

Orange Water and Sewer Authority
Virtual Meeting of the Board of Directors
June 11, 2020

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a virtual work session on Thursday, June 11, 2020, at 6:00 p.m. utilizing Microsoft Teams software.

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

OWASA staff present: Mary Darr, Monica Dodson, Jesse DuClau, Robert Epting, Esq. (Epting and Hackney), Vishnu Gangadharan, Stephanie Glasgow, Blake Hodge, Ed Kerwin, Ken Loflin, Andrea Orbich, Dan Przybyl, Ruth Rouse, Kelly Satterfield, Todd Taylor, Mary Tiger, Stephen Winters and Richard Wyatt.

Others present: Meg Holton (UNC Water Resources Manager).

Motions

1. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Authorizing the Executive Director to Execute Amendment #1 to the Memorandum of Agreement for the Western Intake Partnership. Motion by Robert Morgan, second by Bruce Boehm and unanimously approved.
2. Robert Morgan made a motion to approve the Minutes of the May 14, 2020, Virtual Meeting of the Board of Directors; second by Bruce Boehm and unanimously approved.
3. Robert Morgan made a motion to approve the Minutes of the May 14, 2020, Virtual Closed Session of the Board of Directors for the Purpose of Conferring with Its Consultant a Regarding Personnel Matter; second by Bruce Boehm and unanimously approved.
4. Robert Morgan made a motion to approve the Minutes of the May 28, 2020, Virtual Closed Session of the Board of Directors for the Purpose of Discussing Two Confidential Personnel Matters; second by Bruce Boehm and unanimously approved.
5. Jody Eimers made a motion to send a letter regarding House Bill 1200 as amended by Bruce Boehm to State elected officials providing support of state funding of utility bill assistance; second by Robert Morgan and unanimously approved.
6. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Affirming Orange Water and Sewer Authority's Diversity and Inclusion Values and Supporting a Community Free of Hatred. Motion by John Morris, second by Bruce Boehm and unanimously approved.

7. 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, 2020. Motion by Bruce Boehm, second by Ruchir Vora and unanimously approved.

8. 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, 2020 through June 30, 2021. Motion by Robert Morgan, second by Yinka Ayankoya and unanimously approved.

9. 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 2021-2025. Motion by Jody Eimers, second by Robert Morgan and unanimously approved.

10. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the resolution Capital Project Resolution for Fiscal Year 2020 Infrastructure Improvements. Motion by Jody Eimers, second by Bruce Boehm and unanimously approved.

11. Ruchir Vora made a motion the Board of Directors convene in a virtual closed session for the purpose of discussing a confidential personnel matter, as provided in N.C. General Statutes 143.318.11(6); second by Bruce Boehm and unanimously approved.

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Announcements

Ray DuBose announced that due to COVID-19 public health concerns and in compliance with local governments “stay at home” orders, the OWASA Board of Directors was holding this work session virtually utilizing Microsoft Teams software.

Mr. DuBose said members of the public are able to view or listen to the meeting but did not have an opportunity to speak during this meeting. The public was invited to provide comments via written materials in advance of the meeting; no comments were received.

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.

Mr. DuBose said without objection, agenda item 2 (Award a Construction Contract for the West Cameron Avenue Water Main Replacement – Phase 1) will be removed from the agenda because on June 8, 2020, the low bid received was below the formal bid threshold and therefore does not require Board approval; there was no objection.

Item One: Resolution Authorizing the Executive Director to Execute Amendment #1 to the Memorandum of Agreement for the Western Intake Partnership

Ruchir Vora requested staff provide a copy of Scope of Work for Project Management for the Western Intake Partnership.

Robert Morgan made a motion to approve the resolution, second by Bruce Boehm and unanimously approved. Please see Motion 1.

Item Two: Award a Construction Contract for the West Cameron Avenue Water Main Replacement – Phase 1

The Board agreed to remove this item from the agenda.

Item Three: Minutes of the May 14, 2020 Virtual Work Session of the Board of Directors

Robert Morgan made a motion to approve the Minutes of the May 14, 2020, Virtual Meeting of the Board of Directors; second by Bruce Boehm and unanimously approved. Please see Motion 2.

Item Four: Minutes of the May 14, 2020 Virtual Closed Session of the Board of Directors for the Purpose of Conferring with Its Consultant Regarding a Personnel Matter

Robert Morgan made a motion to approve the Minutes of the May 14, 2020, Virtual Closed Session of the Board of Directors for the Purpose of Conferring with Its Consultant Regarding a Personnel Matter; second by Bruce Boehm and unanimously approved. Please see Motion 3.

Item Five: Minutes of the May 28, 2020 Virtual Closed Session of the Board of Directors for the Purpose of Discussing Two Confidential Personnel Matters

Robert Morgan made a motion to approve the Minutes of the May 28, 2020, Virtual Closed Session of the Board of Directors for the Purpose of Discussing Two Confidential Personnel Matters; second by Bruce Boehm and unanimously approved. Please see Motion 4.

