



Orange Water and Sewer Authority

OWASA is Carrboro-Chapel Hill's not-for-profit public service agency delivering high quality water, wastewater, and reclaimed water services.

Agenda

Virtual Public Hearing and Meeting of the OWASA Board of Directors **Thursday, May 27, 2021, 6:00 P.M.**

Due to COVID-19 public health concerns, the Orange Water and Sewer Authority (OWASA) Board of Directors is conducting this meeting virtually utilizing [Microsoft Teams](#) software. Board Members, General Counsel and staff will be participating in the meeting remotely.

In compliance with the "Americans with Disabilities Act," interpreter services for non-English speakers and for individuals who are deaf or hard of hearing are available with five days prior notice. If you need this assistance, please contact the Clerk to the Board at 919-537-4217 or aorbich@owasa.org.

The Board of Directors appreciates and invites the public to attend and observe its virtual meetings online. Public comment is invited via written materials, ideally submitted at least two days in advance of the meeting to the Board of Directors by sending an email to board_and_leadership@owasa.org or via US Postal Service (Clerk to the Board, 400 Jones Ferry Road, Carrboro, NC 27510). Public comments are also invited during the Board Meeting via telephone, and members of the public will need to be available to call-in during the meeting. Please contact the Clerk to the Board at aorbich@owasa.org or 919-537-4217 to make arrangements by 3:00 p.m. the day of the meeting.

Public speakers are encouraged to organize their remarks for delivery within a four-minute time frame allowed each speaker, unless otherwise determined by the Board of Directors. The Board may take action on any item on the agenda.

Announcements

1. Announcements by the Chair
 - A. Welcome New Board Member, Todd BenDor, Chapel Hill Appointee
 - B. Any Board Member who knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight is asked to disclose the same at this time.
 - C. Update on the May 20, 2021 Orange County Climate Council Meeting
2. Announcements by Board Members
3. Announcements by Staff
4. Additional Comments, Suggestions, and Information Items by Board Members (Ray DuBose)

Petitions and Requests

1. Public
2. Board
3. Staff



Public Hearings

1. Concurrent Public Hearings on the Preliminary Annual Operating and Capital Improvements Budget and Proposed Rates, Fees and Charges (Stephen Winters)
 - A. Staff Presentation
 - B. Public Comments
 - C. Motion to Close Public Hearings (written comments will be accepted 24 hours following the Hearings)

Consent Agenda

Information and Reports

2. 12 Month Board Meeting Schedule (Todd Taylor)

Action

3. Minutes of the April 22, 2021 Meeting of the Board of Directors (Andrea Orbich)
4. Minutes of the May 13, 2021 Closed Session for the Purpose of Discussing a Potential Real Property Acquisition (Ray DuBose)

Regular Agenda

Information and Reports

5. Update on OWASA's COVID-19 Information and Discussion by the Board (Todd Taylor/ Mary Tiger)

Discussion and Action

6. Guidance on Individual Board Member Interactions with OWASA Staff Members (Todd Taylor)
7. Adjusting the Performance Review Schedule for the Executive Director (Ray DuBose)

Summary of Board Meeting Action Items

8. Executive Director will summarize the key staff action items from the Board Meeting and note significant items for discussion and/or action expected at the next meeting

Closed Session

9. The Board of Directors will Meet in Closed Session for the Purpose of Discussing a Personnel Matter, as provided in N.C. General Statutes 143.318.11(6) (Jody Eimers)

Agenda Item

- Concurrent Public Hearings on the Preliminary Annual Operating and Capital Improvements Budget and Proposed Rates, Fees and Charges

Background

- On April 22, 2021, the Board of Directors adopted resolutions setting May 27, 2021 as the date for concurrent public hearings on OWASA's proposed budget and rates for Fiscal Year (FY) 2022.
- To support investments in the community's water and wastewater systems necessary to provide services, protect the environment and public health, and retain a highly skilled and dedicated workforce, the Board is considering staff's recommendation to implement a 5% increase in the rates OWASA charges for services.
- The draft operating budget initially reviewed by the Board in March 2021 has been reduced by about \$256,000.
- The draft CIP budget totals \$17.6 million of investments to improve system reliability and resiliency and operational efficiency. Nearly 80% of the draft budget is devoted to projects already underway

Action Needed

- Receive and discuss input provided by the public at, or prior to the public hearings, and subject to the rights of the public to submit written comments for up to 24 hours after the Public Hearings, as provided by statute.
- Provide direction to staff regarding the draft FY 2022 Budget and the Schedule of Rates, Fees and Charges that will be considered for adoption by the Board at its June 10, 2021 meeting.

May 27, 2021



Orange Water and Sewer Authority

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MEMORANDUM

TO: Board of Directors

THROUGH: Todd Taylor, P.E.

FROM: Stephen Winters, CPA

DATE: May 21, 2021

SUBJECT: Concurrent Public Hearings on the Draft Annual Operating and Capital Improvements Budget and Proposed Schedule of Rates, Fees and Charges

Purpose

On April 22, 2021, the Board of Directors adopted resolutions setting May 27, 2021 as the date for concurrent public hearings on OWASA's draft budget and schedule of rates for Fiscal Year (FY) 2022. This memorandum and attachments are provided to the Board of Directors as a basis for discussing the draft budget and Schedule of Rates, Fees and Charges for FY 2022.

Background

OWASA is a non-profit, community-owned water and wastewater utility. Our investments in water and wastewater infrastructure are supported solely by rates and fees paid by customers for services; we do not receive funding from taxes. We reinvest the rates and fees paid by our customers directly into the treatment plants, pipes, and people that will serve our community for years to come. We strive to balance the need to invest in the community's water and wastewater infrastructure and to maintain affordable rates.

Nearly 50% of the amount customers pay for services goes toward funding critical capital improvement projects to upgrade pipes, pumps, and other important infrastructure. These investments will serve our community for many years to come. The other 50% supports the maintenance and operation of the system 24 hours a day.

We appreciate our customers for their partnership. Beyond paying their OWASA bill each month, the cost and commitment borne by our community to use water wisely and protect the wastewater system pays dividends ecologically and economically. Additionally, we thank the nearly 1,000 customers that voluntarily contribute every month on their monthly OWASA bill to Care to Share, a fund that provides water bill assistance to those in our community that need it most.

Draft FY 2022 Budget

Due to the COVID-19 pandemic, OWASA did not implement a 5% rate increase that was planned to go into effect in October 2020. To balance the FY 2021 budget without the rate increase, OWASA eliminated certain operating expenses, including employee compensation increases, and deferred about \$5 million in capital improvements projects. At the time, we projected the need to implement a 7% rate increase in October 2021.

At its meetings in March and April 2021, the Board reviewed and discussed the draft FY 2022 budget including information regarding projected operating expenses, capital improvements program (CIP) expenditures, and capital equipment purchases. These investments in the community’s water and wastewater systems are necessary to provide services, protect the environment and public health, and retain a highly skilled and dedicated workforce. To support these investments, the Board is considering staff’s recommendation to implement a 5% increase in the rates OWASA charges for services.

Adjustments to the draft Operating Budget

The original draft of the FY 2022 budget included operating expenses of about \$23.9 million. The original draft has been reduced by almost 256,000 as outlined below.

Ref #		FY 2022 Draft Operating Budget
	Original draft operating budget	\$23,925,200
1	COLA and merit compensation increases	81,614
2	Decrease in health insurance	(161,345)
3	Increase in electricity	100,908
4	Increase in chemicals	68,790
5	Increase in maintenance	75,000
6	Increase in consulting services	1,500
7	Increase in planned in-house construction	(422,075)
	Adjusted draft operating budget	\$23,669,592

Explanation of adjustments:

1. Based on the Board’s input, we have adjusted the combined cost of labor and merit increase for employee wages from the budget placeholder amount of 3.0% of wages to 3.9%. The increase includes the impact of the wage adjustment increase on payroll taxes and retirement system contributions and assumes raises will go into effect as of the first pay period in July 2021.
2. Decrease in health insurance costs to reflect an 11% reduction in premium costs.
3. Increase in electricity due to:
 - a. Correcting the estimate of costs for the Distribution Department.
 - b. Increasing the costs of the Water Treatment Plant due to anticipating higher water volume demand than originally budgeted.
4. Increase in the expected use and price of chemicals
5. Increase in maintenance due to a pump failure that will be repaired in FY 2022.
6. Added the cost of translation services we anticipate will be utilized when we resume normal customer bill collection activities to assist customers for whom English is not their first language.
7. Increase in the amount of construction work to be done by in-house crews. Operating costs, including employee wages, that are incurred in completing capital improvements projects are reclassified from operating expenses to capital assets.

