounts be adjusted by the annual cost of labor adjustment; second by Ray DuBose and unanimously approved. Please see Motion 10.

Robert Morgan made a motion to adopt the Resolution to Amend the Deferred Compensation Benefit for Employees including amending the Resolution to read, "Whereas, employees hired before September 1, 2019 shall have until 60 days after (date, to be provided) to choose to participate in the new plan or remain on the 457 Plan in-place prior to September 1, 2019"; second by Jody Eimers and unanimously approved. Please see Motion 11.

Robert Morgan made a motion to adopt the Resolution to Updating the Human Resources Policy; Changes to Retiree Health Benefits for New Hires and Deferred Compensation (457) Plan; second by John Young and unanimously approved. Please see Motion 12.

Item Seven: Monitoring of Compounds of Emerging Concern Update and Discussion

Katie Harrold and Monica Dodson provided an update on the monitoring, ongoing State and Federal research, regulatory interest, on compounds of emerging concern in drinking water and wastewater. OWASA's water is safe and maintains full compliance with all Federal and State regulations and health advisory levels.

Board questions and comments included: will the N.C. Division of Water Resources reanalyze the samples collected in 2018; is Orange County billed for the landfill leachate; and update OWASA's website on this topic.

Item Eight: Review Board Work Schedule

The Board agreed to cancel the Board's June 27, July 25 and August 8, 2019 Board meetings.

The Board requested a summary of Agua Vista savings, active users and key performance metrics.

Item Nine: Report of the Nominating Committee for Election of Officers

Robert Epting said at the May 23, 2019 meeting, eligible nominations were made and seconded for Board Members who are available for election to Office of Chair, Vice Chair and Secretary. Mr. Epting noted each Office is elected annually at the Board's first regular meeting in June, and the Bylaws provide Officers hold their Offices for one year or until their successors are elected and qualified. Terms for Officers elected tonight begin July 1, 2019 and five (5) votes are necessary to elect an Officer. Mr. Epting said voting will proceed separately by paper ballot for each Office until a Board member is elected by receiving five or more votes; and, in the event any round of voting ends in a tie, or if no person receives five votes in subsequent rounds of voting, balloting may be continued to the next Board meeting, and the present Officer will continue to serve until the new Officer is elected in the unfilled Office(s).

The Board Clerk distributed the ballots for the election of the Chair of the Board of Directors; the candidates considered for Board Chair are Yinka Ayankoya, Ray DuBose and Ruchir Vora.

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

The Board Clerk distributed the ballots for the election of Vice Chair of the Board of Directors; the candidates considered for Vice Chair are Yinka Ayankoya, Robert Morgan and Ruchir Vora.

Board Members cast their votes and Ruchir Vora was elected as Vice Chair of the Board of Directors with a vote of five to two to one.

The Board Clerk distributed the ballots for the election of Secretary of the Board of Directors; the candidates considered for Secretary are Bruce Boehm, Robert Morgan and Ruchir Vora.

Board Members cast their votes and Bruce Boehm was elected as Secretary of the Board of Directors with a vote of eight to one.

Item Ten: Executive Director's Summary of Key Staff Action Items from the Work Session

Ed Kerwin noted the following items for staff follow-up:

- Provide a summary of Agua Vista savings, active users and key performance metrics; and
- Provide response to the comments and questions raised during the discussion of compounds of emerging concern.

Item Eleven: Closed Session for the Purpose of Discussing a Personnel Matter

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

The Board meeting was adjourned at 9:00 p.m.

Respectfully submitted by:

Andrea Orbich

Andrea Orbich
Executive Assistant/Clerk to the Board

Attachments

**Resolution Awarding a Construction Contract for the Dobbins Drive Water and Sewer Main Replacements Project**

**Whereas,** there is a need to replace the water and sewer mains located in Dobbins Drive; and

**Whereas,** plans and specifications for the construction of this project have been prepared by Hazen and Sawyer PC; and

**Whereas,** advertisement for contractor qualifications was published on the websites of the North Carolina Institute of Minority Economic Development, North Carolina Department of Administration, and OWASA on December 21, 2018 and five contractors were qualified to bid; and

**Whereas,** on April 24, 2019, the prequalified contractors were formally invited to submit construction bids for the project; and

**Whereas,** four bids were subsequently received on May 23, 2019; and

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

**Whereas,** on February 14, 2019 the Board approved a resolution authorizing funds for this project as part of the State Reserve Program loan;

**Now, Therefore, Be It Resolved:**

1. That the Orange Water and Sewer Authority Board of Directors awards the construction contract to Pipeline Utilities, Inc, the low responsive, responsible bidder for the Dobbins Drive Water and Sewer Main Replacement Project, in accordance with the approved plans and specifications, in the amount of $3,496,780.00, subject to such change orders as may apply.

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

3. That the tentative award is contingent upon the approval of the North Carolina Department of Environmental Quality.

Adopted this 13th day of June, 2019.

