

ORANGE WATER AND SEWER AUTHORITY

MEETING OF THE BOARD OF DIRECTORS

JUNE 8, 2006

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in regular session on Thursday, June 8, 2006, at 7:00 P.M., in the OWASA Community Room.

Directors present: Michael A. (Mac) Clarke, Chair; Penny Rich, Vice Chair; Terri Buckner; Milton S. Heath, Jr.; Marge Anders Limbert; Mark Marcoplos; Gordon Merklein; and Laura Sandvik. Directors absent: Randy Kabrick, P.E., Secretary.

Others present: Ed Kerwin, Imtiaz Ahmad, John Greene, Jan Bryant-Berry, Mary Darr, Patrick Davis, Greg Feller, Ed Holland, Andrea Orbich and Kevin Ray of the OWASA staff; Robert Epting, Esquire, Epting and Hackney; Meg Holton, Water, Wastewater, and Stormwater Manager, UNC; Gordon Neville, Orange County property owner; David Bonk, Long Range and Transportation Planning Coordinator, Town of Chapel Hill.

There being a quorum present, Chair Mac Clarke called the meeting to order.

MOTIONS ACTED UPON

1. Penny Rich moved to adopt the minutes of the May 25, 2006, Public Hearings and Meeting of the Board of Directors. The motion was seconded by Laura Sandvik, and carried by unanimous vote.

2. Penny Rich moved to adopt the minutes of the May 25, 2006, Closed Session of the Board of Directors for the purpose of discussing property acquisition. The motion was seconded by Laura Sandvik, and carried by unanimous vote.

3. Penny Rich moved to adopt the minutes of the May 25, 2006, Closed Session of the Board of Directors for the purpose of discussing a personnel matter. The motion was seconded by Laura Sandvik, and carried by unanimous vote.

4. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the "Resolution to Amend Current Year (Fiscal Year 2005-06) Schedule of Rates, Fees, and Charges." (Resolution so titled attached hereto and made a part of these minutes. Motion made by Penny Rich, seconded by Laura Sandvik, and carried by unanimous vote.)

5. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the "Resolution Authorizing Execution of Agreements for Property, Liability, Workers' Compensation, Inland Marine, Automobile, Boiler and Machinery, Crime, Excess Liability and Umbrella Liability Insurance Policies through the North Carolina League of Municipalities' Risk

Management Services.” (Resolution so titled attached hereto and made a part of these minutes. Motion made by Penny Rich, seconded by Laura Sandvik, and carried by unanimous vote.)

6. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the “Resolution Ratifying the Contract to Purchase the Ray Family Trust Property.” (Resolution so titled attached hereto and made a part of these minutes. Motion made by Penny Rich, seconded by Laura Sandvik, and carried by unanimous vote.)

7. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the “Resolution Adopting the Annual Budget for Orange Water and Sewer Authority for the fiscal year beginning July 1, 2006 through June 30, 2007.” (Resolution so titled attached hereto and made a part of these minutes. Motion made by Laura Sandvik, seconded by Penny Rich, and carried by unanimous vote.)

8. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the “Resolution Adopting the Schedule of Rates, Fees, and Charges Applicable to All Customers On and After October 1, 2006.” (Resolution so titled attached hereto and made a part of these minutes. Motion made by Milton Heath, seconded by Mark Marcoplos, and carried by unanimous vote.)

9. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the “Resolution Approving Capital Improvements Program for Fiscal Year 2007-2021 including a Five-Year Capital Improvements Budget for Fiscal Year 2007-2011.” (Resolution so titled attached hereto and made a part of these minutes. Motion made by Milton Heath, seconded by Penny Rich, and carried by unanimous vote.)

10. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the “Order and Resolution Adopting Capital Project Resolution for Water Supply Improvements.” (Resolution so titled attached hereto and made a part of these minutes. Motion made by Penny Rich, seconded by Laura Sandvik, and carried by unanimous vote.)

11. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the “Order and Resolution Adopting a Capital Project Resolution for Water Treatment and Distribution Improvements.” (Resolution so titled attached hereto and made a part of these minutes. Motion made by Laura Sandvik, seconded by Milton Heath, and carried by unanimous vote.)

12. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the “Order and Resolution Adopting a Capital Project Resolution for Wastewater Collection and Treatment Improvements.” (Resolution so titled attached hereto and made a part of these minutes. Motion made by Penny Rich, seconded by Gordon Merklein, and carried by unanimous vote.)

13. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the “Order and Resolution Adopting a Capital Project Resolution for Support Services Facilities Improvements.” (Resolution so titled attached hereto and made a part of these minutes. Motion made by Laura Sandvik, seconded by Milton Heath, and carried by unanimous vote.)

14. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the “Resolution of Orange Water and Sewer Authority Schedule of Employee Classification and Authorized Compensation Effective October 1, 2006.” (Resolution so titled attached hereto and made a part of these minutes. Motion made by Penny Rich, seconded by Laura Sandvik, and carried by unanimous vote.)

15. Marge Anders Limbert made a motion to increase the Executive Director’s salary by 4.3 percent in the categories as directed by the Executive Director effective July 1, 2006. The motion was seconded by Laura Sandvik, and carried by unanimous vote.