Operating Budget Assumptions and Highlights

- The budget is designed so that current service levels are maintained, and all of our Financial Management Policy objectives will be met.
- 3% vacancy allowance - the personnel compensation budget has been reduced by about \$275,000, to account for position vacancies.
- Decrease in health insurance costs of 11%
- A 2.9% merit and 1.0% cost of labor (combined 3.9%) increase in employee wages The Board is scheduled to make a final decision on employee wage increases on June 10, 2021.
- Price increases for certain chemicals based on information provided by vendors.
- No additional funds have been budgeted to meet the more stringent "Jordan Lake Rules" regarding nutrient levels in wastewater discharged into the Jordan Lake watershed. We currently meet the requirements of the rules and we are confident we can continue to meet them under current conditions using our current processes. However, if flow to the wastewater plant increases or other conditions change, additional expenses may have to be incorporated into the process and we estimate the additional cost to be as much as \$750,000 per year.
- Each operating department, Water Supply and Treatment, Distribution and Collection, and Wastewater Treatment and Biosolids Recycling, plan to continue participating in the Partnership for Safe Water and Partnership for Clean Water programs.

CIP

The draft FY 2022 CIP budget totals \$17.6 million of investments to improve system reliability and resiliency and operational efficiency. A complete list of projects can be found in Attachment 2. Nearly 80% of the draft budget is devoted to projects already underway. Highlights include funding for:

- Replacement of 3.2 miles of water mains, including about 1.9 miles by OWASA construction crew.
- The start of construction for the West Cameron Avenue Water Main Replacements (Phase 2) project.
- Important resiliency and redundancy work at the Jones Ferry Water Treatment Plant (WTP) including Electrical Distribution Improvements, Finished Water Main Replacements, and Belt Filter Press Replacement.
- Construction of Fermenter Mixing Improvements and Clarifier #4 Rehabilitation at the Mason Farm Wastewater Treatment Plant (WWTP).
- Rehabilitation or replacement of over 1,500 feet of sewer main within East Main Street.
- Replacement of controls equipment recommended in the Supervisory Control and Data Acquisition (SCADA) Master Plan.
- No provision for costs associated with OWASA's potential participation in the Western Intake Partnership project to construct a raw water intake and water treatment facility on Jordan Lake.

Future Budgets – Fiscal Years 2022-2026

The following table shows the projected rate increases for the five-year period from FY 2022-2026. Rate adjustments projected for FY 2023 and beyond will be re-evaluated each year.

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Rate Increase	5%	7%	5%	5%	4%
Increase in residential monthly bill based on average use of 4,000 gallons per month	\$3.79	\$5.56	\$4.24	\$4.47	\$3.74
Amount of monthly bill after increase	\$79.46	\$85.02	\$89.26	\$93.73	\$97.47

Proposed Schedule of Rates, Fees and Charges

Attachment 3 is a draft of the Schedule of Rates, Fees and Charges.

Key Elements in the Schedule

- A 5% increase has been applied to monthly water and sewer charges.
- The bill for a single-family individually metered customer using the community-average 4,000 gallons per month will increase by \$3.79 to \$79.46.
- Continuation of the block rate structure for individually metered residential customers, year-round rate for multi-family master-metered customers, and seasonal rates for non-residential customers.
- Conservation water commodity charges under declared water shortages (surcharges) remain in place with no change in the surcharge structure.
- Irrigation accounts remain subject to a year-round uniform charge and monthly service charge for irrigation use that is higher than the peak rate under the seasonal structure.
- No changes in the commodity rate or fixed monthly charge for reclaimed water as current rates are sufficient to cover costs.
- In October 2018, system development fees were adjusted as a result of North Carolina House Bill 436/Session Law 2017-138. Pursuant to the law, OWASA’s fees will be reevaluated in FY 2022.
- Lake fees are unchanged.

Next Steps

- The Board will consider input received during the public hearings and provide guidance to staff.
- Formal adoption of the Annual Budget and the Schedule of Rates, Fees and Charges is scheduled for the Board’s Work Session on June 10, 2021.

Action Requested

- Receive and discuss input provided by the public at, or prior to the public hearings, and subject to the rights of the public to submit written comments for up to 24 hours after the Public Hearings, as provided by statute.
- Provide direction to staff regarding the draft FY 2022 Budget and the Schedule of Rates, Fees and Charges that will be considered for adoption by the Board at its June 10, 2021 meeting.



Stephen Winters, CPA
Director of Finance and Customer Service

Attachments:

- Summary information about the draft Budget for FY 2021 (Attachment 1)
- Information about the proposed Capital Improvements Program Budget (Attachment 2)
- Proposed Schedule of Rates, Fees and Charges (Attachment 3)

**ORANGE WATER AND SEWER AUTHORITY
DRAFT FISCAL YEAR 2022 OPERATING BUDGET**

Operating Revenue		
Water	\$18,194,238	
Sewer	18,856,847	
Reclaimed Water	463,200	
Service Initiation Fee	16,510	
Other	898,581	
Refunds and Adjustments	<u>(107,101)</u>	
Total Operating Revenue		\$38,322,275
Operating Expense		
General and Administrative	7,994,126	
Operations	<u>15,675,466</u>	
Total Operating Expense		<u>23,669,592</u>
Net Operating Income		14,652,683
Non-operating Revenue		
System Development Fees	1,249,897	
Interest	<u>97,759</u>	
Total Net Income		<u><u>\$16,000,340</u></u>
Debt Service		
Existing	\$7,945,522	
New	<u>677,664</u>	
Total Debt Service		<u>8,623,186</u>
Net Income Less Debt Service		<u><u>\$7,377,153</u></u>

LEGEND

Major Resiliency Improvement	
Ongoing project or requirement	\$ 100,000
Identified and included in prior year's CIP	\$ 100,000
New project	\$ 100,000