Yinka Ayankoya

Yinka Ayankoya, Chair

ATTEST:

Raymond E. DuBose

Raymond E. DuBose, Secretary

**Resolution Honoring the Service of John A. Young to the Chapel Hill-Carrboro-Orange County Community as a Member of the Orange Water and Sewer Authority's Board of Directors**

**Whereas**, Mr. John A. Young served on the OWASA Board from March 24, 2011, through June 30, 2019, including service as Vice Chair of the Board of Directors from July 1, 2012, to June 30, 2014, and as Chair of the Board of Directors from July 1, 2014, to June 30, 2017; and

**Whereas**, Mr. Young served on the Board's Finance, Human Resources and Natural Resources and Technical Services Committees during his service, during which he served as Chair of the Finance Committee from July 2012 to July 2014, and as Chair of the Natural Resources and Technical Services Committee from August 2017 to June 2019; and

**Whereas,** Mr. Young's creative leadership in facilitating the Board's revision of OWASA's Strategic Plan will remain a testament to his leadership for years to come; and

**Whereas**, Mr. Young has given invaluable oversight and direction, and demonstrated kindness and courtesy to his fellow Board Members, to staff, and especially to the public; and

**Whereas**, Mr. Young's own professional training and managerial experience were invaluable in his service as a Board Member; he has mentored his peers and successors, and by that example, our work is most effectively done when care is taken to respect diversity of opinion, and all are encouraged to participate fully in the Board's deliberations; and

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

1. That the Board expresses its sincere appreciation and deep gratitude to John Young for his outstanding service, leadership and stewardship as a Member of the OWASA Board of Directors; and the Board wishes for him much happiness in the years ahead.

2. That this resolution be recorded in the minutes of the OWASA Board of Directors and be part of the permanent records of OWASA, and that a copy of this resolution be transmitted to the Town of Chapel Hill.

Adopted and presented this 13th day of June 2019.

Yinka Ayankoya, Chair

ATTEST:

Raymond E. DuBose, Secretary

**Resolution Authorizing Staff to Enter into a Memorandum of Agreement for the Western Intake Partnership**

**Whereas**, Orange Water and Sewer Authority (OWASA) originally received an allocation of water from Jordan Lake's Water Supply Pool in 1988; and

**Whereas,** OWASA's current allocation of water from Jordan Lake is 5 percent of the water supply pool, which is approximately 5 million gallons per day; and

**Whereas,** Jordan Lake is an important part of OWASA's water supply plan, particularly during droughts and operational emergencies; and

**Whereas**, the uncertainty of climate change makes it important to maintain a diverse water supply portfolio for reliability and resiliency; and

**Whereas**, the Towns of Cary and Apex currently own and operate the only water supply intake on Jordan Lake; and

**Whereas,** OWASA can currently access its water supply allocation from Jordan Lake by purchasing drinking water from the Town of Cary and wheeling that water through the City of Durham through its mutual aid agreements with both entities; and

**Whereas,** these mutual aid agreements do not guarantee OWASA's access to its Jordan Lake allocation; and

**Whereas**, OWASA has been working with the City of Durham, Chatham County, and Town of Pittsboro to explore a western intake and treatment plant on Jordan Lake and these entities are collectively known as the Western Intake Partners; and

**Whereas**, the City of Durham has funded all costs of studies to date; and

**Whereas**, the Western Intake Partners desire to enter into a Memorandum of Agreement which outlines cost shares for each Partner on future studies; and

**Whereas**, OWASA is currently updating its Long-Range Water Supply Plan and will be evaluating various supply and demand management alternatives which include a potential partnership in a new intake and water treatment plant on the west side of Jordan Lake; and

**Whereas**, the Memorandum of Agreement does not obligate OWASA to participate in any future study but keeps options open while it completes the update to its Long-Range Water Supply Plan;

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

1. The Memorandum of Agreement for the Western Intake Partnership is approved, and OWASA's Executive Director is authorized to execute it on OWASA's behalf; and

2. OWASA staff will seek authorization from the Board of Directors prior to obligating OWASA to participate and share the cost of studies undertaken by the Western Intake Partnership.

Adopted this 13th day of June 2019.

Yinka Ayankoya, Chair

ATTEST:

Raymond E. DuBose, Secretary

**Resolution Adopting the Schedule of Rates, Fees and Charges Effective on or after October 1, 2019**

**Whereas**, Orange Water and Sewer Authority (OWASA) 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,** the OWASA Board of Directors held a public hearing on May 23, 2019 on the attached, proposed Schedule of Rates, Fees, and Charges, including the new system development fees.

**Now, Therefore, Be It Resolved:**

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

2. That the rates shown on the attached schedule shall become effective on or after October 1, 2019.

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

4. That the Executive Director is hereby directed to implement the Schedule of Rates, Fees, and Charges.

Adopted this 13th day of June 2019.

Yinka Ayankoya, Chair

ATTEST:

Raymond E. DuBose, Secretary

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

APPLICABLE TO ALL BILLINGS AND SERVICES ON OR AFTER OCTOBER 1, 2019.


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## Background and Authorization

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

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

The OWASA Board of Directors has determined that the provisions in this Schedule of Rates, Fees, and Charges are necessary to adequately sustain OWASA's near-term and long-range utility operations. Revenues generated by these rate adjustments will provide OWASA with the financial resources necessary to: (1) fund operating costs; (2) adequately maintain existing water, sewer, and reclaimed water facilities; (3) fully comply with 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.

All fees go into effect on October 1, 2019.

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

## SECTION I: WATER RATES AND FEES

### MONTHLY WATER RATES

Water charges are billed monthly at approximately 30-day intervals. Charges are due upon receipt of the bill, and become delinquent 25 days after the billing date. Monthly water rates consist of two components; a monthly service charge and a commodity (volume) charge.

#### Water Service Charge

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

| Meter Size | Monthly Charge |
|---|---|
| 5/8" | $15.74 |
| 3/4" Combination Fire and Domestic Service Meter | $16.28 |
| 1" | $31.63 |
| 1" Combination Fire and Domestic Service Meter | $32.16 |
| 1-1/2" | $68.39 |
| 2" | $103.22 |
| 3" | $212.29 |
| 4" | $346.55 |
| 6" | $754.69 |
| 8" | $1,073.21 |

#### Water Irrigation Service Charge

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

| Meter Size | Monthly Charge |
|---|---|
| 5/8" | $25.21 |
| 1" | $50.39 |
| 1-1/2" | $93.28 |
| 2" | $143.47 |
| 3" | $283.98 |
| 4" | $435.92 |
| 6" | $857.52 |
| 8" | $1,363.70 |

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.