Item Six: Update on OWASA's COVID-19 Response and Discussion by the Board

Ed Kerwin, Executive Director, noted Orange County extended the COVID-19 state of emergency through August 31, 2020 and required face coverings in some situations.

Todd Taylor, General Manager of Operations, provided an update on OWASA's lake season which opened on May 29, 2020 and has been operating under COVID-19 restriction utilizing an electronic reservation system. Mr. Taylor said lake-use fees were waived for the first two weeks and that staff will begin collecting on June 12, 2020 via credit or debit card transactions.

Mary Tiger, Sustainability Manager, provided an update on affordability, utility bill assistance and noted the Governor's Executive Order 142 extended the statewide moratorium on utility disconnects for non-payment until July 29, 2020. Ms. Tiger said staff will communicate to those customers who are past-due on their bills. OWASA will continue the suspension of service disconnection for non-payment through at least the end of August 2020 and will keep the Board

informed on plans for customer payment plans and utility billing assistance. A draft letter was emailed to the Board in support of House Bill 1200 that provides money in utility bill assistance across the state.

Bruce Boehm suggested the letter be amended to include that disconnects will resume at some point after Executive Order 142 is expired; the Board agreed.

Jody Eimers made a motion to send a letter regarding House Bill 1200 as amended by Bruce Boehm to State elected officials providing support of state funding of utility bill assistance; second by Robert Morgan and unanimously approved. Please see Motion 5.

Item Seven: Resolution of OWASA's Diversity and Inclusion Values

Ray DuBose stated his appreciation to Ruchir Vora's suggestion the Board consider a resolution supporting OWASA's diversity and inclusion values and thanked staff and General Counsel for drafting the resolution for the Boards consideration. Mr. Vora read aloud the resolution.

Yinka Ayankoya expressed her appreciation to the Board regarding OWASA's Diversity and Inclusion program which began in 2016. She said OWASA is a forward-thinking organization, and she is proud of the work over the last several years.

John Morris made a motion to approve the Resolution Affirming Orange Water and Sewer Authority's Diversity and Inclusion Values and Supporting a Community Free of Hatred; second by Bruce Boehm and unanimously approved. Please see Motion 6.

Mr. DuBose said a letter distributing the resolution will be sent to local governments on June 12, 2020.

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

Stephen Winters, Director of Finance and Customer Service, provided an overview of the FY 2021 budget and noted it includes roughly \$23.2 million for operating expenses, \$20.3 million for capital projects, and \$9.1 million for debt service. Projected operating revenue is about \$36 million and includes no increase in any of the rates and fees OWASA charges for services.

Bruce Boehm made a motion to approve the Resolution Adopting the Schedule of Rates, Fees, and Charges on or after October 1, 2020; second by Ruchir Vora and unanimously approved. Please see Motion 7.

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, 2020 through June 30, 2021; second by Yinka Ayankoya and unanimously approved. Please see Motion 8.

Jody Eimers made a motion to approve the Resolution Approving the Capital Improvements Program and Budget for Fiscal Years 2021-2025; second by Robert Morgan and unanimously approved. Please see Motion 9.

Jody Eimers made a motion to approve the Capital Project Resolution for Fiscal Year 2020 Infrastructure Improvements; second by Bruce Boehm and unanimously approved. Please see Motion 10.

Item Nine: Review Board Work Schedule

The Board agreed to begin the virtual June 25, 2020 meeting begin at 6:00 and add an item, Amendment to the Fiscal Year 2020 Budget.

The Board agreed to schedule a Human Resources Committee meeting to discuss summer internships and apprenticeships, with focus on minority participation.

The Board requested Board assessment be conducted routinely.

The Board requested the description of Board Officer duties and responsibilities be included when the discussion is scheduled for next year's Board Nominations.

The Board requested the OWASA Board Member duties and responsibilities used for Board Member recruitment purposes with the local governments be shared with Board for comment before providing to local governments.

Item Ten: Election of Officers

Robert Epting, General Counsel, provided the Board an overview on how the election of officers will proceed and that the term of the new Board Officers will begin July 1, 2020. Mr. Epting said nominees for the office of Chair, Vice Chair and Secretary, were nominated and seconded by the Board on May 28, 2020, as required in the Bylaws, and no further nominations are allowed tonight.

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 Andrea Orbich, Clerk to the Board, will record the votes and announced the person elected to each office following the vote.

Jody Eimers said because OWASA will soon have a new Executive Director on staff and to minimize the transition of the leadership at OWASA, she will vote for Ray DuBose as Chair of the Board, Bruce Boehm as Vice Chair and Yinka Ayankoya as Secretary.