CIP	Project Name	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total five year	Comments
270-04	Jordan Lake Raw Water Supply Allocation	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 25,000	Ongoing required payment
270-09	Quarry Reservoir Development	\$ 15,000	\$ 15,000	\$ 15,000	\$ 65,000	\$ 15,000	\$ 125,000	Ongoing required payment
270-16	Cane Creek Pump Station Improvements	\$ -	\$ -	\$ 23,000	\$ 227,000	\$ 2,041,000	\$ 2,291,000	Installation of variable frequency drives (VFDs), automatic generator transfer switchgear, and enclosure for generator
270-28	University Lake Permanganate Facility	\$ 300,000	\$ 1,743,000	\$ -	\$ -	\$ -	\$ 2,043,000	New chemical storage and feed facility to improve water treatment (taste and odor)
270-29	University Lake Fishing Pier and Boat Launch	\$ -	\$ -	\$ 80,000	\$ -	\$ -	\$ 80,000	Improvements to facilities to enhance visitor access and improve safety
270-30	Cane Creek Dam Rehabilitation	\$ 350,000	\$ 750,000	\$ -	\$ -	\$ -	\$ 1,100,000	Spillway rehabilitation recommended by recent inspection
271-05	Cane Creek Raw Water Transmission Main Study	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ 75,000	Condition assessment of existing main
272-10	Water Facility Asset Rehabilitation	\$ -	\$ -	\$ 1,000,000	\$ 1,160,000	\$ 398,000	\$ 2,558,000	Recapitalization funding based on Rehabilitation and Replacement model
272-35	WTP Flash Mix Basin Improvements	\$ 50,000	\$ 75,000	\$ 425,000	\$ -	\$ -	\$ 550,000	Replacement of aging valves and improvements as recommended by FY 2018 study
272-37	WTP Belt Filter Press Replacement	\$ 500,000	\$ 3,311,000	\$ -	\$ -	\$ -	\$ 3,811,000	Installation of new solids thickening equipment for redundancy; conveyance and loading improvements
272-42	WTP Finished Water Pump (FWP) Improvements	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000	Completion of improvements to FWP #5 VFD and electrical
272-46	WTP Chemical Facility Improvements	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000	Completion of upgrades to several chemical feed systems as identified by plant risk study and other needs
272-49	Supervisory Control and Data Acquisition (SCADA) Master Plan recommendations	\$ 500,000	\$ 500,000	\$ 700,000	\$ -	\$ -	\$ 1,700,000	Funding for priority improvements identified by the ongoing SCADA Master Plan
272-51	HVAC Replacement Program	\$ 150,000	\$ -	\$ 350,000	\$ 150,000	\$ -	\$ 650,000	Replacement of aging HVAC units with higher efficiency units
272-52	WTP Electrical Distribution Improvements	\$ 2,500,000	\$ 4,108,000	\$ -	\$ -	\$ -	\$ 6,608,000	Conversion of plant electrical distribution system to an updated voltage standard
272-55	WTP Clearwell Rehab	\$ 100,000	\$ 400,000	\$ -	\$ -	\$ -	\$ 500,000	Concrete repairs as recommended by a comprehensive FY 2020 inspection
274-15	Storage Tank PLC Upgrades	\$ -	\$ 125,000	\$ -	\$ -	\$ -	\$ 125,000	Replacement of landline communications due to obsolescence
275-15	Reimbursement for Distribution System Improvements	\$ 564,000	\$ -	\$ -	\$ -	\$ -	\$ 564,000	Reimbursements for water main upgrades constructed as part of external projects
275-20	Water Distribution System Rehabilitation	\$ 1,345,000	\$ 1,275,000	\$ 1,318,000	\$ 3,213,000	\$ 2,713,000	\$ 9,864,000	Water main replacement projects constructed by OWASA crew; large meter vault replacements in FY 2025
275-21	Water Main Replacement Program FY 2018 - 2023	\$ 180,000	\$ 1,015,000	\$ -	\$ -	\$ -	\$ 1,195,000	Remaining scope includes water main replacements in Rogerson-Oakwood neighborhood by contractor
275-52	West Cameron Avenue Water Main Replacement	\$ 3,249,000	\$ 542,000	\$ -	\$ -	\$ -	\$ 3,791,000	Phased construction of replacements and abandonments of aging water mains
275-53	Distribution System Hydraulic Model	\$ 30,000	\$ 100,000	\$ 250,000	\$ 30,000	\$ 30,000	\$ 440,000	On-call hydraulic modeling; model update in FY 2023 and FY 2024
275-92	Jones Ferry Rd Water Main Replacements	\$ 1,633,000	\$ -	\$ -	\$ -	\$ -	\$ 1,633,000	Replacement of aging water mains adjacent to the WTP clearwell and finished water pumps
275-94	Legion Road Water Main	\$ -	\$ -	\$ 150,000	\$ 2,000,000	\$ -	\$ 2,150,000	Replacement of water main identified by prioritization model
275-95	West Rosemary Water Main Replacement	\$ -	\$ 40,000	\$ 210,000	\$ 3,300,000	\$ -	\$ 3,550,000	Replacement of water main identified by prioritization model
275-96	South Road Water Main Replacement	\$ -	\$ -	\$ 80,000	\$ 160,000	\$ 2,200,000	\$ 2,440,000	Replacement of water main identified by prioritization model
275-96	Manning Drive West Water Main Replacement	\$ -	\$ 50,000	\$ 150,000	\$ 2,370,000	\$ -	\$ 2,570,000	Replacement of water main identified by prioritization model
275-99	Distribution System Condition Assessment Management	\$ 70,000	\$ 55,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 215,000	Opportunistic and proactive condition assessment program; leak detection and pressure monitors
275-xx	Fordham at Eastowne Water Main Replacement	\$ -	\$ -	\$ -	\$ 125,000	\$ 850,000	\$ 975,000	Replacement of water main identified by prioritization model
275-xx	Polk Place Water Main Replacement	\$ -	\$ -	\$ 50,000	\$ 100,000	\$ 550,000	\$ 700,000	Replacement of water main identified by prioritization model
276-18	Gravity Sewer Rehabilitation Program	\$ 350,000	\$ -	\$ -	\$ -	\$ -	\$ 350,000	Completion of ongoing contract work in FY2022
276-45	Bolinwood Interceptor Replacement	\$ -	\$ 1,100,000	\$ -	\$ -	\$ -	\$ 1,100,000	Funding for construction in FY 2022
276-52	Rocky Branch Interceptor Replacement	\$ 350,000	\$ -	\$ -	\$ 50,000	\$ 250,000	\$ 650,000	Construction to increase interceptor capacity to accommodate WTP process water discharge
276-53	Creek Crossing Access Improvements	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ 500,000	Sitework to improve vehicular access as needed to maintain facilities
276-59	Morgan Creek Interceptor Replacement	\$ 100,000	\$ 100,000	\$ 1,040,000	\$ -	\$ -	\$ 1,240,000	Capacity improvements identified by master plan update
276-60	Bolin Creek Interceptor	\$ -	\$ 25,000	\$ 50,000	\$ 400,000	\$ -	\$ 475,000	Capacity improvements identified by master plan update
276-61	Brigham Rd Interceptor Replacement	\$ -	\$ -	\$ -	\$ 50,000	\$ 400,000	\$ 450,000	Capacity improvements identified by master plan update
276-63	East Main Street Sewer Rehabilitation	\$ 1,165,000	\$ -	\$ -	\$ -	\$ -	\$ 1,165,000	Rehabilitation of deteriorating sewer main in East Main Street corridor
276-64	Collection System Basin 28 Rehabilitation	\$ 320,000	\$ 2,000,000	\$ 6,500,000	\$ -	\$ -	\$ 8,820,000	Evaluation and rehabilitation of sewer mains in priority basin identified by master plan.
276-99	Collection System Asset Management	\$ 50,000	\$ 25,000	\$ 30,000	\$ -	\$ -	\$ 105,000	Funding for temporary flow monitoring to further assess inflow/infiltration sources
276-xx	Collection System Basin 23 Rehabilitation	\$ -	\$ -	\$ -	\$ 1,200,000	\$ 3,200,000	\$ 4,400,000	Evaluation and rehabilitation of sewer mains in priority basin identified by master plan.
277-21	Force Main Condition Evaluation	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ 50,000	Prioritized condition assessments of selected force mains
277-43	Rogerson Drive Force Main and Pump Station Program Services	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 200,000	Flow modeling and risk assessment
277-43	Rogerson Drive Pump Station Capacity Upgrade	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	Planning for potential capacity improvements

LEGEND

Major Resiliency Improvement	
Ongoing project or requirement	\$ 100,000
Identified and included in prior year's CIP	\$ 100,000
New project	\$ 100,000

CIP	Project Name	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total five year	Comments
277-45	Chapel Hill North PS Rehab	\$ 300,000	\$ -	\$ -	\$ -	\$ -	300,000	Pump replacement and conversion to submersible pump station
277-xx	Rogerson Drive Pump Station Fuel Storage Improvements	\$ -	\$ 78,000	\$ 450,000	\$ -	\$ -	528,000	Additional fuel storage for generator to achieve desired generator run time
277-xx	Lake Ellen Pump Station Rehabilitation	\$ -	\$ -	\$ 50,000	\$ 150,000	\$ -	200,000	Replacement and rehabilitation of pumps, VFD's and other components as recommended by recent condition assessment
277-xx	Rogerson Drive Grit Removal Evaluation	\$ 30,000	\$ -	\$ -	\$ -	\$ -	30,000	Preliminary evaluation of range of alternatives to address problems related to grit accumulation
278-11	Wastewater Facility Asset Rehabilitation	\$ -	\$ -	\$ -	\$ 1,610,000	\$ 1,970,000	3,580,000	Recapitalization funding based on Rehabilitation and Replacement model
278-20	WWTP Clarifier #4 Conversion	\$ 1,400,000	\$ 482,000	\$ -	\$ -	\$ -	1,882,000	Project to address corrosion of critical components and conversion from inboard launders to conventional outboard launders
278-75	WWTP Facilities Planning	\$ 235,000	\$ 100,000	\$ -	\$ -	\$ -	335,000	Update of the WWTP Master Plan
278-78	WWTP Fermenter Improvements	\$ 883,000	\$ -	\$ -	\$ -	\$ -	883,000	Completion of construction for mixing improvements identified by FY 2019 inspection
278-78	WWTP Digester #3 and #4 Condition Assessment	\$ -	\$ 75,000	\$ 200,000	\$ 800,000	\$ 800,000	1,875,000	Funding for phased draining, inspection, and minor rehabilitation of two digester tanks
278-86	WWTP Primary Clarifier Rehabilitation	\$ -	\$ 430,000	\$ 3,010,000	\$ -	\$ -	3,440,000	Rehabilitation to address concrete deterioration in primary influent and effluent distribution boxes and effluent troughs; replacement of aging equipment
278-89	WWTP RAS Pumping Improvements	\$ -	\$ -	\$ -	\$ 150,000	\$ 250,000	400,000	Piping improvements to increase operational efficiency
278-90	WWTP Admin Bldg Planning Study	\$ 55,000	\$ -	\$ -	\$ -	\$ -	55,000	Funding to address needed ADA improvements and space planning study
278-91	WWTP Scum Pump Station Rehabilitation	\$ -	\$ -	\$ -	\$ 60,000	\$ 290,000	350,000	Replacement of aging components
278-92	WWTP Stormwater Pump Station to IPS	\$ -	\$ -	\$ -	\$ 50,000	\$ 300,000	350,000	Installation of piping for redundancy
278-xx	Biogas Removal System Improvements	\$ 250,000	\$ -	\$ -	\$ -	\$ -	250,000	Replacement of aging components
278-xx	WWTP NPW System Assessment and Rehab	\$ -	\$ -	\$ -	\$ -	\$ 375,000	375,000	Replacement of aging components
279-13	Reclaimed Water Valve/Coupling Rehabilitation	\$ 325,000	\$ -	\$ -	\$ -	\$ -	325,000	Replacement of aging components with known risk factors
280-13	Reclaimed Water System Water Quality Evaluation	\$ 75,000	\$ -	\$ -	\$ -	\$ -	75,000	Study to evaluate conductivity issues, use of corrosion inhibitor
Totals		\$ 17,629,000	\$ 18,624,000	\$ 16,291,000	\$ 17,955,000	\$ 16,767,000	87,266,000	

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

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

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Background and Authorization

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

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

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

All fees go into effect on October 1, 2021.