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

Water Commodity Charge

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

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

Individually Metered Residential Accounts Except Irrigation-only Accounts

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

| | **Volume of Use (Gallons)** | **Commodity Rate per 1,000 Gallons** |
|---|---|---|
| Block 1 | 1,000 to 2,000 | $2.82 |
| Block 2 | 3,000 to 5,000 | $6.84 |
| Block 3 | 6,000 to 10,000 | $8.39 |
| Block 4 | 11,000 to 15,000 | $11.72 |
| Block 5 | All use 16,000 and up | $21.20 |

Multi-family Master-metered Residential Accounts

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

$6.07 per thousand gallons

Non-residential Accounts Except Irrigation Accounts

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

| | **Rate** |
|---|---|
| Off-peak seasonal rate per 1,000 gallons (October through April) | $4.46 |
| Peak seasonal rate per 1,000 gallons (May through September) | $8.47 |

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.

$9.11 per thousand gallons

WATER COMMODITY SURCHARGES APPLICABLE UNDER WATER SHORTAGE DECLARATION STAGES

Conservation Water Commodity Charges Under Mandatory Water Use Restrictions

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

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

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

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 service charge, payable in advance, shall be collected for setting and removing the meter.

Service Charge $320

In addition, a security deposit shall be required.

Temporary Hydrant Meter Security Deposit
$1,000

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

WATER SYSTEM DEVELOPMENT FEE

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

| Property Description | Fee |
|---|---|
| 5/8" Meter or 3/4" Combination Fire and Domestic Service, Single-family Residential: | |
| <800 square feet | $620 |
| 801-1300 square feet | $770 |
| 1301-1700 square feet | $864 |
| 1701-2400 square feet | $1,142 |

| Property Description | Fee |
|---|---|
| 2401-3100 square feet | $1,767 |
| 3101-3800 square feet | $2,442 |
| >3800 square feet | $4,295 |
| 1” Meter, Single-Family Residential (all square footages) | $7,338 |
| 5/8” Meter or 3/4" Combination Fire and Domestic Service Meter, Multi-family Residential | $830 |
| 1” Meter, Multi-Family Residential (all square footages) | $7,338 |
| 5/8” Meter or 3/4" Combination Fire and Domestic Service Meter, Non-residential* | $2,933 |
| 1” Meter, Non-residential* | $7,338 |
| 1-1/2” Meter, Multi-Family Residential and Non-residential* | $14,666 |
| 2” Meter, Multi-Family Residential and Non-residential* | $23,466 |
| 3” Meter, Multi-Family Residential and Non-residential* | $46,933 |
| 4” Meter, Multi-Family Residential and Non-residential* | $73,332 |
| 6” Meter, Multi-Family Residential and Non-residential* | $146,664 |
| 8” Meter, Multi-Family Residential and Non-residential* | $234,663 |

* Same fee for Irrigation-Only accounts.

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

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

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

WATER SERVICE AND METER INSTALLATION CHARGE

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

**ORANGE WATER AND SEWER AUTHORITY**
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| Service Description | Fee |
|---|---|
| Complete Water Service Installation, 5/8” meter | $4,600 |
| Complete Water Service Installation, 3/4” Combination Fire and Domestic Service Meter | $4,840 |
| Complete Water Service Installation, 1” meter | $4,850 |
| Meter Only Installation, 5/8” meter | $260 |
| Meter Only Installation, 3/4” Combination Fire and Domestic Service Meter | $500 |
| Meter Only Installation, 1” Combination Fire and Domestic Service Meter | $540 |
| Meter Only Installation, 1” meter | $340 |
| Meter Only Installation, 1-1/2” meter | $650 |
| Meter Only Installation, 1-1/2” Combination Fire and Domestic Service Meter | $830 |
| Meter Only Installation, 2” meter | $1,320 |
| Meter Only Installation, 2” Combination Fire and Domestic Service Meter | $1,000 |
| Remote Read Box with 5/8” Detector Meter | $500 |

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

Deliver fee for 3-inch and large meters:

Delivery Fee $160

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, subject to minimum amount.

Minimum Charge $430

The base fee noted above includes one (1) site visit by OWASA to determine if the applicant is ready for OWASA to perform the tap. A reinspection fee will be charged for each additional site visit required to

determine if the water main is accessible and all required material and safety measures are in place. The tap will not be performed until any applicable reinspection fees are paid in full.

Tap Reinspection Fee - $150

HYDRAULIC FIRE FLOW TESTING

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

$230 per test

## SECTION II: SEWER RATES AND FEES

### MONTHLY SEWER RATES

Sewer charges are billed monthly at approximately 30-day intervals. Charges are due upon receipt of the bill, and become delinquent 25 days after the billing date. Monthly sewer rates consist of two components: a monthly service charge and a sewer commodity (volume) charge.

