Orange Water and Sewer Authority

Virtual Work Session of the Board of Directors

June 10, 2021

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held its duly noticed regular work session by virtual means in accordance with law, on Thursday, June 10, 2021, at 6:00 p.m. utilizing Microsoft Teams software.

Board Members present: Raymond (Ray) DuBose (Chair), Bruce Boehm (Vice Chair), Jody Eimers (Secretary), Yinka Ayankoya, Todd BenDor, Kevin Leibel, Robert Morgan, and John N. Morris. Board Member absent: Bruce Runberg.

OWASA staff present: Mary Darr, Robert Epting, Esq. (Epting and Hackney), Vishnu Gangadharan, Stephanie Glasgow, Robin Jacobs (Epting and Hackney), Andrea Orbich, Ruth Rouse, Todd Taylor, Mary Tiger, Stephen Winters, and Richard Wyatt.

Others present: Monica Dodson, Michael Everhart, Jacqueline Mills, Ben Poulson (UNC Associate Director of Energy Services), and Meg Holton (UNC Water Resources Manager).

Motions

1. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority approved the Resolution to Authorize Private Access and Utility Easement and Road Maintenance Agreement. (Motion by Robert Morgan, second by Jody Eimers and the Motion was unanimously approved.)

2. Robert Morgan made a Motion to approve the Minutes of the May 13, 2021, Work Session of the Board of Directors; second by Jody Eimers and the Motion was unanimously approved.

3. Robert Morgan made a Motion to approve the Minutes of the May 27, 2021, Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter; second by Jody Eimers and the Motion was unanimously approved.

4. 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 on or after October 1, 2021. (Motion by Robert Morgan, second by Bruce Boehm and the Motion was unanimously approved.)

5. 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 the Fiscal Year July 1, 2021, through June 30, 2022. (Motion by Robert Morgan, second by Todd BenDor and the Motion was unanimously approved.)

6. 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

2022-206. (Motion by Jody Eimers, second by Robert Morgan and the Motion was unanimously approved.)

7. 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. (Motion by Robert Morgan, second by Bruce Boehm and the Motion was unanimously approved.)

8. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Capital Project Resolution for Fiscal Year 2022 Infrastructure Improvements. (Motion by Kevin Leibel, second by Jody Eimers and the Motion was unanimously approved.)

9. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Honoring the Service of Robert Morgan to the Orange Water and Sewer Authority Board of Directors and the Carrboro-Chapel Hill-Orange County Community. (Motion by John Morris, second by Bruce Boehm and the Motion was unanimously approved.)

10. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Adjusting the Executive Director's Compensation by 5.35% effective the first pay period in July 2021. (Motion by Jody Eimers, second by Bruce Boehm and the Motion was unanimously approved.)

11. Jody Eimers made a Motion that the Board of Directors continue virtual meetings utilizing Microsoft Teams software (not in-person meetings) until such time as the Board has received a report from General Counsel/Staff regarding COVID-19 safety restrictions in place (hybrid or virtual meetings); second by Todd BenDor and the Motion was unanimous approved.

12. Kevin Leibel made a Motion to elect Yinka Ayankoya as Vice Chair by acclimation of the Board of Directors; second by Todd BenDor and the Motion was unanimously approved.

13. Robert Morgan made a Motion to elect John Morris as Secretary by acclimation of the Board of Directors; second by Jody Eimers and the Motion was unanimously approved.

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Announcements

Chair Ray DuBose announced that due to COVID-19 public health concerns, the OWASA Board of Directors held the work session virtually utilizing Microsoft Teams software. Mr. DuBose stated that Board Members, General Counsel, and staff participated in the meeting remotely.

Mr. DuBose asked if any Board Member knew 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.

John Morris announced a virtual Zoom meeting between the Chapel Hill Town Council OWASA Committee and the Chapel Hill Appointees to the OWASA Board of Directors on Wednesday, June 23, 2021, at 3:00 p.m., to discuss update on the Long-Range Water Supply Plan; update on OWASA's standard collection practices and status of OWASA revenues; and update on the development of OWASA's new strategic plan.