16. Penny Rich made a motion that the Board go into a Closed Session for the purpose of discussing a personnel matter. The motion was seconded by Laura Sandvik, and carried by unanimous vote.

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ITEM ONE: ANNOUNCEMENTS

CONFLICT OF INTEREST

Mac Clarke said 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. There were none.

ADDED AGENDA ITEM

Mac Clarke said an item has been added to the agenda regarding the Orange County Board of County Commissioners’ request that OWASA consider sharing the cost of a possible water resources position in the County.

IMTIAZ AHMAD

On behalf of the Board of Directors and staff, Mac Clarke expressed appreciation and gratitude to Imtiaz Ahmad, P.E., Director of Engineering and Planning, who is leaving OWASA to return to Pakistan.

COMMITTEE MEETINGS

Milton Heath said the Board will hold a Budget Work Session on the Rate Study on Thursday, June 15, 2006 at 7:00 P.M. in the OWASA Community Room.

MARK MARCOPILOS

Mark Marcoplos expressed his gratitude and appreciation to the Board and staff for a wonderful experience serving as member of the OWASA Board of Directors for the last six and one-half years.

ITEM TWO: PETITIONS AND REQUESTS FROM THE PUBLIC, BOARD AND STAFF

Mac Clarke asked for petitions and requests from the public, from the Board, and from staff. There were none.

ITEM THREE: QUARTERLY REPORT ON ATTENDANCE AT BOARD OF DIRECTORS' MEETINGS

The Board received the quarterly report on Attendance at Board of Directors' meetings as an information item.

ITEM FOUR: MINUTES

Penny Rich made a motion to adopt the minutes of the May 25, 2006, Public Hearings and Meeting of the Board of Directors. The motion was seconded by Laura Sandvik, and carried by unanimous vote. Please see Motion No. 1 above.

Penny Rich made a motion to adopt the minutes of the May 25, 2006, Closed Session of the Board of Directors for the purpose of discussing property acquisition. The motion was seconded by Laura Sandvik, and carried by unanimous vote. Please see Motion No. 2 above.

Penny Rich made a motion to adopt the minutes of the April 27, 2006, Closed Session of the Board of Directors for the purpose of discussing a personnel matter. The motion was seconded by Laura Sandvik, and carried by unanimous vote. Please see Motion No. 3 above.

ITEM FIVE: RESOLUTION TO AMEND CURRENT YEAR (FISCAL YEAR 2005-06) SCHEDULE OF RATES, FEES, AND CHARGES

Penny Rich made a motion to adopt the resolution; the motion was seconded by Laura Sandvik and carried by a unanimous vote. See Motion No. 4 above.

ITEM SIX: RESOLUTION AUTHORIZING RENEWAL OF PROPERTY, LIABILITY, WORKERS' COMPENSATION, INLAND MARINE, AUTOMOBILE, BOILER AND MACHINERY, CRIME, EXCESS LIABILITY AND UMBRELLA LIABILITY INSURANCE POLICIES THROUGH THE LEAGUE OF MUNICIPALITIES RISK MANAGEMENT SERVICES

Penny Rich made a motion to adopt the resolution; the motion was seconded by Laura Sandvik and carried by a unanimous vote. See Motion No. 5 above.

ITEM SEVEN: RATIFICATION OF CONTRACT TO PURCHASE RAY FAMILY TRUST PROPERTY

The Board agreed to establish an Ad Hoc Property Committee consisting of Penny Rich as the Chair, Marge Anders Limbert and Gordon Merklein. The Committee will meet soon and develop plan of action to discuss issues related to the Ray Family Trust Property.

Penny Rich made a motion to adopt the resolution approving the purchase agreement for the Ray Family Trust property; the motion was seconded by Laura Sandvik and carried by a unanimous vote. See Motion No. 6 above.

ITEM EIGHT: REQUEST FOR INPUT TO REVISIONS OF CHAPEL HILL'S
COMPREHENSIVE PLAN

The Board received a briefing from David Bonk, Long-Range and Transportation Planning Coordinator for the Town of Chapel Hill, on the process for revising the Chapel Hill Comprehensive Plan. Mr. Bonk asked the OWASA Board to provide comments to the Chapel Hill Planning Board by the end of June 2006 and suggested that these comments be general in nature at this early stage.

The Board unanimously agreed that staff will send a letter to the Town based on staff's June 1, 2006 memorandum regarding OWASA's input to revisions of Chapel Hill's Comprehensive Plan.

ITEM NINE: LAND APPLICATION OF BIOSOLIDS IN THE CANE CREEK AND
UNIVERSITY LAKE WATERSHEDS

The Board received a report regarding the recycling of biosolids in the University Lake and Cane Creek Reservoirs.

Gordon Neville expressed his interest to the Board in receiving OWASA's biosolids on his farm.

The Board supported and authorized staff to inform the Towns and County based on the information from staff's June 1, 2006 memorandum on Land Application of Biosolids in the Cane Creek and University Lake watersheds as well as other background information. The Board also agreed to receive public comments on this issue at the July 13, 2006 Board meeting.