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

- Yinka Ayankoya voted for Jody Eimers.
- Bruce Boehm voted for Ray DuBose.
- Ray DuBose voted for Ray DuBose.
- Jody Eimers voted for Ray DuBose.
- Robert Morgan voted for Ray DuBose.
- John Morris voted for Ray DuBose.
- Bruce Runberg voted for Ray DuBose.
- Ruchir Vora voted for Ray DuBose.

Ms. Orbich said the Board elected Ray DuBose as Chair of the Board by a vote of seven to one.

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

- Yinka Ayankoya voted for Bruce Boehm.
- Bruce Boehm voted for Bruce Boehm.
- Ray DuBose voted for Bruce Boehm.
- Jody Eimers voted for Bruce Boehm.
- Robert Morgan voted for Bruce Boehm.
- John Morris voted for Bruce Boehm.
- Bruce Runberg voted for Bruce Boehm.
- Ruchir Vora voted for Jody Eimers.

Ms. Orbich said the Board elected Bruce Boehm as Vice Chair of the Board with a vote of seven to one.

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

- Yinka Ayankoya voted for Jody Eimers.
- Bruce Boehm voted for Yinka Ayankoya.
- Ray DuBose voted for Jody Eimers.
- Jody Eimers voted for Yinka Ayankoya.
- Robert Morgan voted for Yinka Ayankoya.
- John Morris voted for Jody Eimers.
- Bruce Runberg voted for Jody Eimers.
- Ruchir Vora voted for Jody Eimers.

Ms. Orbich said the Board elected Jody Eimers as Secretary of the Board with a vote of five to three.

Item Eleven: Summary of Work Session Items

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

- Provide the Board via email a copy of Scope of Work for Project Management for the Western Intake Partnership.
- Staff will schedule a Human Resources Committee meeting to discuss summer internships and apprenticeships, with focus on minority participation.
- Add a regular Board assessment process to the Board Work Schedule.
- With the Board's feedback, update and distribute the OWASA Board Member duties and responsibilities used for recruitment purposes with the local governments.

Item Twelve: Closed Session

Ruchir Vora made a motion the Board of Directors convene in a virtual closed session for the purpose of discussing a confidential personnel matter, as provided in N.C. General Statutes 143.318.11(6); second by Bruce Boehm and unanimously approved. Please see Motion 11.

The Board meeting reconvened in open session at 8:35 p.m. and the meeting was adjourned.

Respectfully submitted by:



Andrea Orbich
Executive Assistant/Clerk to the Board

Attachments

**Resolution Authorizing Executive Director to Enter into Amendment #1 to the
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; and

Whereas, the uncertainty of climate change makes it important to maintain a diverse water supply portfolio for reliability and resilience; 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 Western Intake Partners entered into a Memorandum of Agreement which outlines cost shares for each Partner on future studies in 2019; and

Whereas, the Western Intake Partners would like to hire an independent program manager to manage the projects identified in the Memorandum of Agreement for the Western Intake Partnership; and

Whereas, the Memorandum of Agreement for the Western Intake Partnership did not include program management as a project to cost share and the Western Intake Partners desire to apply the same cost share arrangement for program management as the projects included in the Memorandum of Agreement for the Western Intake Partnership; and

Whereas, OWASA is currently updating its Long-Range Water Supply Plan and is 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 and Amendment #1 do not obligate OWASA to participate in any future study including the program management 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 Amendment to 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

Resolution Authorizing Staff to Enter into Amendment #1 to the Memorandum of Agreement
for the Western Intake Partnership

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

Adopted this 11th day of June 2020.


Raymond E. DuBose, P.E., Chair

ATTEST:


Bruce Boehm, Secretary

MEMORANDUM OF AGREEMENT FOR THE WESTERN INTAKE PARTNERSHIP

WHEREAS, Chatham County, the City of Durham, Town of Pittsboro, and Orange Water and Sewer Authority were all founding members of the Jordan Lake Partnership; and

WHEREAS, Chatham County, the City of Durham, Town of Pittsboro, and Orange Water and Sewer Authority were each granted allocations of water supply storage in B. Everett Jordan Reservoir ("Jordan Lake") by working cooperatively in the Jordan Lake Partnership; and

WHEREAS, Chatham County, the City of Durham, Town of Pittsboro, and Orange Water and Sewer Authority ("Partner" or "Partners" or "Parties") have been working cooperatively since 2012 as the Western Intake Partnership ("WIP") to plan for the construction of facilities on the western side of Jordan Lake to obtain access to their Jordan Lake allocations; and

WHEREAS, the Jordan Lake Partnership Western Intake Feasibility Study ("Hazen Study") assisted the WIP in determining that the most favorable alternative to meet the water supply needs of the individual members as well as the group as a whole is a Regional Water Treatment Facility ("RWTF") on the west side of Jordan Lake; and

WHEREAS, the Hazen Study estimated that once the project to design and construct the RWTF is initiated, it will take approximately 3 years for preliminary engineering, field evaluations and permitting, 2 years for property acquisition and facility design, and 3 years for construction – all assuming no major delays.