Mary Darr, General Manager of Operations, announced staff distributed OWASA's 2020 Annual Water Quality Report to accountholders on the operation of the water treatment system. This report was also distributed to local officials and media and posted on OWASA's website.

Item One: Guidance on Individual Board Member Interactions with OWASA Staff Members

The Board approved the Guidance Regarding Individual Board Member Interactions with OWASA Staff Members and the updated Framework for OWASA Board and Committee Roles documents.

Item Two: Private Access and Utility Easement and Road Maintenance Agreement off Bradshaw Quarry Road

Robert Morgan made a Motion to approve the Resolution to Authorize Private Access and Utility Easement and Road Maintenance Agreement; second by Jody Eimers and the Motion was unanimously approved. Please see Motion 1.

Item Three: Minutes

Robert Morgan made a Motion to approve the Minutes of the May 13, 2021, Work Session of the Board of Directors; second by Jody Eimers and the Motion was unanimously approved. Please see Motion 2.

Item Four: Minutes

Robert Morgan made a Motion to approve the Minutes of the May 27, 2021, Closed Session of the Board of Directors for the purpose of discussing a personnel matter; second by Jody Eimers and the Motion was unanimously approved. Please see Motion 3.

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

Ray DuBose said the Board received a public comment from Carol Troutman which was shared with the Board and staff on June 7, 2021. No other public comments were received.

Robert Morgan made a Motion to approve the Resolution Adopting the Schedule of Rates, Fees, and Charges on or after October 1, 2021; the Motion was seconded by Bruce Boehm and unanimously approved. Please see Motion 4.

Robert Morgan made a Motion to approve the Resolution Adopting the Annual Budget for Orange Water and Sewer Authority for the Fiscal Year July 1, 2021, through June 30, 2022; the Motion was seconded by Todd BenDor and unanimously approved. Please see Motion 5.

Jody Eimers made a motion to approve the Resolution Approving the Capital Improvements Program and Budget for Fiscal Years 2022-2026; the Motion was seconded by Robert Morgan and unanimously approved. Please see Motion 6.

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; the Motion was seconded by Bruce Boehm and unanimously approved. Please see Motion 7.

Kevin Leibel made a motion to approve the Capital Project Resolution for Fiscal Year 2022 Infrastructure Improvements; the Motion was seconded by Jody Eimers and unanimously approved. Please see Motion 8.

Item Six: Resolution Honoring the Service of Robert Morgan to the Orange Water and Sewer Authority to the Board of Directors and the Carrboro-Chapel Hill-Orange County Community

Ray DuBose read aloud the resolution honoring the service of Robert Morgan and expressed the Board's congratulations, deep appreciation for his service on the Board, and thanked Mr. Morgan for all his support to all over the years.

John Morris made a Motion to approve the Resolution; second by Bruce Boehm and the Motion was unanimously approved. Please see Motion 9.

Kevin Leibel expressed his appreciation and acknowledged Mr. Morgan's service and wished for him much success in the future.

Mr. Morris said he will be missed and expressed appreciation for Mr. Morgan's local government knowledge, particularly during the hiring of a new Executive Director.

Jody Eimers thanked Mr. Morgan for his service and support as Board Member in familiarizing her as Chair of the Board's Human Resources Committee.

Bruce Boehm agreed with other Board Member comments and wished Mr. Morgan best of luck in the future.

Yinka Ayankoya expressed appreciation to Mr. Morgan, especially when presenting to the Carrboro Town Council, and wished Mr. Morgan well.

Todd Taylor expressed staff's appreciation to Mr. Morgan of his support of staff and will miss him.

Mr. Mogan expressed appreciation to the Board and staff, said he enjoyed his six years on the OWASA Board of Directors and the friendships he made.