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

SECTION I: WATER RATES AND FEES

MONTHLY WATER RATES

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

Water Service Charge

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

Meter Size	As of Oct. 1, 2019 Monthly Service Charge	Proposed for Oct. 1, 2021
5/8”	\$15.74	\$16.53
3/4" Combination Fire and Domestic Service Meter	\$16.28	\$17.09
1”	\$31.63	\$33.21
1" Combination Fire and Domestic Service Meter	\$32.16	\$33.77
1-1/2”	\$68.39	\$71.81
2”	\$103.22	\$108.38
3”	\$212.29	\$222.90
4”	\$346.55	\$363.88
6”	\$754.69	\$792.32
8”	\$1,073.21	\$1,126.87

Water Irrigation Service Charge

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

Meter Size	As of Oct. 1, 2019 Monthly Service Charge	Proposed for Oct. 1, 2021
5/8”	\$25.21	\$26.47
1”	\$50.39	\$52.91
1-1/2”	\$93.28	\$97.94
2”	\$143.47	\$150.64
3”	\$283.98	\$298.18
4”	\$435.92	\$457.72
6”	\$857.52	\$900.40
8”	\$1,363.70	\$1,431.89

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Monthly service charges for compound meter arrangements are based on the largest meter in the grouping. In addition to the applicable charge for the primary meter, existing OWASA-owned sub-meters are billed according to the above schedule. OWASA-owned sub-meters are no longer available, and no additional sub-meters will be installed. Meter readings and service charges for first and final bills are prorated based on days of service.

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

Water Commodity Charge

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

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

Individually Metered Residential Accounts Except Irrigation-only Accounts

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

	Volume of Use (Gallons)	As of Oct. 1, 2019 Commodity Rate per 1,000 Gallons	Proposed for Oct. 1, 2021
Block 1	1,000 to 2,000	\$2.82	\$2.96
Block 2	3,000 to 5,000	\$6.84	\$7.18
Block 3	6,000 to 10,000	\$8.39	\$8.81
Block 4	11,000 to 15,000	\$11.72	\$12.31
Block 5	All use 16,000 and up	\$21.20	\$22.26

Multi-family Master-metered Residential Accounts

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

As of Oct. 1, 2019 - \$6.07 per thousand gallons
Proposed for Oct. 1, 2021 - **\$6.37**

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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).

	As of Oct. 1, 2019 Rate	Proposed for Oct. 1, 2021
Off-peak seasonal rate per 1,000 gallons (October through April)	\$4.46	\$4.68
Peak seasonal rate per 1,000 gallons (May through September)	\$8.47	\$8.89

Irrigation-only Accounts

To promote conservation of water used for irrigation and to achieve greater equity between rates for irrigation-only use and irrigation use through a domestic meter, irrigation-only accounts shall be charged the following year-round commodity rate.

As of Oct. 1, 2019 - \$9.11 per thousand gallons
Proposed for Oct. 1, 2021 - \$9.57

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WATER COMMODITY SURCHARGES APPLICABLE UNDER WATER SHORTAGE
DECLARATION STAGES – No changes proposed for this section

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

INTERLOCAL WATER TRANSFER CHARGES – No changes proposed for this section

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 – No changes proposed for this section

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.

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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 – No changes proposed for this section

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
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

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receive a credit on the water system development Fees due if their project directly results in the permanent abandonment of previously existing water meters which were connected to residences, buildings or facilities connected to and having a documented demand on the OWASA water system.

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

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

WATER SERVICE AND METER INSTALLATION CHARGE

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

Service Description	As of Oct. 1, 2019 Fee	Proposed for Oct. 1, 2021
Complete Water Service Installation, 5/8” meter	\$4,600	\$6,180
Complete Water Service Installation, 3/4” Combination Fire and Domestic Service Meter	\$4,840	\$6,480
Complete Water Service Installation, 1” meter	\$4,850	\$6,350
Meter Only Installation, 5/8” meter	\$260	\$250
Meter Only Installation, 3/4” Combination Fire and Domestic Service Meter	\$500	\$550
Meter Only Installation, 1” Combination Fire and Domestic Service Meter	\$540	\$600
Meter Only Installation, 1” meter	\$340	\$280
Meter Only Installation, 1-1/2” meter	\$650	\$640
Meter Only Installation, 1-1/2” Combination Fire and Domestic Service Meter	\$830	\$910
Meter Only Installation, 2” meter	\$1,320	\$1,160
Meter Only Installation, 2” Combination Fire and Domestic Service Meter	\$1,000	\$1,120
Remote Read Box with 5/8” Detector Meter	\$500	\$550

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

Deliver fee for 3-inch and large meters:

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Delivery Fee - \$160

No change

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.

As of Oct. 1, 2019 - Minimum Charge \$430

Proposed for Oct. 1, 2021 - \$440

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

Tap Reinspection Fee - \$150

No change

HYDRAULIC FIRE FLOW TESTING – No changes proposed for this section

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.

As of Oct. 1, 2019 - \$230

Proposed for Oct. 1, 2021 - \$240

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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	As of Oct. 1, 2019 Monthly Service Charge	Proposed for Oct. 1, 2021
5/8” or 3/4” Combination Fire and Domestic Service	\$12.85	\$13.49
1”	\$22.07	\$23.17
1-1/2”	\$38.05	\$39.95
2”	\$57.53	\$60.41
3”	\$108.79	\$114.23
4”	\$166.30	\$174.72
6”	\$304.91	\$320.16
8”	\$520.31	\$546.33

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

Sewer Commodity Charge

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

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

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As of Oct. 1, 2019 - \$6.94 per thousand gallons
Proposed for Oct. 1, 2021 - **\$7.29**

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 – No changes proposed for this section

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.

As of Oct. 1, 2019 - \$6.94 per 1,000 gallons
Proposed for Oct. 1, 2021 - **\$7.29** per 1,000 gallons

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

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

SEWER SYSTEM DEVELOPMENT FEE – No changes proposed for this section

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

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who may have paid for the installation of the main to which the connection is to be made. For the purpose of the system development fee, customer accounts are divided into three categories: (1) Single-family Residential; (2) Multi-family Residential, Individually-metered; and (3) Non-residential. The Non-residential category includes master-metered Multi-family customers plus all other commercial, University, and other institutional accounts. The use of these categories is justified by distinctive patterns of water and sewer consumption.

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

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

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

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

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

SEWER TAP CHARGE

This charge is for making a tap of the applicant's private sewer lateral into the main sewer line or sewer manhole of OWASA. The tap fee must be paid in advance of OWASA performing the work, with a minimum of 48-hours advance notice given to OWASA.

The applicant shall be responsible for opening the ditch, providing adequate working clearance at the point of tap, adequately shoring the trench sidewalls, dewatering and such other associated activities as may be needed to provide a suitable and safe condition for OWASA to connect the service lateral of the applicant into the facilities of OWASA. The minimum charge is based on a standard 4" service tap to the OWASA sewer line. All lines 6" in diameter and larger must be tapped into a manhole. All permits, bonds and pavement repairs are the responsibility of the applicant. The charge shall be for time and equipment plus an allowance for overhead, subject to a minimum.

As of Oct. 1, 2019 - \$520
Proposed for Oct. 1, 2021 - **\$530**

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

Tap Reinspection Fee - \$150
No change

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:

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As of Oct. 1, 2019	
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

Proposed for Oct. 1, 2021	
Carbonaceous Biochemical Oxygen Demand (CBOD)	\$0.48 per pound for all CBOD in excess of 205 mg/l
Suspended Solids (SS)	\$0.59 per pound for all SS in excess of 235 mg/l
Ammonia Nitrogen (NH ₃ -N)	\$3.42 per pound for all NH ₃ -N in excess of 25 mg/l
Phosphorus (P)	\$13.79 per pound for all P excess of 6.5 mg/l

SECTION III: RECLAIMED WATER RATES AND CHARGES

No changes proposed for Section III

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

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to rounding will be carried forward and billed in the month when the next thousand-gallon increment is registered by the meter.

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

RECLAIMED WATER SYSTEM DEVELOPMENT AND CONNECTION FEES

Reclaimed Water System Development Fees

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

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

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

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

Reclaimed Water Service Connection Fees

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

SECTION IV: MISCELLANEOUS CHARGES

SERVICE INITIATION FEE – No changes proposed for this section

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 – No changes proposed for this section

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 – No changes proposed for this section

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 – No changes proposed for this section

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

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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**~~ **new section**

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

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

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

~~**LATE PAYMENT FEE**~~ **No changes proposed for this section**

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**~~ **No changes proposed for this section**

OWASA requires security deposits from customers to ensure payment of the final bill. To offset administrative costs in handling these monies, no interest is paid on security deposits.

Security deposits shall be required on all accounts other than those of (1) residential customers, whether detached or attached units, who have a satisfactory credit history as determined by a credit check, and (2) local, state and federal governments or agencies thereof. Security deposits shall be required for accounts other than those in (1) and (2) above and shall be \$50 or \$100 depending on credit worthiness for residential customers. All security deposits must be paid at the time application for service is made and in advance of service initiation.

Any residential customer whose service has been disconnected for non-payment of billing charges twice within a six-month period and for whom OWASA does not have a security deposit will be required to pay a \$50 or \$100 deposit depending on credit worthiness prior to reconnection of service.