WHEREAS, environmental review and environmental permitting might take 10 years or more; if this effort were to begin now the Hazen Study schedule projects that the RWTF and the associated system connections could be online around mid-2035; and

WHEREAS, the Jordan Lake Western Intake Partners Economic Feasibility Study ("Raftelis Study") assessed the collective benefits of the treatment plant and the individual impacts to each Partner; and, suggested an optimal time line for undertaking the RWTF Project; and

WHEREAS, the Raftelis Study recommended that the WIP:

1. Develop a plan to begin construction by 2025 so the RWTF can be online by 2031, and
2. Adopt a collaborative approach to RWTF Project governance, including its financing, ownership, and management; and

Western Intake Partnership Agreement

WHEREAS, this Agreement for the Western Intake Partnership ("Agreement") is authorized by North Carolina General Statute (NCGS) 160A-20.1 and 160A-460 *et seq.*

THEREFORE, BE IT RESOLVED, that the Parties pledge to work together as the Western Intake Partnership ("WIP") to achieve the foregoing goals; and,

BE IT FURTHER RESOLVED, that the Parties will collaborate through the WIP to begin the preliminary field evaluations and permitting work while simultaneously working on governance, all prior to any design and construction work; and,

BE IT FURTHER RESOLVED, that the WIP will be guided by the principles of stewardship of the public interest in this common water supply, collaboration, sustainability, mutual and collective benefit, shared responsibility, equal representation, and financial stability, in support of the performance of this Agreement.

NOW, THEREFORE, for and in consideration of the recitals and the mutual promises and covenants contained in this Agreement, the Parties agree as follows:

- 1) Management Team. The activities and management of the WIP will be guided by the Management Team. The Management Team shall consist of the Manager or Executive Director, or his/her designee, from each Partner. The Management Team will seek to act by consensus, and after their approval, will advise the Lead Agency on the Projects to be undertaken by the WIP, including selecting consultants.
- 2) Lead Agency. The City of Durham will be empowered to act as the Lead Agency to accomplish the purposes approved by the Management Team; as such, the Lead Agency will be the fiscal and contracting agent for the WIP, and will enter into necessary contracts in support of the WIP. The Lead Agency will only enter into contracts on behalf of the WIP after approval of the contract by the Management Team.

If the City of Durham is a Declining Partner (defined in 4.a, below), the remaining Participating Partners shall retain the right to enter into such contracts as they may deem necessary and appropriate. In such case, the City of Durham will not act as the Lead Agency and the Participating Partners must select an Alternate Lead Agency for those particular contracts.

- 3) Projects. The Partners agree that the following projects will be among those undertaken by the WIP. The anticipated projects and their budgets are based on the Hazen Study. The Management Team may advise variations of these anticipated projects or may advise additional projects.

Western Intake Partnership Agreement

The Lead Agency shall proceed with a Project, including consultant selection, requests for qualifications, project scoping, and other pre-construction actions, only after the Management Team has reached consensus and approved those steps necessary for Project execution. In the event consensus is not reached on the steps of a Project, steps toward Project execution may still be undertaken by those in favor, provided the Parties in favor represent more than fifty percent of the cost share percentages set out in 4.c, below.

Anticipated Projects	Anticipated Budget (\$ Millions)
Policy and Governance - Initial Planning - Organizational Development - Construction, Ownership, Management and Operation	\$0.7
Preliminary Engineering - Source Water Treatability Study/Preliminary Design - Pipeline Routing Study - Hydraulic Evaluations - Preliminary Engineering Report	\$1.4
Field Evaluations (Survey, SUE*, Environmental Resources) - Intake/Raw Water Pump Station - Water Treatment Facilities/Booster Pump Stations - Pipelines	\$1.4
Permitting - USACE Land Use Request - NEPA/SEPA Environmental Assessment - DWR Site Evaluation	\$0.7
Escalation from 2014 (20%)	\$0.8
Total	\$5.0

* Subsurface Utility Exploration

- 4) Cost Sharing. Each Partner will contribute by payment of their share of the actual costs of each project in which they elect to participate by payment to the City of Durham in accordance with the cost sharing formula provided in this Paragraph.
- a) It is not required that every Partner participate in every Project. When a Partner declines to participate in a Project ("Declining Partner"), the remaining Partners ("Participating Partners") may reassign the Declining Partner's cost share as the Participating Partners agree. In such cases, the Partners will memorialize who is and who is not participating in any given project, and what the revised cost share is for the Participating Partners, by a letter of agreement signed by the members of the Management Team.
 - b) Should a Declining Partner later choose to participate in a project(s), the Declining Partner must first reimburse the Participating Partners any costs

Western Intake Partnership Agreement

a Declining Partner avoided by declining to participate initially, plus interest calculated to accrue at the rate of 5% per year.