Item Seven: Resolution Adjusting the Executive Director's Compensation

Jody Eimers made a Motion to approve the Resolution Adjusting the Executive Director's Compensation by 5.35% effective the first pay period in July 2021; second by Bruce Boehm and the Motion was unanimously approved. Please see Motion 10.

Todd Taylor expressed appreciation to the Board for supporting him and all OWASA staff.

Item Eight: Long-Range Water Supply Plan – Guiding Principles for Evaluating Water Supply Alternatives to Reliability Access OWASA's Allocation of Water in Jordan Lake

Ruth Rouse, Planning and Development Manager, provided an overview of this item and requested feedback from the Board on the draft Guiding Principles which will be used to evaluate water supply alternatives.

Board discussion and feedback on the draft Guiding Principles included suggestions to:

- Include information on how ranking the guiding principles as high, medium, and low will be used in decisions regarding water supply.
- Add an assumption in the Introduction section that the Board and staff will actively seek input from our customers and stakeholders.
- Update the first draft guiding principle to indicate supply sources that cannot meet quality standards after effective treatment will be eliminated from further consideration.
- Clarify next steps that even if Jordan Lake is the preferred option, it will be compared to all viable supply alternatives before a decision regarding water supply is made.
- Move flexibility to change course in the future from low priority to medium or high priority.
- Consider modifying low priority principles, to "other considerations".
- Consider Board discussion regarding the weighting of the impact on current and future rates and update the guiding principles as needed; staff should also consider including more information on the importance of keeping rates low and affordable.

Staff will incorporate Board feedback on the Guiding Principles and this discussion will continue at July 8, 2021, Board meeting.

Item Nine: Review Board Work Schedule

Jody Eimers said the Board's July 8, 2021, meeting is scheduled as an in-person meeting but that she would like to request a Board discussion on potentially continuing COVID-19 precautions and suggested the Board continue to meet remotely until after the discussion.

Jody Eimers made a Motion that the Board of Directors continue virtual meetings utilizing Microsoft Teams software (not in-person meetings) until such time as the Board has received a report from General Counsel/Staff regarding COVID-19 safety restrictions in place (hybrid or

virtual meetings); second by Todd BenDor and the Motion was unanimous approved. Please see Motion 11.

The Board agreed to schedule a discussion to consider holding all OWASA Board Meetings at 400 Jones Ferry Road in Carrboro on July 8, 2021.

The Board agreed to hold the July 8, 2021, meeting remotely utilizing Microsoft Teams software.

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

Robert Epting, General Counsel, provided the Board an overview on how the election of officers will proceed and reminded the Board that the term of the new Board Officers will begin July 1, 2021. Mr. Epting said nominees for the office of Chair, Vice Chair and Secretary, were nominated and seconded by the Board on April 22, 2021, as required in the Bylaws, and no further nominations were allowed.

Mr. Epting said in accordance with amended N.C. General Statutes 166A (Public Bodies/Remote Meetings During Declared Emergencies, Section 4.31.(a) Article 1A), Board Members, will vote verbally by roll call in alphabetical order, will announce their name and vote for each office. He said the Clerk to the Board will record the votes and announce the person elected to each office following the vote.

Mr. Epting said the candidates for Chair of the Board are Yinka Ayankoya and Jody Eimers and called the roll in alphabetical order:

- Yinka Ayankoya voted for Yinka Ayankoya.
- Todd BenDor voted for Yinka Ayankoya.
- Bruce Boehm voted for Jody Eimers.
- Ray DuBose voted for Jody Eimers.
- Jody Eimers voted for Jody Eimers.
- Kevin Leibel voted for Jody Eimers.
- Robert Morgan voted for Yinka Ayankoya.
- John Morris voted for Jody Eimers.

Mr. Epting stated that Bruce Runberg did not submit a proxy vote. Andrea Orbich said the Board elected Jody Eimers as Chair of the Board by a vote of five to three.

Mr. Epting said the remaining candidate for Vice Chair of the Board is Yinka Ayankoya.

Kevin Leibel made a Motion to elect Yinka Ayankoya as Vice Chair by acclimation of the Board; second by Todd BenDor and the Motion was unanimously approved. Please see Motion 12.