#### Sewer Service Charge

This charge is calculated to recover the direct and indirect customer service, service and inspection maintenance, and capital costs associated with providing sewer service to the customer's property. Meter readings and service charges for first and final bills are prorated based on days of service**.** Applicable to all sewer accounts, regardless of whether there is a commodity charge, the monthly service charge is based on the size of the meter where sewer usage is measured as follows:

| Meter Size | Monthly Charge |
|---|---|
| 5/8" or 3/4" Combination Fire and Domestic Service | $12.85 |
| 1" | $22.07 |
| 1-1/2" | $38.05 |
| 2" | $57.53 |
| 3" | $108.79 |
| 4" | $166.30 |
| 6" | $304.91 |
| 8" | $520.31 |

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

#### Sewer Commodity Charge

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

The sewer commodity charge is applicable to all customers discharging wastewater into the OWASA sewer system, regardless of whether that discharge results from the customer's use of OWASA's drinking water or reclaimed water, or their use of a non-OWASA water source, including but not limited to harvested rainwater or groundwater.

$6.94 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 per 1,000 gallons of the estimated volume of wastewater expected to be discharged by the customer (using national engineering standards as the basis); provided however, that in no case shall the billable quantity be less than 4,000 gallons per month.

$6.94 per 1,000 gallons

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

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

SEWER SYSTEM DEVELOPMENT FEE

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

University, and other institutional accounts. The use of these categories is justified by distinctive patterns of water and sewer consumption.

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

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

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

If OWASA determines that a credit is due, the amount of the credit shall be based on the current sewer system development fees that would apply to the size water meters that are permanently abandoned as a direct result of the project. However, the credit due shall not exceed the amount of the sewer system development fees that would otherwise apply to the development or re-development project. System development fee credits are not transferrable to any other project or property.

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

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

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, subject to a minimum.

Minimum charge $520.

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

Tap Reinspection Fee - $150

HIGH STRENGTH WASTE SURCHARGE

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

| **Normal Strength Domestic Wastewater** | |
|---|---|
| Carbonaceous Biochemical Oxygen Demand (CBOD) | 205 mg/l |
| Suspended Solids (SS) | 235 mg/l |
| Ammonia Nitrogen ($NH_3$-N) | 25 mg/l |
| Phosphorus (P) | 6.5 mg/l |

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

| | |
|---|---|
| Carbonaceous Biochemical Oxygen Demand (CBOD) | $0.46 per pound for all CBOD in excess of 205 mg/l |
| Suspended Solids (SS) | $0.56 per pound for all SS in excess of 235 mg/l |
| Ammonia Nitrogen ($NH_3$-N) | $3.26 per pound for all $NH_3$-N in excess of 25 mg/l |
| Phosphorus (P) | $13.13 per pound for all P excess of 6.5 mg/l |

## SECTION III: RECLAIMED WATER RATES AND CHARGES

### MONTHLY RECLAIMED WATER RATES

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

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

#### Reclaimed Water Service Charge

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

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

| **Non-UNC RCW Customers** | |
|---|---|
| **Meter Size** | **Per Month** |
| 5/8" | $8.37 |
| 1" | $16.74 |
| 1.5" | $30.96 |
| 2" | $47.62 |

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

#### Reclaimed Water Commodity Charge

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

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

registered by the meter.

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

RECLAIMED WATER SYSTEM DEVELOPMENT AND CONNECTION FEES

Reclaimed Water System Development Fees

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

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

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

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

Reclaimed Water Service Connection Fees

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

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

## SECTION IV: MISCELLANEOUS CHARGES

### SERVICE INITIATION FEE

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

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

### RETURNED CHECK CHARGE

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

| | |
|---|---|
| Returned Check: | $25 |
| Dishonored Draft: | $25 |

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

### CHARGE FOR DELINQUENT ACCOUNTS

The purpose of this charge is to offset the costs of special handling of delinquent accounts, which may include, but is not limited to, the disconnection and reconnection of service due to nonpayment of the customer's bill. This charge applies to all accounts scheduled for disconnection for nonpayment and is applicable on or after the specified disconnect date, regardless of whether the service was disconnected or not. Reconnection resulting from disconnection due to nonpayment will be made within 24 hours of receipt of full payment of the balance due plus the delinquency charge and applicable security deposit.

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

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

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

The purpose of this charge is to recover the cost to temporarily disconnect and subsequently reconnect water service at the request of a customer. In situations where charges apply, the charge may be waived

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

CHARGE FOR MANUALLY READING WATER METERS

To measure and bill for customers' water use, OWASA utilizes meters that record hourly water use readings and transmits them to OWASA's administrative office electronically. The system provides customers with valuable information about their water use: information that can be used to detect and limit the impact (cost and property damage) of leaks in the customer's plumbing system.

At the time the metering system was installed, a few customers objected to the installation of an electronic meter at their locations. In response, OWASA's Board of Directors adopted a policy that allowed then-existing customers the option of continuing to be served by a non-electronic meter. Doing so requires that an OWASA staff member travel to the customer's location once per month to read the meter. For manually read meters, the following conditions apply:

- Customers choosing a manual read option shall not be eligible for leak notifications or emergency water loss adjustments.
- A monthly fee of $45 will be charged to cover the cost of reading the meter manually.

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 per trip, plus |
| Volume Charge and High Strength Surcharge | $149.94 per 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 per 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 per thousand gallons in waste x $3.26 per pound |
| B = pounds of CBOD per thousand gallons in waste x $0.46 per pound |
| C = pounds of TSS per thousand gallons in waste x $0.56 per pound |
| D = $6.94 per 1,000 gallons Sewer Commodity Charge |
| E = pounds of P per thousand gallons in waste x $13.13 per 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 | $6.45 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%.