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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:

As of Oct. 1, 2019	
Administrative Charge	\$30 per trip, plus
Volume Charge and High Strength Surcharge	\$149.94 per thousand gallons
Proposed for Oct. 1, 2021	
Administrative Charge	\$30 per trip, plus
Volume Charge and High Strength Surcharge	\$157.44 per thousand gallons

Other High Strength Waste

Other wastes may be discharged to OWASA’s septage facilities only with prior approval by OWASA and upon OWASA’s direct inspection of the actual discharge. The costs associated with these services will be as follows:

- 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**

Attachment 3

As of Oct. 1, 2019
A + B + C + D + E = Calculated Dollars per Thousand Gallons, where:
A = pounds of NH ₃ -N per thousand gallons in waste x \$3.26 per pound
B = pounds of CBOD per thousand gallons in waste x \$0.46 per pound
C = pounds of TSS per thousand gallons in waste x \$0.56 per pound
D = \$6.94 per 1,000 gallons Sewer Commodity Charge
E = pounds of P per thousand gallons in waste x \$13.13 per pound
Waste concentrations shall be determined by OWASA

Proposed for Oct. 1, 2021
A + B + C + D + E = Calculated Dollars per Thousand Gallons, where:
A = pounds of NH ₃ -N per thousand gallons in waste x \$3.42 per pound
B = pounds of CBOD per thousand gallons in waste x \$0.48 per pound
C = pounds of TSS per thousand gallons in waste x \$0.59 per pound
D = \$7.29 per 1,000 gallons Sewer Commodity Charge
E = pounds of P per thousand gallons in waste x \$13.79 per pound
Waste concentrations shall be determined by OWASA

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.

As of Oct. 1, 2019	
Administrative Charge	\$25 per trip, plus
Commodity Charge	\$6.45 per thousand gallons or portion thereof

Proposed for Oct. 1, 2021	
Administrative Charge	\$25 per trip, plus
Commodity Charge	\$6.77 per thousand gallons or portion thereof

Bulk sales are subject to administrative regulations and controls for protection of the wastewater system and efficient operation. Water tank trucks or trailers are only authorized to withdraw water from locations approved by OWASA and for which adequate usage monitoring measures are provided. Charges for bulk sales are not subject to seasonal adjustments.

DIRECT SALES OF SUPPLIES – No changes proposed for this section

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**

Attachment 3

BOAT RENTAL AND LAKE USE FEES – No changes proposed for this section

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
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Attachment 3

FIELD TEST OF 5/8" METER OR 3/4" COMBINATION FIRE AND DOMESTIC SERVICE
METER – No changes proposed for this section

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 – No changes proposed for this section

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.

As of Oct. 1, 2019 - Minimum charge \$190
Proposed for Oct. 1, 2021 - Minimum charge \$500

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

REINSPECTION FEE – No changes proposed for this section

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

Tap Reinspection Fee - \$150

PLAN REVIEW AND CONSTRUCTION OBSERVATION FEES

The purpose of this charge is to recover the operating cost for providing review of construction plans for the extension of water, sewer and non-UNC reclaimed water facilities. The charge also recovers the operating cost for providing field observation, water sampling, laboratory testing, video inspection, pressure testing, etc. associated with the installation of these facilities. The plan review and construction observation fees are applicable to any project which includes extensions of the public water, sewer or non-UNC reclaimed water systems; new services; backflow prevention; or a grease interceptor (or grease trap), regardless of the party which may be undertaking the improvements. The plan review and construction observation fees are applied separately to water, sewer and non-UNC reclaimed water main extensions with a minimum of \$100 each, as shown in the table below.

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

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

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

Partial Certifications - \$225 per additional submittal to the state

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

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

Attachment 3

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

CHARGES FOR MISCELLANEOUS SERVICES – No changes proposed for this section

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 – No changes proposed for this section

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.

OWASA Board of Directors – 12 Month Board Meeting Schedule (May 21, 2021)

Month	Board Meetings		Committee Meetings & Other Board Items
	Work Session	Business Meeting	
May 2021	Resolution Honoring the Service of Sherman Betts Approve Employee Insurance Renewals (C) Finalize Process for Developing Strategic Plan LRWSP – Guiding Principles Employee Merit Pay for FY22 Fiscal Year 2021 Budget Amendment (C) CS - Discuss a Potential Real Property Acquisition 5/13/2021	Update on COVID-19 Public Hearings – FY 22 Budget and Rates (C) Guidance on Individual Board Member Interactions with OWASA Staff Members Adjusting the Performance Review Schedule for the ED CS – Prepare ED Annual Review (Tentative) (Public Hearings) 5/27/2021	
June 2021	LRWSP – Guiding Principles Approve FY 22 Budget and Rates (including Employee Merit Pay decision) (C) Resolution Honoring the Service of Robert Morgan Election of Officers (C) Access Agreement (Tentative) CS – ED Annual Review (Tentative) 6/10/2021	Canceled 6/24/2021	<i>Incoming Executive Committee to interview Strategic Plan consultants (TBD)</i>
July 2021	D&I Update (C) Strategic Plan Update 7/8/2021	Canceled 7/22/2021	<i>Possible welcome of new Board member(s)</i>
August 2021	Canceled 8/12/2021	Award of West Cameron Avenue Water Main Replacement Phase 2 Construction Contract Preliminary 12 Month Financial Report (C) CIP Semiannual Report (C) CS – Prepare for GC Annual Review (C) 8/26/2021	<i>Meeting between the BOCC Members & Orange County Appointees to the BOD (TBD)</i>
September 2021	Annual Report on Disposal of Surplus Personal Property (C) EEO/Affirmative Action Report and D&I Update (C) Strategic Plan Update CS – Prepare for GC Annual Review (C) 9/9/2021	Annual Report and Financial Audit (C) Approve GC Engagement (C) Forest Management Program Update (Annual Meeting of the BOD) 9/23/2021	<i>Meeting between the BOCC Members & Orange County Appointees to the BOD (TBD)</i>
October 2021	Strategic Plan Update CS – Prepare for ED Annual Review (C) 10/14/2021	Strategic Trends Report (C) Annual Update of the Energy Management Plan (C) Q1 Financial Report (C) CS – ED Annual Performance Review (C) 10/28/2021	
November 2021	(Tentative) LRWSP – Draft Alternatives Analysis and CEP 11/11/2021	<i>Holiday – no meeting</i>	<i>Strategic Plan Work Session (TBD)</i>
December 2021	TBD 12/9/2021	<i>Holiday – no meeting</i>	<i>Strategic Plan Work Session (TBD)</i>
January 2022	Appoint Audit Firm (C) Employee Health and Dental Insurance Update for FY 23 (C) D&I Update (C) (Tentative) LRWSP – Select Alternative and Approve CEP 1/13/2022	2021 Annual Lakes Recreation Report (C) CIP Semiannual Report (C) Q2 Financial Report (C) Discuss FY 23 Budget Calendar and Planning Assumptions (C) 1/27/2022	<i>Strategic Plan Work Session (TBD)</i>
February 2022	Department Managers FY 23 Budget Presentations (C)	CS – GC Interim Review (C)	<i>Strategic Plan Work Session(s) (TBD)</i>

OWASA Board of Directors – 12 Month Board Meeting Schedule (May 21, 2021)

Month	Board Meetings		Committee Meetings & Other Board Items
	Work Session	Business Meeting	
	Reliability and Resiliency Improvements Update (C) Affordability Program Update (C) CS – Prepare for GC Interim Review (C) 2/10/2022	2/24/2022	
March 2022	FY 23 Draft Operating and Capital Equipment Budgets (C) 3/10/2022	Set date for Public Hearings – FY 23 Budget & Rates (C) FY 23 Draft Budgets and Rate Adjustment (C) 3/24/2022	
April 2022	Review Employee Health and Dental Insurance Renewals (C) FY 23 Draft Budget and Rate Adjustment (C) Strategic Plan Update (C) BOD Eligible for Nominations to Election as Board Officers (include Officer descriptions) (C) CS – Prepare for ED Interim Review (C) 4/14/2022	Q3 Financial Report (C) Authorize Staff to Publish FY23 Budget and Rate Information (C) CS – ED Interim Review (C) 4/28/2022	

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

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

In addition to the initiatives shown in this schedule, staff will be working on other Strategic Plan and organizational priorities that are not expected to require major additional discussion with the Board except as part of budget deliberations.

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

- Development of a plan and policy framework for OWASA lands is considered a longer-term priority. The NRTS Committee discussed this issue in September 2017 and determined it was lower priority than Forest Management.
- Water Conservation Plan will be prepared concurrent with update of the Long-Range Water Supply Plan.