- c) The following cost sharing formula is based on each Partner's Jordan Lake water supply storage allocation.

Party	Jordan Lake Allocation	Cost Share
City of Durham	16.5%	40.74%
Chatham County	13%	32.10%
Town of Pittsboro	6%	14.81%
Orange Water & Sewer Authority	5%	12.35%
Total	40.5%	100.00%

- 5) Invoicing. The Lead Agency (or Alternate Lead Agency, if applicable) will invoice each Participating Partner for its share of the costs as the Lead Agency incurs project costs, and each Participating Partner will pay the invoice within 30 days.
- 6) Duration, Amendment and Termination. The term of this Agreement shall begin upon the approval of the second Party and shall last until June 30, 2023. However, the Agreement shall only become binding on each Party after approval and execution of the Agreement by that Party. The Agreement may be terminated, or extended, upon mutual written agreement of at least two of the original Parties. This Agreement may be amended with written approval of all Parties.
- 7) Withdrawal from Agreement. Any Party may withdraw from this Agreement with 30 days written notice to the other parties, provided that any outstanding financial obligations shall survive such withdrawal until satisfied. A financial obligation will become outstanding when a Partner agrees to be a Participating Partner in a project. The City of Durham will confirm receipt of such withdrawal and will immediately notify the other Parties within 30 days of receipt of such withdrawal.
- 8) Miscellaneous Provisions.
- a) The singular of terms used in the Agreement shall include the plural, and the masculine shall include the feminine, and vice versa.
- b) A signed copy of this Agreement shall be considered as an original.
- c) The Parties, and all subcontractors, shall comply with the E-Verify requirements of Article 2, Chapter 64, of the North Carolina General Statutes.
- d) Service or all notices under this Agreement shall be sufficient, if given personally, by registered or certified mail, return receipt requested, and mailed to the party involved at the address and to the attention of the

Western Intake Partnership Agreement

person set forth below, or to such other person or address as said party may provide in writing from time to time. Any such notice mailed to such address shall be effective upon the date received as shown by the return receipt or otherwise.

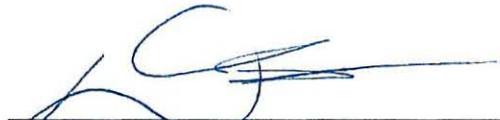
CHATHAM COUNTY
Public Utilities Director
PO Box 910
Pittsboro, NC 27312

CITY OF DURHAM
Director
Department of Water Management
101 City Hall Plaza
Durham, NC 27701

ORANGE WATER AND SEWER AUTHORITY
Executive Director
400 Jones Ferry Road
Carrboro, NC 27510-0366

TOWN OF PITTSBORO
Town Engineer
PO Box 759
Pittsboro, NC 27312

Western Intake Partnership Agreement



Dan LaMontagne, County Manager
Chatham County

ATTEST: 

Western Intake Partnership Agreement

Wanda S. Page

Authorized City Manager Designee

Wanda S. Page

~~Deputy City Manager~~

Thomas J. Bonfield, City Manager
City of Durham

Attest:

Ashley Wyatt

Ashley Wyatt

Deputy City Clerk

The City of Durham, NC



ATTEST: _____

This instrument has been pre-audited in a manner required by the Local Government
Budget and Fiscal Control Act.

Keith R. Herrmann

Keith R. Herrmann, Finance Officer

Western Intake Partnership Agreement

Ed

Ed Kerwin

Ed Kerwin, Executive Director
Orange Water and Sewer Authority

ATTEST: *Andrea DeBrah*

Clerk for the Board



Western Intake Partnership Agreement



Bryan Gruesbeck, Town Manager
Town of Pittsboro

ATTEST: 



**AMENDMENT #1
TO
MEMORANDUM OF AGREEMENT FOR
THE WESTERN INTAKE PARTNERSHIP**

WHEREAS, Chatham County, the City of Durham, Town of Pittsboro, and Orange Water and Sewer Authority entered into the Memorandum of Agreement (“Agreement”) for the Western Intake Partnership (“WIP”) on or about June 2019; and

WHEREAS, the Management Team for the WIP decided to add a Program Management project to the list of Anticipated Projects in accordance with paragraph 3 of the Agreement.

NOW, THEREFORE, for and in consideration of the recitals and the mutual promises and covenants contained in the Agreement, and pursuant to paragraph 6 of the Agreement the Parties agree to:

1. This Amendment #1 to the Agreement, and
 2. To replace paragraph 3 of the Agreement in its entirety with the following new paragraph 3.
- 3) Projects. The Partners agree that the following projects will be among those undertaken by the WIP. The Added Program Management project is defined by the scope of work and fee estimate for Program Management provided by HDR Engineering, Inc. of the Carolinas to the WIP on February 11, 2020. The anticipated projects and their budgets are based on the Hazen Study. The Management Team may advise variations of these anticipated projects or may advise additional projects.