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

BOAT RENTAL AND LAKE USE FEES

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

| **OWASA Customers and Orange County Residents** | |
|---|---|
| Charge for each flat-bottomed boat or canoe rental | $4.50 for one-half day plus the applicable lake use fee for each person |
| Trolling motor rental | $15.00 for one-half day |
| Kayak rental | $15.00 for one-half day plus the applicable lake use fee for each person |
| Private Boat Launching Fee | $3.50 per boat plus the applicable lake use fee for each person |
| Lake Use Fee, Under 12 Years Old | $2.00 per person |
| Lake Use Fee, 12-64 Years | $4.50 per person |
| Lake Use Fee, 65 Years and over | No charge |

| **Individual Season Pass** | |
|---|---|
| Boat or canoe rental | $82.00 per person. Each additional person pays appropriate lake use fee. |
| Lake Use Pass – Adult | $46.00 |
| Boat with trolling motor rental | $163.00 per person. Each additional person pays appropriate lake use fee. |

| **Group Season Pass** | |
|---|---|
| Boat or canoe rental | $163.00 (maximum of 3 people per pass.) Each additional person pays appropriate lake use fee. |
| Boat with trolling motor rental | $245.00 (maximum of 3 people per pass.) Each additional person pays appropriate lake use fee. |

| **For visitors who are not OWASA Customers or Orange County Residents** | |
|---|---|
| Charge for each flat-bottomed boat or canoe rental | $8.00 for one-half day plus the applicable lake use fee for each person |
| Trolling motor rental | $22.00 for one-half day |
| Kayak rental | $20.00 for one-half day plus the applicable lake use fee for each person |
| Private Boat Launching Fee | $7.00 per boat plus the applicable lake use fee for each person |
| Lake Use Fee, Under 12 years old | $2.50 per person |
| Lake Use Fee, 12-64 Years | $5.50 per person |
| Lake Use Fee, 65 Years and over | $2.50 per person |
| UNC Men’s Crew Club and Women’s Rowing Team | By agreement between UNC-Chapel Hill and OWASA |

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:

Meter test $100

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:

Shop meter test $220

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.

Minimum charge $190

REINSPECTION FEE

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

Tap Reinspection Fee - $150

PLAN REVIEW AND CONSTRUCTION OBSERVATION FEES

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

for the extension of water, sewer and non-UNC reclaimed water 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 any project which includes extensions of the public water, sewer or non-UNC reclaimed water systems; new services; backflow prevention; or a grease interceptor (or grease trap), regardless of the party which may be undertaking the improvements. The plan review and construction observation fees are applied separately to water, sewer and non-UNC reclaimed water main extensions with a minimum of $100 each, as shown in the table below.

| Service | Plan Review | Construction Observation |
|---|---|---|
| Water | $3.63/lf, minimum $100 | $3.69/lf, minimum $100 |
| Sewer | $3.63/lf, minimum $100 | $3.69/lf, minimum $100 |
| Reclaimed Water | $3.63/lf, minimum $100 | $3.69/lf, minimum $100 |

Fees for Plan Review are due when the sealed plans are submitted for review. Fees for Construction Observation are collected upon final plan approval. Additional fees for projects which increase in scope (e.g. the number of feet of mains is lengthened after initial fee payment) shall be collected prior to receiving a permission to proceed from OWASA. No refunds will be granted for projects which decrease in scope after fee payment.

CHARGES FOR MISCELLANEOUS SERVICES

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

TRANSFER OF CHARGES

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

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

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

**Resolution Adopting the Annual Budget For**
**Orange Water and Sewer Authority (OWASA) for the Fiscal Year**
**July 1, 2019 Through June 30, 2020**

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

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

**Whereas**, during the preparation of the Fiscal Year (FY) 2020 Budget, and after holding public hearings on May 23, 2019 concerning the FY 2020 Budget, the Board of Directors determined that it is necessary to increase the rates OWASA charges for monthly water and sewer services by 5% in order to provide sufficient revenues to fund ongoing operations, debt service and the Capital Improvements Program; and

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

**Whereas,** due to increased workload in executing communication initiatives and other administrative tasks, the budget also includes increased funding for a new position, Communications Specialist;

**Now, Therefore, Be It Resolved:**

1. That pursuant to the provisions of North Carolina G.S. Chapter 159-13 the attached pages marked 3 through 7 be, and they hereby are, adopted as the official budget of Orange Water and Sewer Authority of the Fiscal Year beginning July 1, 2019 through June 30, 2020.

2. That a new Communications Specialist position, Salary Grade 615, shall be added to the Schedule of Employee Classification and Authorized Compensation.

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

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

Adopted this 13th day of June 2019.

Yinka Ayankoya, Chair

ATTEST:

Raymond E. DuBose, Secretary

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

| | | FY 2020 Annual Budget |
|---|---|---|
| **Operating Revenue** | | |
| Water | $19,144,421 | |
| Sewer | 18,157,612 | |
| Reclaimed Water | 458,820 | |
| Service Initiation Fee | 153,928 | |
| Other | 969,168 | |
| Refunds and Adjustments | (212,573) | |
| **Total Operating Revenue** | | **$38,671,376** |
| **Operating Expense** | | |
| General and Administrative | 8,055,734 | |
| Operations | 15,503,228 | |
| **Total Operating Expense** | | **23,558,962** |
| **Net Operating Income** | | **15,112,414** |
| **Non-operating Revenue** | | |
| Customer Fees | | **1,448,887** |
| Interest | | **46,403** |
| **Total Net Income** | | **16,607,704** |
| **Debt Service** | | |
| Existing | | **6,735,246** |
| New | | **1,312,016** |
| **Total Debt Service** | | **8,047,262** |
| **Net Income Less Debt Service** | | **$8,560,442** |
| **Debt Coverage Ratio** | | **2.06** |