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

Abbreviations Used in Draft Schedule:

(C) Recurring agenda item (generally these are "required" items)

AV/AMI Agua Vista/Advanced Metering Infrastructure
 BOCC Orange County Board of County Commissioners

OWASA Board of Directors – 12 Month Board Meeting Schedule

(March 2021 to February 2022)

BOD	Board of Directors	KPI	Key Performance Indicator
CE	Community Engagement	LRWSP	Long-Range Water Supply Plan
CEP	Community Engagement Plan	MOA	Memorandum of Agreement
CHTC	Chapel Hill Town Council	MWBE	Minority/Women-owned Business Enterprises
CIP	Capital Improvements Program	MST	Mountains-to-Sea Trail
COLA	Cost of Labor Adjustment	MFMM	Multi-Family Master Meter
CS	Closed Session of the Board	NCDOT	North Carolina Department of Transportation
CTC	Carrboro Town Council	NRTS	Natural Resources and Technical Services
CY	Calendar Year	OC	Orange County
D&I	Diversity and Inclusion	Q	Quarter
ED	Executive Director	RFP	Request for Proposals
EEO	Equal Employment Opportunity	SRF	State Revolving Fund
EPA	Environmental Protection Agency	SOW	Scope of Work
FY	Fiscal Year	TBD	To Be Determined
GC	General Counsel	WTP	Water Treatment Plant
HR	Human Resources	WWTP	Wastewater Treatment Plant

Orange Water and Sewer Authority
Virtual Meeting of the Board of Directors
April 22, 2021

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held its duly noticed regular meeting by virtual means in accordance with law, on Thursday, April 22, 2021, at 6:00 p.m. utilizing Microsoft Teams software.

Board Members present: Raymond (Ray) DuBose (Chair), Bruce Boehm (Vice Chair), Jody Eimers (Secretary), Yinka Ayankoya, Kevin Leibel, Robert Morgan, John N. Morris and Bruce Runberg. Board Member absent: none.

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

Others present: Monica Dodson, Meg Holton (UNC Water Resources Manager), Ben Poulson (UNC Associate Director of Energy Services), Kelly Satterfield and Tom Wedsworth.

Motions

1. Jody Eimers moved that in advance of public hearings scheduled for May 27, 2021, the Board of Directors hereby authorizes staff of the Orange Water and Sewer Authority to publish information about the Fiscal Year 2022 proposed budget and schedule of rates, fees and charges which includes a five percent increase in monthly water and sewer rates; second by Robert Morgan and the Motion was unanimously approved.
2. Jody Eimers made a Motion to approve the Minutes of the March 25, 2021 Meeting of the Board of Directors, second by Robert Morgan and the motion was unanimously approved.
3. Jody Eimers made a Motion to approve the Minutes of the April 8, 2021 Closed Session of the Board of Directors for the purpose of discussing a personnel matter, second by Robert Morgan and the motion was unanimously approved.
4. Robert Morgan made a Motion that staff proceed to extend a paved sidewalk to the shore launch area at University Lake; second by Bruce Runberg and the Motion was unanimously approved.
5. Bruce Boehm made a Motion: to increase boat reservations at Cane Creek Reservoir to 50 and University Lake to 15 starting April 30, 2021; add picnic/lawn reservations for visitor arrival between 11 a.m. and 1 p.m. starting April 30, 2021; and add \$15,000 to the Fiscal Year 2022 Operating Budget for part-time help in anticipation of returning to equipment rental and boating at full capacity later this summer as conditions related to the pandemic improve. The Motion was seconded by Kevin Leibel and was unanimously approved.

6. Bruce Runberg made a Motion to close the nominations of the Chair of the Board and the Board agreed the nominees for the Election of Chair of the Board for Fiscal Year 2022 will be Yinka Ayankoya and Jody Eimers; second by Kevin Leibel and unanimously approved.

7. Kevin Leibel made a Motion to close the nominations of the Vice Chair of the Board and agreed the nominees for the Election of Vice Chair of the Board for Fiscal Year 2022 will be Yinka Ayankoya and Jody Eimers; second by Ray DuBose and unanimously approved.

8. Kevin Leibel made a Motion to close the nominations of the Secretary of the Board and agreed the nominee for the Election of Secretary of the Board for Fiscal Year 2022 will be John Morris; second by Ray DuBose and unanimously approved.

* * * * *

Announcements

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

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

Mr. DuBose announced that Jody Eimers, Todd Taylor, and he met with Renee Price and Jamezetta Bedford, Chair and Vice Chair of the Orange County Board of County Commissioners. The group had a productive discussion and topics included the extension of a moratorium on service disconnections, OWASA's Fiscal Year 2022 budget, Long-Range Water Supply Plan, Energy Management/Solar PV and upcoming Orange County OWASA Board Member appointment.

Mr. DuBose announced that he and Bruce Boehm participated in a Wonderful Water radio segment to encourage volunteers to apply for positions on the OWASA Board of Directors and aired on April 16, 2021.

Yinka Ayankoya announced that Robert Morgan and she presented OWASA's annual update to the Carrboro Town Council on April 20, 2021. Ray DuBose and Todd Taylor also attended. She said the Council update included: progress to update our Long-Range Water Supply Plan; OWASA's Fiscal Year 2022 Budget; extension of the moratorium of service disconnections to our customers; energy management and solar photovoltaic (PV) improvements; the upcoming OWASA Board Member appointments; and OWASA's diversity & inclusion program. Ms. Ayankoya said the discussion was good and well received by the Council.

Mary Tiger announced that on April 15, 2021, the Orange County Climate Council meet to receive an update on the Town of Chapel Hill's Climate Action Plan and the Council's Bylaws were discussed. The next meeting of the Orange County Climate Council will be May 20, 2021.

Petitions and Requests

Ray DuBose said the Board received a petition from Loren C. Davis which will be covered under agenda item 5. Evaluate options to improve access to boat launch area at University Lake and Lakes Recreation schedule for calendar year 2021. Mr. DuBose said that since April 16, 2021, the Board received two additional requests from Vicky Fowler and Donna Wilder regarding the lake recreation schedule under agenda item 5.

John Morris requested if there was an update on the proposed legislation that would authorize Water and Sewer Authorities to suspend service cutoffs and forgive account balances for low- and moderate-income customers.

Robert Epting said the bill was revised to add entities, specifically cities and counties, who can provide this type of assistance to customers and reportedly was well received by some legislators.

Mr. DuBose asked for petitions and requests staff; none were received.

Item One: 12 Month Board Meeting Schedule

The Board received this as an information item.

Item Two: Authorize Staff to Publish Proposed Fiscal Year 2022 Budget and Rate Information

Jody Eimers moved that in advance of public hearings scheduled for May 27, 2021, the Board of Directors hereby authorizes staff of the Orange Water and Sewer Authority to publish information about the Fiscal Year 2022 proposed budget and schedule of rates, fees and charges which includes a five percent increase in monthly water and sewer rates; second by Robert Morgan and the Motion was unanimously approved. Please see Motion 1.

Item Three: Minutes

Jody Eimers made a Motion to approve the Minutes of the March 25, 2021 Meeting of the Board of Directors, second by Robert Morgan and the motion was unanimously approved. Please see Motion 2.

Item Four: Minutes

Jody Eimers made a Motion to approve the Minutes of the April 8, 2021 Closed Session of the Board of Directors for the purpose of discussing a personnel matter, second by Robert Morgan and the motion was unanimously approved. Please see Motion 3.

Item Five: Evaluate Options to Improve Access to Boat Launch Area at University Lake and Lakes Recreation Schedule for Calendar Year 2021

Ray DuBose reminded the Board that a total of six public petitions were received on this item. Mr. Tom Wedsworth's petition is regarding improvements to the boat launch area and he is attending the meeting tonight to provide comments.

Mary Darr, General Manager of Operations, provided an overview of actions needed to extend a paved sidewalk to the shore launch area at University Lake.

Mr. Wedsworth expressed appreciation to the Board and staff for reviewing and possibly approving his petition to improve the boat launch area, and he stated he will enjoy using the extended paved sidewalk.

Robert Morgan made a Motion that staff proceed to extend a paved sidewalk to the shore launch area at University Lake; second by Bruce Runberg and the Motion was unanimously approved. Please see Motion 4.

Ms. Darr and Johnny Riley, Reservoir and Land Resources Supervisor, provided a verbal update on the petitions for increased recreation activities at the Cane Creek Reservoir and University Lake; possibility of providing picnic/lawn reservations for visitor arrival between 11 a.m. and 1 p.m. beginning April 30, 2021; and a request to add \$15,000 to the Fiscal Year 2022 Operating Budget for part-time help at Cane Creek Reservoir and University Lake in anticipation of returning to equipment rental and boating at full capacity later this summer as conditions related to the pandemic improve. Staff will provide an update on lake recreation schedule as we move through the summer.

Mr. DuBose said five petitions were received on the Lake Recreation schedule for calendar year 2021 from Mike Hammersley, Loren C. Davis, Margaretta Yarborough, Donna Wilder & Vicky Fowler; the petitioners were notified of tonight's meeting.

Kevin Leibel asked if there was any consideration to change the rate structure for those who live outside the service area.

Mr. Riley said a rate increase is not being considered at this time. He also noted that visitors are very grateful OWASA has opened Cane Creek Reservoir and University Lake.