The Lead Agency shall proceed with a Project, including consultant selection, requests for qualifications, project scoping, and other pre-construction actions, only after the Management Team has reached consensus and approved those steps necessary for Project execution. In the event consensus is not reached on the steps of a Project, steps toward Project execution may still be undertaken by those in favor, provided the Parties in favor represent more than fifty percent of the cost share percentages set out in 4.c, below.

Added and Anticipated Projects	Anticipated Budget (\$ Millions)
Added Program Management	\$2.43
Policy and Governance	\$0.7
- Initial Planning	
- Organizational Development	
- Construction, Ownership, Management and Operation	

Western Intake Partnership Agreement - Amendment #1

Added and Anticipated Projects	Anticipated Budget (\$ Millions)
Preliminary Engineering - Source Water Treatability Study/Preliminary Design - Pipeline Routing Study - Hydraulic Evaluations - Preliminary Engineering Report	\$1.4
Field Evaluations (Survey, SUE*, Environmental Resources) - Intake/Raw Water Pump Station - Water Treatment Facilities/Booster Pump Stations - Pipelines	\$1.4
Permitting - USACE Land Use Request - NEPA/SEPA Environmental Assessment - DWR Site Evaluation	\$0.7
Escalation from 2014 for Anticipated Projects (20%)	\$0.8
Total	7.43

* Subsurface Utility Exploration

Western Intake Partnership Agreement - Amendment #1

Dan LaMontagne, County Manager
Chatham County

ATTEST: _____

Western Intake Partnership Agreement - Amendment #1

Thomas J. Bonfield, City Manager
City of Durham

ATTEST: _____

Western Intake Partnership Agreement - Amendment #1



Todd Taylor, Executive Director
Orange Water and Sewer Authority

ATTEST: 

ANDREA ORSICH
CLERK TO THE BOARD

Western Intake Partnership Agreement - Amendment #1

Robert Morgan, Interim Town Manager
Town of Pittsboro

ATTEST: _____

**Resolution Affirming Orange Water and Sewer Authority's
Diversity and Inclusion Values and Supporting a Community Free of Hatred**

Whereas, Orange Water and Sewer Authority (OWASA) values a diverse, inclusive, and welcoming workplace and community and is committed to treating employees, customers, and all people with respect and dignity; and

Whereas, we are angered and saddened by the unjust deaths of George Floyd and other African Americans in tragic circumstances and the broader inequities that underlie our society; and

Whereas, OWASA Team Members share our essential responsibility to ensure a workplace free of racism, discrimination, or any unprofessional behavior; and

Whereas, OWASA has been working together as a team to embrace diversity and inclusion in everything we do and has had an active Diversity and Inclusion Program since 2016 that has provided training for staff and Board members and has resulted in updated policies and practices to promote diversity and inclusion; and

Whereas, OWASA is taking further intentional steps to further increase its diversity and inclusion training for OWASA staff and Board members. These actions include past and present work to foster an environment to encourage the difficult but important conversations that can help lead to increased understanding and appreciation for different ideas, cultures, and personal histories; and

Whereas, OWASA is proud to serve the Carrboro, Chapel Hill, and southern Orange County community and supports the statements and actions by our community leaders on racial injustice.

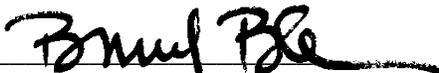
Now, Therefore be it Resolved by the Board of Directors that:

1. OWASA will continue to encourage and invest in the growth and understanding of all OWASA Team Members to promote and sustain a diverse and inclusive workplace.
2. OWASA supports the recent statements and actions by our community governmental leaders regarding racial injustice.

Adopted this 11th day of June 2020.


Raymond E. DuBose, P.E., Chair

ATTEST:


Bruce Boehm, Secretary

Resolution Adopting the Schedule of Rates, Fees and Charges Effective October 1, 2020

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 28, 2020, on the attached proposed revision to its Schedule of Rates, Fees and Charges, to be effective on or after October 1, 2020, and has determined to adopt and implement the proposed Schedule;

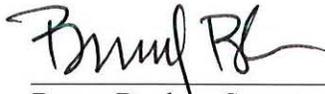
Now, Therefore, Be It Resolved:

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, 2020.
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 11th day of June 2020.


Raymond E. DuBose, Chair

ATTEST:


Bruce Boehm, Secretary

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**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 are in effect as of 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

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

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

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

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
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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

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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:

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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%.

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 \$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

**ORANGE WATER AND SEWER AUTHORITY
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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

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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.