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

| | | FY 2020 Annual Budget |
|---|---|---|
| **General Fund** | | |
| Resources | | |
| Transfer from Revenue | $8,560,442 | |
| **Annual Income Available for Capital** | | **8,560,442** |
| Transfer from Construction Fund (Bond/Loan Proceeds) | | **20,000,000** |
| **Total Available for Capital** | | **28,560,442** |
| **Capital Expenditures** | | |
| Project Ordinances | | |
| General Fund Contribution | 6,423,000 | |
| Funded by Bond Proceeds | 20,000,000 | |
| **Total Project Ordinances** | | **26,423,000** |
| Capital Equipment | | **989,700** |
| **Total Capital Outlay** | | **27,412,700** |
| **Annual General Fund Balance** | | **1,147,742** |
| **General Fund Beginning Balance** | | **17,018,861** |
| **General Fund Ending Balance** | | **18,166,603** |
| Project Funding | (1,719,299) | |
| Reserves | | |
| Rate/Revenue Stabilization | 1,865,102 | |
| Capital Improvements | 4,400,000 | |
| Working Capital | 13,620,800 | **18,166,603** |
| **Unallocated General Fund Balance** | | **$0** |

## REVENUE FUND

| | Water | Sewer | Total |
|---|---|---|---|
| **Fund Balance July 1, 2019** | | | $0 |
| **Receipts** | | | |
| **Operating Revenue** | | | |
| Customer Billings | $19,144,421 | $18,157,612 | $37,302,033 |
| Reclaimed Water | 458,820 | - | 458,820 |
| Service Initiation Fee | 76,964 | 76,964 | 153,928 |
| Other | 484,584 | 484,584 | 969,168 |
| Refunds and Adjustments | (106,287) | (106,286) | (212,573) |
| **Total Operating Revenue** | 20,058,502 | 18,612,874 | 38,671,376 |
| **Non-operating Revenue** | | | |
| Customer Fees | 634,836 | 814,051 | 1,448,887 |
| Interest Income | 23,202 | 23,201 | 46,403 |
| **Total Non-operating Revenue** | 658,038 | 837,252 | 1,495,290 |
| **Total Receipts** | 20,716,540 | 19,450,126 | 40,166,666 |
| **Expenditures** | | | |
| Current Expense | (12,177,627) | (11,381,335) | (23,558,962) |
| Debt Service | (4,753,142) | (3,294,120) | (8,047,262) |
| **Total Expenditures** | (16,930,769) | (14,675,455) | (31,606,224) |
| **Net Revenue** | | | 8,560,442 |
| **To General Fund** | | | (8,560,442) |
| **Fund Balance June 30, 2020** | | | $0 |
| **Change in Available Balance** | | | $0 |

## BOND SERVICE FUND

| | | |
|---|---|---|
| **Fund Balance July 1, 2019** | | $0 |
| **Receipts** | | |
| Transfer from Revenue Fund | $8,047,262 | |
| Interest | | |
| **Total Receipts** | | 8,047,262 |
| **Expenditures** | | |
| Debt Service | 8,047,262 | |
| **Total Expenditures** | | (8,047,262) |
| **Fund Balance June 30, 2020** | | $0 |
| **Change in Available Balance** | | $0 |

## GENERAL FUND

| | | |
|---|---|---|
| **Fund Balance July 1, 2019** | | $17,018,861 |
| **Receipts** | | |
| Transfer from Revenue Fund | $8,560,442 | |
| Transfer from Construction Fund (Bond/Loan Proceeds) | 20,000,000 | |
| Interest | - | |
| Assessments | - | |
| Grants and Contributions | - | |
| **Total Receipts** | | 28,560,442 |
| **Total Balance Before Expenditures** | | 45,579,303 |
| **Expenditures** | | |
| Capital Equipment/Leases | 989,700 | |
| Project Resolutions | 26,423,000 | |
| Transfer to Revenue Fund | 0 | |
| **Total Expenditures** | | (27,412,700) |
| **Fund Balance June 30, 2020** | | $18,166,603 |
| **Allocation of Fund Balance June 30, 2020** | | |
| Project Funding | (1,812,497) | |
| Capital Reserves | 19,979,100 | |
| **Total Allocation** | | $18,166,603 |
| **Unallocated General Fund Balance June 30, 2020** | | $0 |
| **Change in Available Balance** | | $1,147,742 |

**Resolution Approving the Capital Improvements Program and Budget For Fiscal Years 2020-2024**

**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 2020-2024 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 23, 2019;

**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 2020-2024 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 2020-2024 is as follows:

| Fiscal Year | Amount |
|---|---|
| 2020 | $26,423,000 |
| 2021 | 27,939,000 |
| 2022 | 16,178,000 |
| 2023 | 23,987,000 |
| 2024 | 18,148,000 |
| Total | $112,675,000 |

Adopted this 13th day of June 2019.