Jody Eimers said she is not in favor of increasing the rate structure for those who live outside the service area.

Bruce Boehm made a Motion: to increase boat reservations at Cane Creek Reservoir to 50 and University Lake to 15 starting April 30, 2021; add picnic/lawn reservations for visitor arrival between 11 a.m. and 1 p.m. starting April 30, 2021; and add \$15,000 to the Fiscal Year 2022 Operating Budget for part-time help in anticipation of returning to equipment rental and boating at full capacity later this summer as conditions related to the pandemic improve. The Motion was seconded by Kevin Leibel and was unanimously approved. Please see Motion 5.

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

Todd Taylor, Executive Director, provided an update on OWASA's response to COVID-19, noting staff continues to take proactive measures to ensure the community receives high-quality and reliable water, wastewater, and reclaimed water services. He reported that staff who are working remotely will return to OWASA facilities on May 17, 2021, and the Return to Normal Operation Plans and safety protocols were updated. Staff will also evaluate a whether routine telework opportunities for employees can be productively continued. Mr. Taylor noted staff will evaluate the impact on operating and safety measures on Governor Cooper's announcement about lifting the mask mandates, mass gathering limits and social distancing requirements on June 1, 2021.

Mary Tiger, Strategic Initiatives Manager, provided an update on the extent and severity of past due accounts, including staff's continued work to contact those customers who are in arrears to provide information on where they may apply for financial assistance. Ms. Tiger provided information on how many customers have received bill assistance in the past year. Ms. Tiger said the Low-Income Household Water Assistance Program will be available to states in May 2021 this program will likely be administered through Orange County.

Robert Morgan requested staff provide that update to the Towns and County.

Item Seven: Financial Report for the Nine Month Period Ended March 31, 2021

Stephen Winters, Director of Finance and Customer Service, presented the financial report for the nine-month period ended March 31, 2021, noting all but one of OWASA's financial performance targets were met. Total income for the period was roughly \$484,000 greater than budget and operating expenses were about \$1.5 million less than budget.

Kevin Leibel suggested talking points on the reasons for the five percent rate increase.

Mr. Winters said staff is already preparing talking points for the Board and staff.

Item Eight: Discuss Draft Process for Developing Strategic Plan

Mary Tiger, Strategic Initiatives Manager, provided a brief overview of this item.

The Board provided suggestions and feedback including: requesting the names of staff members on OWASA's Strategic Planning Advisory Resource Council; receive the outliers of various comments received; suggesting terminology changes; and recommending that the timeline include a process to inform new Board Members and engage past staff on the Strategic Plan.

Staff will incorporate the Board feedback into final draft Strategic Planning Process for approval at the May 13, 2021 Board work session.

Item Nine: OWASA Board Members Eligible for Nomination for Election as Board Members

Ray DuBose and Bruce Boehm stated they do not wish to seek the Board Chair position. John Morris said he would not wish to seek the Board Chair and Vice Chair positions.

The Board agreed to begin nominations in sequence for the Office of Chair, Vice Chair and Secretary.

John Morris nominated Jody Eimers as Chair of the Board and the nomination was seconded by Kevin Leibel.

Robert Morgan nominated Yinka Ayankoya as Chair of the Board and the nomination was seconded by Bruce Boehm.

There were no further nominations.

Bruce Runberg made a Motion to close the nominations of the Chair of the Board and the Board agreed the nominees for the Election of Chair of the Board for Fiscal Year 2022 will be Yinka Ayankoya and Jody Eimers; second by Kevin Leibel and unanimously approved. Please see Motion 6.

Robert Morgan nominated Jody Eimers as Vice Chair of the Board and the nomination was seconded by Kevin Leibel.

Ray DuBose nominated Yinka Ayankoya as Vice Chair of the Board and the nomination was seconded by Bruce Runberg.

There were no further nominations.

Kevin Leibel made a Motion to close the nominations of the Vice Chair of the Board and agreed the nominees for the Election of Vice Chair of the Board for Fiscal Year 2022 will be Yinka Ayankoya and Jody Eimers; second by Ray DuBose and unanimously approved. Please see Motion 7.

Bruce Boehm nominated John Morris as Secretary of the Board and the nomination was seconded by Kevin Leibel.

There were no further nominations.

Kevin Leibel made a Motion to close the nominations of the Secretary of the Board and agreed the nominee for the Election of Secretary of the Board for Fiscal Year 2022 will be John Morris; second by Ray DuBose and unanimously approved. Please see Motion 8.

Mr. Epting reminded the Board of the availability of proxy voting on June 10, 2021.

Item Ten: Summary of Board Meeting Action Items

Todd Taylor noted the following staff action items and provided an overview of the next Board meeting;

- Provide local elected Councils/Board information about outstanding bills and assistance of OWASA Customers.
- Provide an update on lake recreation schedule.
- Incorporate Board feedback into final draft Strategic Planning process.
- Agenda items for the May 13, 2020 virtual Work Session:
 - o Resolution Honoring the Service of Sherman Betts to OWASA and the Carrboro-Chapel Hill-Orange County Community
 - o Approve Employee Health and Dental Insurance Renewals
 - o Finalize Process for Developing Strategic Plan
 - o Discuss Employee Merit Pay for Fiscal Year 2022

Item Eleven: Closed Session

Without objection, the Board of Directors convened in a closed session for the purpose of discussing a personnel matter as provided in N.C. General Statutes 143.318.11(6).

Following the Closed Session, the Board reconvened in open session, reported no action was taken in the closed session, and the meeting was adjourned at 8:17 p.m.

Respectfully submitted by:

Andrea Orbich
Executive Assistant/Clerk to the Board

Orange Water and Sewer Authority

Closed Session of the Board of Directors

May 13, 2021

The Board of Directors of Orange Water and Sewer Authority met virtually in Closed Session on Thursday, May 13, 2021, following the Board meeting.

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

Staff present: Todd Taylor, Robert Epting, Robin Jacobs, Mary Darr, Ruth Rouse, and Stephen Winters, Vishnu Gangadharan.

ITEM ONE

The Board of Directors met in Closed Session with staff to establish and to instruct OWASA staff and Counsel concerning the position to be taken on behalf of OWASA in negotiating the terms of a potential contract for purchase of an interest in real property located near the Cane Creek Reservoir, as provided in N.C. General Statutes 143.318.11(a.5).

No official action was taken at the meeting.

The meeting was adjourned at 8:26 p.m.

Raymond E. DuBose, P.E., Chair
Board of Directors

Agenda Item

- Update on OWASA's COVID-19 Information and Discussion by the Board

Purpose

- To provide the Board of Directors and public an update on OWASA's response to COVID-19 to ensure we continue to provide the Carrboro and Chapel Hill communities with high-quality and reliable water, wastewater, and reclaimed water services during the pandemic.
- Staff will provide a verbal update on activities since April 22, 2021.

Action Needed

- Discussion and questions by the Board of Directors.

May 27, 2021

Agenda Item

- Guidance Regarding Individual Board Member Interactions with OWASA Staff Members

Purpose

- To provide additional guidance for collaboration and discussions between individual Board members and OWASA staff members.

Action Needed

- Staff recommends replacing the existing language in the “Framework for OWASA Board and Committee Roles” with a standalone guidance document to assist the Board and staff in defining roles and responsibilities, the process for making requests, and appropriate interactions between individual Board members and OWASA staff members.

May 27, 2021



Orange Water and Sewer Authority

OWASA is Carrboro-Chapel Hill's not-for-profit public service agency delivering high quality water, wastewater, and reclaimed water services.

Memorandum

To: Board of Directors
From: Todd Taylor, P.E., Executive Director
Date: May 20, 2021
Subject: **Guidance Regarding Individual Board Member Interactions with OWASA Staff Members**

Purpose

To provide additional guidance for collaboration and discussions between individual Board members and OWASA staff members.

Discussion

In November 2020, the Board of Directors requested that a number of OWASA staff members who frequently interact with the Board participate in an anonymous evaluation of the Board's performance. Some of the feedback received indicated that there were issues regarding interactions between individual Board members and OWASA staff members.

The Board requested that the Executive Director follow-up with staff regarding their comments and report the results of this investigation back to the Board. The investigation revealed that these issues do not appear to be a chronic problem, however, there have been instances that warrant further conversation and possible action. Since the feedback was solicited anonymously, it would be disingenuous to provide greater detail on these occurrences that could compromise the anonymity of the OWASA staff member(s) involved.

There is existing language regarding this topic provided in the "Framework for OWASA Board and Committee Roles" document in a section titled "Relationship Between Individual Board Members and Staff" (see attached). This section is vague about roles and responsibilities, the process for making requests, and defining what is an appropriate vs. inappropriate interaction.

Action

Staff recommends replacing the existing language with a standalone guidance document (see attached draft) to assist the Board and staff in defining roles and responsibilities, the process for making requests, and appropriate interactions between individual Board members and OWASA staff members.