Mr. Epting said the candidate for Secretary of the Board is John Morris.

Robert Morgan made a Motion to elect John Morris as Secretary by acclimation of the Board; second by Jody Eimers and the Motion was unanimously approved. Please see Motion 13.

Item Eleven: Summary of Work Session Items

Todd Taylor noted the following staff action items:

- Incorporate the Board's feedback on the Long-Range Water Supply Plan Guiding Principles and provide for discussion at the July 8, 2021 Board Meeting;
- Add an agenda item on July 8, 2021, to continue virtual Board Meetings following the end of the COVID-19 emergency; and
- Add an agenda item on July 8, 2021, to consider holding all Board Meetings at OWASA office located at 400 Jones Ferry Road.

Item Twelve: Closed Session

Without objection, the Board of Directors convened in a Closed Session for the purpose of discussion a potential real property acquisition, as provided in N.C. General Statutes 143.318.11(a.5).

Following the Closed Session, the Board reconvened in open session, reported no action was taken in the closed session, and the meeting was adjourned at 8:10 p.m.

Respectfully submitted by:

Andrea Orbich

Andrea Orbich
Executive Assistant/Clerk to the Board

Attachments

RESOLUTION TO AUTHORIZE PRIVATE ACCESS AND UTILITY EASEMENT AND ROAD MAINTENANCE AGREEMENT

Whereas, OWASA, Datto/Caron, Johnson, and Poe/Gleisberg are owners of adjacent parcels located off Bradshaw Quarry Road in Orange County, North Carolina; and,

Whereas, there are historic access agreements that were put in place as OWASA acquired land to develop Cane Creek Reservoir; and,

Whereas, a land transaction that occurred in 2014 inadvertently left the Poe/Gleisberg parcel without access; and,

Whereas, Poe/Gleisberg wish to reestablish access to their parcel; and,

Whereas, Poe/Gleisberg have agreed to limit development on their parcel to four future lots, which will help to protect Cane Creek Reservoir; and,

Whereas, the access easement also includes maintenance provisions which were missing from earlier access agreements; and,

Whereas, OWASA has determined that the proposed Private Access and Utility Easement and Road Maintenance Agreement will have no adverse impact on water quality and offers greater protection of Cane Creek Reservoir:

Now, therefore be it resolved:

1. That the Board of Directors of the Orange Water and Sewer Authority, having been fully advised of the details and terms of the proposed Agreement, agrees that it is in OWASA's best interests that it be a party to the Private Access and Utility Easement and Road Maintenance Agreement.

2. That the Executive Director be, and hereby is, authorized and directed to execute the said Private Access and Utility Easement and Road Maintenance Agreement for and on behalf of the Orange Water and Sewer Authority.

Adopted this 10th day of June 2021.

Raymond E. DuBose, P.E., Chair

ATTEST:

Jo Leslie Eimers, Secretary

Resolution Adopting the Schedule of Rates, Fees and Charges Effective October 1, 2021

Whereas, Orange Water and Sewer Authority (OWASA) is empowered by N.C. Gen. Stat. 162A-6(9) to adopt a Schedule of Rates, Fees and Charges, in accordance with the provisions of N.C. Gen. Stat. 162A-9, and consistent with Section 7.04 of OWASA's Amended and Restated Bond Order (Bond Order); and

Whereas, the OWASA Board of Directors held a public hearing on May 27, 2021, on the attached proposed revision to its Schedule of Rates, Fees and Charges, to be effective on or after October 1, 2021, and has determined to adopt and implement the proposed Schedule;

Now, Therefore, Be It Resolved:

1. The attached Schedule of Rates, Fees, and Charges is hereby adopted by the Board of Directors of Orange Water and Sewer Authority and shall be effective on or after October 1, 2021.