Yinka Ayankoya, Chair

ATTEST:

Raymond E. DuBose, Secretary

**Capital Project Resolution for**
**Fiscal Year 2020 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 $26,423,000 is hereby established and expenditures therefrom authorized for the following improvements:

**Expenditures**

| | |
|---|---|
| **Water Supply Improvements:** | |
| Jordan Lake Raw Water Supply Allocation | $10,000 |
| Quarry Reservoir Development | 15,000 |
| University Lake Pump Station Improvements | 981,000 |
| Cane Creek Pump Station Improvements | 10,000 |
| University Lake Permanganate Facility | 35,000 |
| Cane Creek Raw Water Transmission Main Capacity Study | 50,000 |
| Subtotal | 1,101,000 |
| **Water Treatment and Distribution Improvements:** | |
| Near Term Funding for Water Facility Assets | 80,000 |
| WTP Belt Filter Press Replacement | 350,000 |
| WTP Sedimentation Basin Rehabilitation | 1,190,000 |
| Concrete Condition Assessment | 100,000 |
| WTP Finished Water Pump Improvements | 250,000 |
| WTP Chemical Facility Improvements | 555,000 |
| WTP and WWTP SCADA Master Plan | 25,000 |
| HVAC Replacement Program | 150,000 |
| WTP Electrical Distribution Improvements | 50,000 |
| Repair/Rehabilitation of WTP Front Entry | 35,000 |
| Near-term Funding for Water Distribution System - Rehabilitation | 400,000 |
| Reimbursement for Distribution System Improvements | 48,000 |
| Fordham Service Road Water Main Replacement | 864,000 |
| High Priority Water Main Replacement Program | 5,813,000 |
| Dobbins Drive Water Main Replacement | 750,000 |
| West Cameron Avenue Water Main Replacement | 150,000 |
| Distribution System Hydraulic Model | 150,000 |
| Galvanized Water Main Replacement Program | 200,000 |
| Kensington Drive Water Main Replacement | 521,000 |
| Distribution System Prioritization Model | 345,000 |
| Distribution System Sampling Stations | 60,000 |
| Jones Ferry Rd Water Main Replacements | 300,000 |
| Bolinwood Bridge Water Main Replacement | 50,000 |

| | |
|---|---|
| Westwood Neighborhood Water and Sewer Rehabilitation | 50,000 |
| Subtotal | 12,486,000 |
| **Wastewater Collection, Treatment and Disposal Improvements:** | |
| Gravity Sewer Rehabilitation Program | 3,081,000 |
| Bolinwood Drive Interceptor Replacement | 100,000 |
| Dobbins Drive Interceptor Replacement | 850,000 |
| Creek Crossing Access Improvements | 50,000 |
| Gravity Sewer Hydraulic Model | 510,000 |
| Prince Street Service Replacement | 10,000 |
| Rogerson Drive Force Main - Program Services | 75,000 |
| Rogerson Drive Pump Station Rehabilitation Phase 2 | 894,000 |
| Pump Station Operational and Needs Assessments | 35,000 |
| Rogerson Drive Force Main 2019 Emergency Repair and Rehabilitation | 1,200,000 |
| Near-term Funding for Wastewater Facilities Rehabilitation | 360,000 |
| Comprehensive Coatings Program | 75,000 |
| WWTP Warehouse | 25,000 |
| WWTP Solids Thickening Improvements | 3,282,000 |
| WWTP Intermediate Pump Station Rehabilitation | 113,000 |
| Water and Wastewater Facilities Building Envelope Rehabilitation | 50,000 |
| WWTP Secondary Clarifier Rehabilitation | 344,000 |
| WWTP Fermenter Improvements | 112,000 |
| WWTP Chemical Building and Bulk Tank Piping Rehab | 470,000 |
| WWTP Headworks Rehabilitation | 888,000 |
| WWTP Server Room | 150,000 |
| WWTP Security Improvements | 32,000 |
| WWTP Gas Monitoring Systems | 90,000 |
| Offsite Biosolids Storage Improvements | 40,000 |
| Subtotal | 12,836,000 |
| Total Expenditures | $26,423,000 |
| **Revenues** | |
| Transfers from the General Fund, Bond or Loan Proceeds, and Grants | $26,423,000 |

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 13th day of June 2019.

Yinka Ayankoya, Chair

ATTEST:

Raymond E. DuBose, Secretary

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

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

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

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

**Now Therefore, Be It Resolved**:

1. That the Board of Directors hereby approves a 1.75% cost of labor increase for eligible employees who have earned a Meets Expectations, Exceeds Expectations or Exceptional Performance review rating during the October 2019 annual review process and the Executive Director is directed to adjust and implement the same percentage increase in salary ranges in the Schedule of Employee Classification and Authorized Compensation.

2. That the Board of Directors hereby approves a merit increase to employees earning a performance review rating of Meets Expectations during the October 2019 annual review process by increasing base pay 2.3 %.

3. That the Board of Directors hereby approves a merit increase to employees earning a performance review rating of Exceeds Expectations during the October 2019 annual review process by increasing base pay 3.45%.

4. That the Board of Directors hereby approves a merit increase to employees earning a performance review rating of Exceptional during the October 2019 annual review process by increasing base pay 4.6 %.

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

6. That the pay adjustments will be effective October 28, 2019.

Adopted this 13th day of June 2019.

Yinka Ayankoya

Yinka Ayankoya, Chair

ATTEST:

Raymond C Dubose

Raymond E. DuBose, Secretary

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE CONTRACT WITH INTERNATIONAL CITY/COUNTY MANAGEMENT ASSOCIATION (ICMA-RC) AND AMEND RETIREE HEALTH INSURANCE BENEFITS FOR NEW HIRES**

**WHEREAS**, in 2014 consultants analyzing OWASA's compensation and benefits programs determined that our retiree health benefit was above market.

**WHEREAS,** current benefits pay 100% of the health insurance premium or supplemental premium for any employee who retires after completing 30 years of service or retirees age 60 with 20 years of service; 75% of the premium for employees who retire at age 60 with 15 years of service; and 50% of the premiums for those who retire at age 60 with 10 years of service.