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\$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,

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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.

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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

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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

**ORANGE WATER AND SEWER AUTHORITY
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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

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

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 (Agua Vista) 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.

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

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

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:

- NH₃-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:

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

A + B + C + D + E = Calculated Dollars per Thousand Gallons, where:

A = pounds of NH₃-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

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

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

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

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.

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**Resolution Approving the Capital Improvements Program and Budget
for Fiscal Years 2021-2025**

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 2021-2025 have been developed by the staff, reviewed by the Board of Directors, and revisions incorporated therein; and

Whereas, a Public Hearing on the Capital Improvements Program was held on May 28, 2020;

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 2021-2025 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 2021-2025 is as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2021	\$20,319,000
2022	20,258,000
2023	20,841,000
2024	19,831,000
2025	<u>19,771,000</u>
Total	<u>\$101,020,000</u>

Adopted this 11th day of June 2020.


Raymond E. DuBose, Chair

ATTEST:



Bruce Boehm, Secretary



**Capital Project Resolution for
Fiscal Year 2021 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 \$20,319,000 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 Pump Station Improvements	80,000
University Lake Fishing Pier and Boat Launch	70,000
Western Intake Partnership Projects	50,000
Cane Creek Raw Water Transmission Main Capacity Study	100,000

Subtotal	320,000
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Water Treatment and Distribution Improvements:

WTP Belt Filter Press Replacement	43,000
Concrete Condition Assessment	50,000
WTP Finished Water Pump Improvements	550,000
WTP Chemical Facility Improvements	2,200,000
WTP and WWTP SCADA Master Plan	150,000
WTP Electrical Distribution Improvements	150,000
HVAC Controls – Operations Center and WTP Administration Building	130,000
Near-term Funding for Water Distribution System - Rehabilitation	465,000
Reimbursement for Distribution System Improvements	204,000
Water Main Replacement Program – Group I	759,000
Dobbins Drive Water Main Replacement	312,000
West Cameron Avenue Water Main Replacement	1,085,000
Distribution System Hydraulic Model	30,000
Kensington Drive Water Main Replacement	1,453,000
Distribution System Condition Assessment Program	100,000
Jones Ferry Rd Water Main Replacements	1,500,000
Bolinwood Bridge Water Main Replacement	250,000
Water Main Replacement Program – Group II	60,000
Legion Road Water Main	25,000

Subtotal	9,516,000
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Wastewater Collection, Treatment and Disposal Improvements:

Gravity Sewer Rehabilitation Program	1,235,000
Bolinwood Drive Interceptor Replacement	200,000

Dobbins Drive Interceptor Replacement	1,390,000
Rocky Branch Interceptor Replacement	62,000
Creek Crossing Access Improvements	50,000
Prince Street Service Replacement	25,000
Collection System Flow Monitors	60,000
Wastewater Pump Station Rehabilitation	235,000
Wastewater Pump Station Operational and Needs Assessments	80,000
Rogerson Drive Force Main and Pump Station Program Services	147,000
Wastewater Facility Asset Rehabilitation	150,000
WWTP Solids Thickening Improvements	3,879,000
Water and Wastewater Facilities Building Envelope Rehabilitation	450,000
WWTP Secondary Clarifier Rehabilitation	1,017,000
WWTP Facilities Planning	100,000
WWTP Fermenter Improvements	540,000
WWTP Miscellaneous Rehabilitation	400,000
WWTP Headworks Rehabilitation	113,000
WWTP Security Improvements	50,000
Offsite Biosolids Storage Improvements	75,000
WWTP Clarifier No. 4 Conversion	125,000
WWTP Administration Building Planning Study	25,000
Reclaimed Water Valve/Coupling Rehabilitation	75,000

Subtotal 10,483,000

Total Expenditures \$20,319,000

Revenues

Transfers from the General Fund, Bond or Loan Proceeds, and Grants \$20,319,000

2. That supplementary funds will be appropriated in future years for completion of the projects.
3. That this Resolution shall take effect upon its passage.
4. That this Resolution shall be entered in the Minutes of OWASA and within five (5) days after its adoption copies thereof shall be filed with the Finance Officer, the Budget Officer, and the Clerk to the Board of Directors as required by General Statute 159-13.2(d).

Adopted this 11th day of June 2020.


 Raymond E. DuBose, Chair

ATTEST:



 Bruce Boehm, Secretary

**Resolution Adopting the Annual Budget For
Orange Water and Sewer Authority (OWASA) for the Fiscal Year
July 1, 2020 Through June 30, 2021**

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) 2021 Budget, and after holding public hearings on May 28, 2020 concerning the FY 2021 Budget, and in consideration of the significant impact on the community's economy due to the COVID-19 pandemic, the Board of Directors determined not to raise rates on any of OWASA services;

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, 2020 through June 30, 2021.
2. That the appropriations for departments, functions, and projects as shown in the attached budget for the respective purposes and in the respective amounts therein specified are hereby made.
3. That the Executive Director shall administer the budget and is hereby authorized to expend the funds for the purposes set forth therein.