2. The Executive Director is hereby authorized and directed to implement the Schedule of Rates, Fees, and Charges.

3. The Executive Director is authorized to receive and consider customer inquiries, requests, and appeals, and to make determinations as may be necessary in the implementation of the Schedule of Rates, Fees and Charges, subject to the right of customers to appeal such determinations to the Board of Directors.

4. The Executive Director is authorized to extend the time for payment or collection, or to suspend, collect, or compromise and settle, sums due OWASA for services rendered, including fees, penalties, disconnections, and other remedies in collection, when necessary to protect the health or safety of customers or OWASA staff during times of epidemic or other emergencies.

Adopted this the 10th day of June 2021.

Raymond E. DuBose, Chair

ATTEST:

Jo Leslie Eimers, Secretary

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

APPLICABLE TO ALL BILLINGS AND SERVICES ON OR AFTER OCTOBER 1, 2021.

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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 are in effect as of October 1, 2021.

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"	$16.93
3/4" Combination Fire and Domestic Service Meter	$17.09
1"	$33.21
1" Combination Fire and Domestic Service Meter	$33.77
1-1/2"	$71.81
2"	$108.38
3"	$222.90
4"	$363.88
6"	$792.32
8"	$1,126.87

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"	$26.47
1"	$52.91
1-1/2"	$97.94
2"	$150.64
3"	$298.18
4"	$457.72
6"	$900.40
8"	$1,431.89

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	$2.96
Block 2	3,000 to 5,000	$7.18
Block 3	6,000 to 10,000	$8.81
Block 4	11,000 to 15,000	$12.31
Block 5	All use 16,000 and up	$22.26

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.

$6.37 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)	$4.68
Peak seasonal rate per 1,000 gallons (May through September)	$8.89

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.

$9.57 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:

Service Description	Fee
Complete Water Service Installation, 5/8” meter	$6,180
Complete Water Service Installation, 3/4” Combination Fire and Domestic Service Meter	$6,480
Complete Water Service Installation, 1” meter	$6,350
Meter Only Installation, 5/8” meter	$250
Meter Only Installation, 3/4” Combination Fire and Domestic Service Meter	$550
Meter Only Installation, 1” Combination Fire and Domestic Service Meter	$600
Meter Only Installation, 1” meter	$280
Meter Only Installation, 1-1/2” meter	$640
Meter Only Installation, 1-1/2” Combination Fire and Domestic Service Meter	$910
Meter Only Installation, 2” meter	$1,160
Meter Only Installation, 2” Combination Fire and Domestic Service Meter	$1,190
Remote Read Box with 5/8” Detector Meter	$550

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%.

Delivery 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 $440

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.

$240 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	$13.49
1" Combination Fire and Domestic Service	$23.17
1-1/2"	$39.95
2"	$60.41
3"	$114.23
4"	$174.72
6"	$320.16
8"	$546.33

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.

$7.29 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.

$7.29 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.

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 $530.

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)	$0.48 per pound for all CBOD in excess of 205 mg/l
Suspended Solids (SS)	$0.59 per pound for all SS in excess of 235 mg/l
Ammonia Nitrogen (NH_3-N)	$3.42 per pound for all NH_3-N in excess of 25 mg/l
Phosphorus (P)	$13.79 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 CUSTOMER SITE VISIT

With the Agua Vista automated metering system, most water use questions and trouble-shooting investigations can be conducted remotely by an OWASA customer service representative. Upon request and at OWASA's discretion, an OWASA representative may travel to a customer's location. This fee is designed to recover the labor and equipment costs associated with the site visit.

$45 per site visit

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	$157.44 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 $3.42 per pound
B = pounds of CBOD per thousand gallons in waste x $0.48 per pound
C = pounds of TSS per thousand gallons in waste x $0.59 per pound
D = $6.94 per 1,000 gallons Sewer Commodity Charge
E = pounds of P per thousand gallons in waste x $13.79 per pound
Waste concentrations shall be determined by OWASA

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

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	$6.77 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 $500

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 engineering drawings are submitted for review. Plans submitted with modifications or changes other than those required by OWASA are subject to a complete second review and payment of additional plan review fees. Fees for Construction Observation are collected prior to OWASA issuing a Permit to Construct. 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 plan approval from OWASA. No refunds will be granted for projects which decrease in scope after fee payment.