**WHEREAS,** the Human Resource (HR) Committee has recommended that OWASA's retiree health insurance benefits be amended;

**WHEREAS**, employees hired after (to-be-determined date) will be enrolled in a Retiree Health Savings (RHS) account with ICMA-RC; and

**WHEREAS**, employees hired after (to-be-determined date) are required to contribute 2% of their salary each pay period up to a maximum of $1,000 per plan year and the annual maximum for employee contributions will increase annually with the Board approved Cost of Labor adjustment; and

**WHEREAS**, OWASA will contribute $35 per pay period (26 periods per year) with a maximum of $910 per year with total annual RHS contrition not to exceed $1,910. This amount will increase annually with the Board approved Cost of Labor adjustment:

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

1. That the Board of Directors has determined to accept the above recommendations set forth by the HR Committee; and

2. That the Executive Director is hereby authorized to execute the RHS contract with ICMA-RC; and

3. That the Executive Director is hereby authorized to determine the "to-be-determined" effective date and such date shall be no later than December 31, 2019.

Adopted this 13th day of June 2019.

Yinka Ayankoya, Chair

ATTEST:

Raymond E. DuBose, Secretary

**Resolution to Amend the Deferred Compensation Benefit for Employees**

**Whereas**, in 2014 consultants analyzing OWASA's compensation and benefits programs determined that its deferred compensation (457) plan benefit plan is below market;

**Whereas**, the Orange Water and Sewer Authority currently makes biweekly contributions to qualifying employees' deferred compensation (457) plan accounts; and

**Whereas**, current 457 plan benefits begin after an employee has reached four years of service, and contribution amounts are based on the employee's years of service. Employees with 4-9 years of service receive contributions of $40 per pay period; those with 10-14 years receive $60 per pay period; those with 15-19 years receive $80 per pay period and those with 20 or more years of service receive $100 per pay period.

**Whereas**, the Human Resource (HR) Committee has recommended to the OWASA Board of Directors that employees be offered a new 457 plan benefit, for employees hired after September 1, 2019; and

**Whereas,** employees shall be eligible to participate in the new 457 Plan as of employment start date; annual employer contributions to employees' accounts shall be the greater of 3% of wages or $1,300; the minimum annual contribution of $1,300 shall be adjusted annually by the amount of the Board-approved cost of labor adjustment; and

**Whereas,** employees hired before September 1, 2019 shall have until 60 days after July 1, 2019 to choose to participate in the new plan or remain on the 457 Plan in-place prior to September 1, 2019.

**Now, Therefore, Be It Resolved:**

1. That the Board of Directors accepts the above recommendations set forth by the HR Committee, and directs the same be implemented by the Executive Director.

Adopted this 13th day of June 2019.

Yinka Ayankoya, Chair

ATTEST:

Raymond E. DuBose, Secretary

**Resolution Updating the Human Resources Policy; Changes to Retiree Health Benefits for New Hires and Deferred Compensation (457) Plan**

**Whereas**, the Board of Directors has determined to revise the Human Resources (HR) Policy to reflect changes to OWASA's retiree health benefits and deferred compensation plan.

**Now Therefore, Be It Resolved**:

1. The Board of Directors hereby amends the Human Resources Policy; and

2. HR Policy, Section 13.B and Section 13.J are amended as provided below; and

3. That the Executive Director is hereby authorized to determine the "to-be-determined" effective date to be no later than December 31, 2019.

**B. Group Health and Dental Insurance**

OWASA provides full-time employees group health and dental insurance plans including dependent coverage and will pay the full cost of the premium for the employee. OWASA will also pay for a portion of the cost for dependent coverage as determined by the Board of Directors.

If hired before Sept. 1, 2019, OWASA will pay 100% of the health insurance premium or Medicare supplement premium for any employee who retires after completing 30 years of service with the organization. OWASA will also pay 100% of the premium costs for those employees who retire at age 60 with 20 years of service; 75% of the premium for employees who retire at age 60 with 15 years of service; and 50% of the premiums for those who retire at age 60 with 10 years of service. Retiree health coverage does not extend to dependents and does not include dental or vision care coverage for the retired employee.

If hired after Sept. 1, 2019, employees are required to contribute to a Retirement Health Savings (RHS) account. Employees will contribute 2% each pay period up to $1,000 per plan year. OWASA will contribute $35 per pay period up to $910 per year. The employer contribution and the employee $1,000 per plan year will increase annually by the Board approved Cost of Labor Adjustment.

**J. Deferred Compensation Plan**

OWASA provides an annual contribution to a Section 457 Tax Deferred Compensation Plan for all full-time employees. The purpose of this Plan is to provide employees with supplemental income upon retiring. OWASA contributions to the Plan are pre-tax and earnings accrued within the Plan are not taxable to employees until withdrawn. Employees may make elective contributions to the Plan. Such voluntary contributions do not require employees to complete any

minimum service requirements prior to enrollment in the Plan. Eligible employees may convert Sick or Annual Leave into their 457 Plan at designated periods during the year.

Employees hired after September 1, 2019 are eligible to receive an employer contribution beginning at the employment date. The contribution is 3% of the employee's annual salary with a minimum annual contribution to be set by the Board. The minimum annual contribution will be adjusted annually by the amount of the Board-approved cost of labor adjustment.

Employees hired before September 1, 2019 had 60 days after July 1, 2019 to elect to either remain on the 457 plan in-place prior to September 1, 2019 or participate in the new plan. Employees who chose to remain on the "old" plan shall receive contribution amounts based on their years of service. Employees with 4-9 years of service receive contributions of $40 per pay period; those with 10-14 years receive $60 per pay period; those with 15-19 years receive $80 per pay period and those with 20 or more years of service receive $100 per pay period.

Adopted this 13th day of June 2019.

Yinka Ayankoya, Chair

ATTEST:

Raymond E. DuBose, Secretary