Adopted this 11th day of June 2020.


Raymond E. DuBose, Chair

ATTEST:


Bruce Boehm, Secretary

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

	FY 2021 Annual Budget
Operating Revenue	
Water	\$17,701,102
Sewer	17,018,502
Reclaimed Water	463,200
Service Initiation Fee	18,820
Other	922,685
Refunds and Adjustments	(198,125)
Total Operating Revenue	\$35,926,184
Operating Expense	
General and Administrative	7,836,615
Operations	15,353,729
Total Operating Expense	23,190,344
Net Operating Income	12,735,840
Non-operating Revenue	
Customer Fees	1,081,490
Interest	81,296
Total Net Income	13,898,626
Debt Service	
Existing	7,568,498
New	1,499,760
Total Debt Service	9,068,258
Net Income Less Debt Service	\$4,830,368
Debt Coverage Ratio	1.5

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

**FY 2021
Annual Budget**

General Fund		
Resources		
Transfer from Revenue	<u>\$4,830,368</u>	
Annual Income Available for Capital		4,830,368
Transfer from Construction Fund (Bond/Loan Proceeds)		<u>15,488,632</u>
Total Available for Capital		<u>20,319,000</u>
Capital Expenditures		
Project Ordinances		
General Fund Contribution	4,830,368	
Funded by Bond Proceeds	<u>15,488,632</u>	
Total Project Ordinances		20,319,000
Capital Equipment		<u>704,500</u>
Total Capital Outlay		<u>21,023,500</u>
Annual General Fund Balance		(704,500)
General Fund Beginning Balance		<u>19,368,140</u>
General Fund Ending Balance		18,663,640
Project Funding	(81,500)	
Reserves		
Rate/Revenue Stabilization	1,759,140	
Capital Improvements	4,800,000	
Working Capital	<u>12,186,000</u>	<u>18,663,640</u>
Unallocated General Fund Balance		<u><u>\$0</u></u>

REVENUE FUND

	Water	Sewer	Total
Fund Balance July 1, 2020			\$0
Receipts			
Operating Revenue			
Customer Billings	\$17,701,102	\$17,018,502	\$34,719,604
Reclaimed Water	463,200	-	463,200
Service Initiation Fee	9,410	9,410	18,820
Other	461,343	461,342	922,685
Refunds and Adjustments	(99,063)	(99,062)	(198,125)
Total Operating Revenue	18,535,992	17,390,192	35,926,184
Non-operating Revenue			
Customer Fees	466,825	614,665	1,081,490
Interest Income	40,648	40,648	81,296
Total Non-operating Revenue	507,473	655,313	1,162,786
Total Receipts	19,043,465	18,045,505	37,088,970
Expenditures			
Current Expense	(12,754,689)	(10,435,655)	(23,190,344)
Debt Service	(5,168,907)	(3,899,351)	(9,068,258)
Total Expenditures	(17,923,596)	(14,335,006)	(32,258,602)
Net Revenue			4,830,368
To General Fund			(4,830,368)
Fund Balance June 30, 2021			\$0
Change in Available Balance			\$0

BOND SERVICE FUND

Fund Balance July 1, 2020		\$0
Receipts		
Transfer from Revenue Fund	\$9,068,258	
Interest		
	<hr/>	
Total Receipts		9,068,258
Expenditures		
Debt Service	9,068,258	
	<hr/>	
Total Expenditures		<hr/> (9,068,258)
Fund Balance June 30, 2021		<hr/> \$0
Change in Available Balance		<hr/> <hr/> \$0

GENERAL FUND

Fund Balance July 1, 2020		\$19,368,140
Receipts		
Transfer from Revenue Fund	\$4,830,368	
Transfer from Construction Fund (Bond/Loan Proceeds)	15,488,632	
Interest	-	
Assessments	-	
Grants and Contributions	-	
	<hr/>	
Total Receipts		<u>20,319,000</u>
Total Balance Before Expenditures		39,687,140
Expenditures		
Capital Equipment/Leases	704,500	
Project Resolutions	20,319,000	
Transfer to Revenue Fund	0	
	<hr/>	
Total Expenditures		<u>(21,023,500)</u>
Fund Balance June 30, 2021		<u><u>\$18,663,640</u></u>
Allocation of Fund Balance June 30, 2021		
Project Funding		
Capital Reserves	18,721,980	
	<hr/>	
Total Allocation		<u><u>\$18,721,980</u></u>
Unallocated General Fund Balance June 30, 2021		<u>\$0</u>
Change in Available Balance		<u><u>(\$646,160)</u></u>