Todd Taylor, P.E.
Executive Director

Attachments

- Guidance on Individual Board Member Interactions with OWASA Staff Members
- Framework for OWASA Board and Committee Roles (proposed revisions)

Guidance on Individual Board Member Interactions with OWASA Staff Members

May 2021

Purpose of the document

Individual Board members and OWASA staff members are encouraged to maintain collaborative working relationships with each other, to share suggestions for problem solving, and to maintain a positive team environment. Because the Board of Directors is a governing body responsible for setting the annual budget, including performance-based compensation adjustments for staff, and because the Executive Director reports directly to the Board and all other OWASA staff members report to the Executive Director, there is an obvious power dynamic at play that can complicate successful collaboration. This guidance has been established to assist both Board members and staff in defining appropriate interactions between individual Board members and OWASA staff members.

Roles and Responsibilities

- The OWASA Board of Directors, as a body, provides guidance to the Executive Director on the administration of Board approved policies and directives. The Board is also responsible for allocating financial resources and evaluating the Executive Director's performance.
- The Executive Director is responsible for directing and managing all OWASA staff member activities.
- OWASA staff members are responsible for the successful execution of their work plan as defined by the Executive Director or designee.

Process for Formal Requests

- a) Petitions and requests from individual Board members that may require action by the Executive Director and/or OWASA staff members shall be discussed in advance with the full Board during the open session of a public meeting. Note that there is a portion of the Board's monthly business meeting agenda that is specifically designated to receive petitions and requests from individual Board members regarding items not on the regular agenda. The Board does not receive petitions or requests from individual Board members for items not on the regular agenda during the Board's monthly work session.
- b) To assist the Board in the decision-making process, the Executive Director and/or OWASA staff members will assess if substantial resources or staff time will be required to respond to the petition or request and provide that information to the Board. The Executive Director may request additional time to perform this assessment and provide the information to the Board at a later date.
- c) Approval by a majority of the Board is required to authorize the Executive Director to approve any petitions and requests from individual Board members.

Process for Informal Requests

- a) Individual Board members are encouraged to make inquiries, requests for clarification, and suggestions directly to OWASA staff members, not inconsistent with this Guidance, outside of formal Board and Committee meetings. Best practice is to initiate these requests via email and to copy the Board Chair and Executive Director.
- b) Requests that may require substantial resources or staff time to effectively respond to must be reviewed and approved by the Board Chair and Executive Director prior to contacting OWASA staff members. A written explanation will be provided by the Board Chair and Executive Director should a Board member's request to contact an OWASA staff member(s) be denied.

Additional Guidance

- a) Individual Board members, the Executive Director and OWASA staff members should always remain mindful of their different roles and responsibilities.
- b) Individual Board members, the Executive Director and OWASA staff members will always treat each other with respect and give consideration for their critical function at OWASA.
- c) Individual Board members should consider avoiding the following in any interactions with the Executive Director or OWASA staff members:
 - Representing the opinions of others (i.e. fellow Board members, elected bodies, customers, etc.)
 - Discussing confidential matters
 - Offering to exchange favors or benefits
 - Attempting to influence staff recommendations
 - Issuing directives or specific actions
 - Making inefficient use of staff time
 - Using inappropriate language or behavior
- d) Individual Board members, the Executive Director and OWASA staff members should remain mindful that the appropriate place for discussion, and especially for deliberation of competing ideas, is in open Board meetings where all Board Members and the public can share the benefits of such discussions.

FRAMEWORK FOR OWASA BOARD AND COMMITTEE ROLES

Accepted September 11, 2014

Purpose of the document

This document describes the boundaries between the roles of the full Board, Board committees, committee chairs, and individual Board members. Its intent is to complement the current OWASA bylaws, rather than alter or duplicate them. The document is intended as clarification of the select boundary areas only, not a complete description of roles and responsibilities.

Relationship between full Board and standing Board Committees

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

Implementation:

1. Full Board regularly reviews proposed agenda topics for both Board work sessions and regular meetings
2. Board committees and committee chairs may propose additional topics for analysis and development of recommendations; Board determines (1) whether to invest Board, committee, and staff resources, and (2) which topics it prefers to explore as a full board
3. To facilitate Board decision-making, Board chair may propose how and when the Board and Board committees will address a particular topic

Relationship between full Board and the Executive Committee

The Executive Committee provides input to Board chair and Executive Director concerning draft agendas and 12-month calendar for the Board work sessions and regular meetings. With such input, Board chair approves the agenda for near-term Board meetings. The goal is to achieve alignment with Board consensus on the desired long-term agenda and to incorporate actions and discussion topics proposed by staff members.

The Executive Committee will also review Board practices, and opportunities for improving them, and provide relevant advice or recommendations for consideration by the chair or the full Board. (The full Board can also review Board practices.)

The Executive Committee also acts as a proxy for the full Board in situations where urgent and significant policy or operating decisions must be made AND when it is not feasible to convene a quorum of the Board.

Role of Board Committee Chairs

Committee chairs facilitate deliberation by their respective committees on topics referred to committees by the full Board. The chairs communicate committee analysis, meeting summaries, and recommendations to the full Board.

Committee chairs approve agendas for committee meetings. The goal is to achieve alignment with Board consensus on the desired long-term committee agenda and to incorporate discussion topics proposed by staff members. The committee chairs also consult with the Executive Director and members of staff to ensure satisfactory preparation of information and analysis for committee deliberations.

The Board chair may assign responsibility to a committee chair to consult directly with the Executive Director and members of staff to ensure satisfactory preparation for a full Board work session on a topic that is consistent with the committee's domain. The Board chair may also assign responsibility to a committee chair to guide and facilitate deliberation of the topic at the full Board's work session.

Committee chairs will survey their respective committee members to identify additional Board topics related to the domain of the committee; committee members may also recommend topics for consideration. Before investing Board, committee, or staff resources, the committee chair will review proposed topics with the full Board.

The Board chair may also establish an ad hoc committee of Board members to address a topic that does not fit the domain of standing Board committees.

Relationship Between Individual Board Members and Staff Members

~~Board members and OWASA staff are encouraged to maintain collaborative relationships each with the others, to share suggestions for problem solving, and to maintain positive working relationships.~~

~~Individual members of the Board, including members of the Executive Committee and committee chairs, are encouraged to make inquiries to or request information directly from the Executive Director or OWASA staff. Such requests should be made through the Executive Director if responding is likely to require substantial resources or staff time, in which case the Executive Director may ask that the request be made and coordinated through the Board Chair in order to assure it is consistent with the Board's adopted work plan and strategic goals.~~

~~Individual Board members including committee chairs should take care to be sure individual requests of the Executive Director or staff are necessary and appropriate to understanding or accomplishing the Board's adopted work plan.~~

~~The Board Chair may assign responsibility to an individual Board Member to address a particular topic that lies outside the domain of the standing committees. Example: partnering with Executive Director on facilitating development of a Board approved strategic plan.~~

Agenda Item

- Adjusting the Performance Review Schedule for the Executive Director

Purpose

- Align the Board of Directors annual review of the Executive Director's performance with the fiscal year, the performance review schedule of OWASA staff and the expiration of Board member terms.

Action Needed

- It is recommended the Board consider the following motions:

The Board directs staff to adjust the Executive Director's performance review schedule to reflect an interim review in January and an annual review in June of each year.

The Board will enter a closed session at the end of the Board meeting on May 27, 2021 to discuss the Executive Director's performance for the period of September 2020 to June 2021 without the Executive Director.

May 27, 2021



Orange Water and Sewer Authority

OWASA is Carrboro-Chapel Hill's not-for-profit public service agency delivering high quality water, wastewater, and reclaimed water services.

Memorandum

To: Board of Directors
From: Raymond E. DuBose, P.E., Board Chair
Date: May 20, 2021
Subject: **Adjusting the Performance Review Schedule for the Executive Director**

Purpose

Align the Board of Directors annual review of the Executive Director's performance with the fiscal year, the performance review schedule of OWASA staff and the expiration of Board member terms.

Discussion

The current schedule for the Board to review the performance of the Executive Director occurs in April (interim) and October (annual) each year.

The Board recently authorized the inclusion of a revision in the proposed 2021-22 budget for annual staff salary increases for OWASA staff members and consequently the adjustment of the staff performance review schedule, to align with the organization's fiscal year (July – June). Interim reviews will occur in January and annual reviews will occur in June going forward with compensation being adjusted in the first paycheck in July.

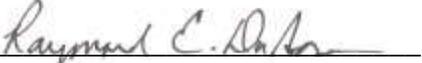
OWASA Board members' terms begin in July and expire in June. This creates a situation where exiting Board members are not afforded the opportunity to provide feedback on the Executive Director's performance during the final months of the end of their term. In addition, newly appointed Board members are expected to assess the Executive Director's performance within a few months of joining the Board.

Action

It is recommended the Board consider the following motions:

1. *The Board directs staff to adjust the Executive Director's performance review schedule to reflect an interim review in January and an annual review in June of each year.*

2. *The Board will enter a closed session at the end of the Board meeting on May 27, 2021 to discuss the Executive Director's performance for the period of September 2020 to June 2021 without the Executive Director.*


Raymond E. DuBose, P.E., Chair
OWASA Board of Directors