A fee is required for any project requiring Partial Certification to place a portion of the project into service before the entire project as designed is completed. Fees shall be paid before the Partial Certification will be submitted to the state.

Partial Certifications - $225 per additional submittal to the state

A fee will apply to each reinspection or retesting required after the initial testing or sampling event for the component being tested, except fees for Purity Sample Resampling, which begin after the second sampling event. A Contractor who does not cancel an appointment with a minimum of one business hour's advance notice and is not prepared to conduct the test at the scheduled time will be billed a fee for rescheduling. Fees shall be paid before the reinspection or retesting will be scheduled.

Reinspection / Retesting Fees	
Purity Sample Resampling (after second failure)	$600 plus $150 per sample location
Water Pressure Retest	$225 per additional test
Gravity Sewer Air Testing and Flashing Retest	$75 per section tested
Manhole Vacuum Retest	$75 per additional test
Rescheduling Fee for Failure to Cancel an Appointment	$75

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, 2021 Through June 30, 2022

Whereas, North Carolina G.S. Chapter 159 and Section 7.05 of the Bond Order 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) 2022 Budget, and after holding public hearings on May 27, 2021 concerning the FY 2022 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;

Now, Therefore, Be It Resolved:

1. That pursuant to the provisions of North Carolina G.S. Chapter 159-13 the attached pages marked 2 through 6 be, and they hereby are, adopted as the official budget of Orange Water and Sewer Authority for the Fiscal Year beginning July 1, 2021 through June 30, 2022.

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

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

Adopted this 10th day of June 2021.

Raymond E. DuBose, Chair

ATTEST:

Jo Leslie Eimers, Secretary

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

		FY 2022 Annual Budget
Operating Revenue		
Water	$18,194,238	
Sewer	18,856,847	
Reclaimed Water	463,200	
Service Initiation Fee	16,510	
Other	898,581	
Refunds and Adjustments	(107,101)	
Total Operating Revenue		**$38,322,275**
Operating Expense		
General and Administrative	7,994,126	
Operations	15,675,466	
Total Operating Expense		**23,669,592**
Net Operating Income		**14,652,683**
Non-operating Revenue		
System Development Fees		**1,249,897**
Interest		**97,760**
Total Net Income		**16,000,340**
Debt Service		
Existing		**7,945,522**
New		**677,665**
Total Debt Service		**8,623,186**
Net Income Less Debt Service		**$7,377,153**
Debt Coverage Ratio		**1.9**

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

		FY 2022 Annual Budget
General Fund		
Resources		
Transfer from Revenue	$7,377,153	
Annual Income Available for Capital		**7,377,153**
Transfer from Construction Fund (Bond/Loan Proceeds)		**10,251,847**
Total Available for Capital		**17,629,000**
Capital Expenditures		
Project Ordinances		
General Fund Contribution	7,377,153	
Funded by Bond Proceeds	10,251,847	
Total Project Ordinances		**17,629,000**
Capital Equipment		**1,057,250**
Total Capital Outlay		**18,686,250**
Annual General Fund Balance		**(1,057,250)**
General Fund Beginning Balance		**19,376,928**
General Fund Ending Balance		**18,319,678**
Project Funding	693,124	
Reserves		
Rate/Revenue Stabilization	1,852,554	
Capital Improvements	5,200,000	
Working Capital	10,574,000	**18,319,678**
Unallocated General Fund Balance		**$0**

REVENUE FUND

	Water	Sewer	Total
Fund Balance July 1, 2021			$0
Receipts			
Operating Revenue			
Customer Billings	$18,194,238	$18,856,847	$37,051,085
Reclaimed Water	463,200	-	463,200
Service Initiation Fee	8,255	8,255	16,510
Other	449,290	449,291	898,581
Refunds and Adjustments	(53,551)	(53,550)	(107,101)
Total Operating Revenue	19,061,432	19,260,843	38,322,275
Non-operating Revenue			
System Development Fees	516,165	733,732	1,249,897
Interest Income	48,880	48,879	97,759
Total Non-operating Revenue	565,045	782,611	1,347,656
Total Receipts	19,626,477	20,043,454	39,669,931
Expenditures			
Current Expense	(11,969,713)	(11,699,879)	(23,669,592)
Debt Service	(4,360,745)	(4,262,441)	(8,623,186)
Total Expenditures	(16,330,458)	(15,962,320)	(32,292,778)
Net Revenue			7,377,153
To General Fund			(7,377,153)
Fund Balance June 30, 2022			$0
Change in Available Balance			$0

BOND SERVICE FUND

Fund Balance July 1, 2021		$0
Receipts		
Transfer from Revenue Fund	$8,623,186	
Interest		
Total Receipts		8,623,186
Expenditures		
Debt Service	8,623,186	
Total Expenditures		(8,623,186)
Fund Balance June 30, 2022		$0
Change in Available Balance		$0

GENERAL FUND

Fund Balance July 1, 2021		$19,376,928
Receipts		
Transfer from Revenue Fund	$7,377,153	
Transfer from Construction Fund (Bond/Loan Proceeds)	10,251,847	
Interest	-	
Assessments	-	
Grants and Contributions	-	
Total Receipts		17,629,000
Total Balance Before Expenditures		37,005,928
Expenditures		
Capital Equipment/Leases	1,057,250	
Project Resolutions	17,629,000	
Transfer to Revenue Fund	0	
Total Expenditures		(18,686,250)
Fund Balance June 30, 2022		$18,319,678
Allocation of Fund Balance June 30, 2022		
Project Funding		
Capital Reserves	17,626,554	
Total Allocation		$17,626,554
Unallocated General Fund Balance June 30, 2022		$0
Change in Available Balance		($693,124)

Resolution Approving the Capital Improvements Program and Budget for Fiscal Years 2022-2026

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 2022-2026 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 27, 2021;

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 2022-2026 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 2022-2026 is as follows:

Fiscal Year	Amount
2022	$17,629,000
2023	18,624,000
2024	16,291,000
2025	17,955,000
2026	16,767,000
Total	$87,266,000

Adopted this 10th day of June 2021.

Raymond E. DuBose, Chair

ATTEST:

Jo Leslie Eimers, 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 necessary to efficiently and effectively fulfill the organization's duties and responsibilities; and

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

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

Now Therefore, Be It Resolved:

1. That the Board of Directors hereby approves a 1% cost of labor increase for eligible employees who have earned a Meets Expectations, Exceeds Expectations or Exceptional Performance review rating during the June 2021 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 June 2021 annual review process by increasing base pay 2.9%.

3. That the Board of Directors hereby approves a merit increase to employees earning a performance review rating of Exceeds Expectations during the June 2021 annual review process by increasing base pay 4.35%.

4. That the Board of Directors hereby approves a merit increase to employees earning a performance review rating of Exceptional during the June 2021 annual review process by increasing base pay 5.80%.

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 July 5, 2021.

Adopted this 10th day of June 2021.

Raymond E. DuBose, Chair

ATTEST:

Jo Leslie Eimers, Secretary

Capital Project Resolution for
Fiscal Year 2022 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 $17,629,000 is hereby established and expenditures therefrom authorized for the following improvements:

Expenditures

Water Supply Improvements:	
Jordan Lake Raw Water Supply Allocation	$5,000
Quarry Reservoir Development	15,000
University Lake Permanganate Facility	300,000
Cane Creek Dam Rehabilitation	350,000
Subtotal	670,000
Water Treatment and Distribution Improvements:	
WTP Flash Mix Basin Improvements	50,000
WTP Belt Filter Press Replacement	500,000
WTP Finished Water Pump Improvements	50,000
WTP Chemical Facility Improvements	50,000
WTP and WWTP SCADA Master Plan Recommendations	500,000
WTP Electrical Distribution Improvements	2,500,000
WTP Clearwell Rehabilitation	100,000
HVAC Replacement Program	150,000
Reimbursement for Distribution System Improvements	564,000
Water Distribution System Rehabilitation	1,345,000
Water Main Replacement Program FY 2018 – 2023	180,000
West Cameron Avenue Water Main Replacement	3,249,000
Distribution System Hydraulic Model	30,000
Distribution System Asset Management	70,000
Jones Ferry Rd Water Main Replacements	1,633,000
Subtotal	10,971,000
Wastewater Collection, Treatment and Disposal Improvements:	
Gravity Sewer Rehabilitation Program	670,000
Rocky Branch Interceptor Replacement	350,000
Morgan Creek Interceptor Replacement	100,000
East Main Street Sewer Rehabilitation	1,165,000
Collection System Asset Management	50,000
Rogerson Drive Force Main and Pump Station Program Services	100,000

Chapel Hill North Pump Station Rehabilitation	300,000
Rogerson Drive Pump Station Grit Removal Evaluation	30,000
WWTP Clarifier #4 Conversion	1,400,000
WWTP Facilities Planning	235,000
WWTP Fermenter Improvements	883,000
WWTP Administration Building Planning Study	55,000
Biogas Removal System Improvements	250,000
Reclaimed Water Valve/Coupling Rehabilitation	325,000
Reclaimed Water System Water Quality Evaluation	75,000
Subtotal	5,988,000
Total Expenditures	$17,629,000
Revenues	
Transfers from the General Fund, Bond or Loan Proceeds, and Grants	$17,629,000

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 10th day of June 2021.

Raymond E. DuBose, Chair

ATTEST:

Jo Leslie Eimers, Secretary

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

Whereas, upon the pending departure of Robert Morgan as a valued member of the Board of Directors of Orange Water and Sewer Authority on June 30, 2021, it is fitting to recognize and record his exemplary qualifications and service since his original appointment on July 1, 2015, and to thank him on behalf of this community for his valuable service; and

Whereas, upon his retirement from successful service as Town Manager in area local governments, Mr. Morgan brought his interest in the people upon whose work the success of any organization depends, and his experience in public management, to his service on the OWASA Board, where he served as Chair of the Human Resources Committee, as well a member of the Finance Committee and the Community Engagement Committee; and

Whereas, Mr. Morgan led the Board as Vice Chair from September 2015 through June 2016, and as Chair from July 2017 through June 2018, and his steady presence and wise guidance helped OWASA navigate and prevail through a series of natural disasters and operational stresses; and

Whereas, Mr. Morgan strongly supported OWASA's diversity and inclusion program, through which he encouraged all employees, staff, and especially OWASA leadership to appreciate that this organization is made stronger by our common understanding and application of the strengths of all our diverse backgrounds and talents knit together and operating side-by-side to engage and serve our customer community, for whom he advocated strongly, as his neighbors and his friends;

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 Robert Morgan 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 shall 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 presented to him, and another transmitted to the Town of Carrboro under whose appointments he served as a Member of this Board of Directors.

Adopted and presented this 10th day of June 2021.

Raymond E. DuBose, P.E., Chair

ATTEST:

Jo Leslie Eimers, Secretary

Resolution Adjusting the Executive Director's Compensation

Whereas, the Board of Directors has reviewed the Executive Director's Accomplishment Report and overall performance for the period September 1, 2020 to June 1, 2021; and

Whereas, the Board of Directors has met with the Executive Director to discuss his performance review: and

Whereas, the Board of Directors has determined to adjust the Executive Director's compensation as provided herein;

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

1. That the Executive Director's annual base salary is hereby increased by 5.35%.

2. This increase shall be effective the first pay period in July 2021.

Adopted this 10th day of June 2021.

Raymond E. DuBose, Chair

ATTEST:

Jo Leslie Eimers, Secretary