ITEM TEN: RESOLUTION ADOPTING THE ANNUAL BUDGET FOR ORANGE WATER
AND SEWER AUTHORITY FOR FISCAL YEAR BEGINNING JULY 1, 2006
THROUGH JUNE 30, 2007

Laura Sandvik made a motion to adopt the resolution; the motion was seconded by Penny Rich, and carried by a unanimous vote. See Motion No. 7 above.

ITEM ELEVEN: RESOLUTION ADOPTING SCHEDULE OF RATES, FEES, AND
CHARGES APPLICABLE TO ALL CUSTOMERS ON AND AFTER
OCTOBER 1, 2005

Milton Heath made a motion to adopt the resolution; the motion was seconded by Mark Marcoplos, and carried by a unanimous vote. See Motion No. 8 above.

ITEM TWELVE: RESOLUTION APPROVING CAPITAL IMPROVEMENT PROGRAM FOR FISCAL YEARS 2007-2021 INCLUDING FIVE-YEAR CAPITAL IMPROVEMENTS BUDGET FOR FISCAL YEARS 2007-2011

Milton Heath made a motion to adopt the resolution; the motion was seconded by Penny Rich, and carried by a unanimous vote. See Motion No. 9 above.

ITEM THIRTEEN: ORDERS AND RESOLUTIONS ADOPTING CAPITAL PROJECT RESOLUTIONS

Penny Rich made a motion to adopt the Order and Resolution Adopting Capital Project Resolution for Water Supply Improvements. The motion was seconded by Laura Sandvik and carried by a unanimous vote. See Motion No. 10 above.

Laura Sandvik made a motion to adopt the Order and Resolution Adopting Capital Project Resolution for Water Treatment and Distribution Improvements. The motion was seconded by Milton Heath and carried by a unanimous vote. See Motion No. 11 above.

Penny Rich made a motion to adopt the Order and Resolution Adopting Capital Project Resolution for Wastewater Collection and Treatment Improvements. The motion was seconded by Gordon Merklein and carried by a unanimous vote. See Motion No. 12 above.

Laura Sandvik made a motion to adopt the Order and Resolution Adopting Capital Project Resolution for Support Services Facilities Improvements. The motion was seconded by Milton Heath and carried by a unanimous vote. See Motion No. 13 above.

ITEM FOURTEEN: RESOLUTION OF ORANGE WATER AND SEWER AUTHORITY ADOPTING A SCHEDULE OF EMPLOYEE CLASSIFICATION AND AUTHORIZED COMPENSATION EFFECTIVE OCTOBER 1, 2006

Penny Rich made a motion to approve the resolution; the motion was seconded by Laura Sandvik, and carried by a unanimous vote. See Motion No. 14 above.

ITEM FIFTEEN: EXECUTIVE DIRECTOR COMPENSATION

Marge Anders Limbert made a motion to increase the Executive Director's salary by 4.3 percent in the categories as directed by the Executive Director effective July 1, 2006. The motion was seconded by Laura Sandvik, and carried by unanimous vote. See Motion No. 15 above.

ITEM SIXTEEN: ORANGE COUNTY BOARD OF COMMISSIONERS' REQUEST

Mac Clarke said the Orange County Board of County Commissioners has asked whether OWASA would be interested in participating with the County to establish and help fund a new County position that would be linked closely with water resources and water quality.

The Board agreed that staff and Mr. Clarke would compose a letter to the County suggesting further discussion and indicating that OWASA could not provide financial support unless the new position provides benefits or services consistent with OWASA's mission as the water and sewer provider for the Carrboro-Chapel Hill service area.

ITEM EIGHTEEN: CLOSED SESSION

Penny Rich made a motion that the Board go into a Closed Session for the purpose of discussing a personnel matter. The motion was seconded by Laura Sandvik, and carried by unanimous vote. Please see Motion No. 16 above.

There being no further business to come before the Board, the meeting was adjourned at 8:15 P.M.

**RESOLUTION AMENDING SCHEDULE OF RATES, FEES, AND CHARGES
ADOPTED ON JUNE 9, 2005**

WHEREAS, on June 9, 2005, Orange Water and Sewer Authority's Board of Directors adopted a *Schedule of Rates, Fees, and Charges* as permitted under North Carolina General Statute 162A-9 and Section 7.04 of OWASA's Amended and Restated Bond Order (Bond Order); and

WHEREAS, General Statute 162A-6(9) and Section 7.04 of OWASA's Bond Order provide for the revision of such Rates, Fees, and Charges; and

WHEREAS, the original attachment to the adopting resolution contained a typographical error for service availability fees for a three-inch nonresidential sewer connection; and

WHEREAS, the correct rate of \$54,560.00 was published on May 15, 2005, in the public notice of the Public Hearing to receive comments on the proposed adjustments to rates, fees and charges;

NOW, THEREFORE, BE IT RESOLVED:

1. That the *Schedule of Rates, Fees, and Charges* adopted on June 9, 2005, be, and hereby is, amended by the Board of Directors to reflect the correct and advertised rate of \$54,560.00.
2. That the amended rate shall become effective for all service billings rendered on and after October 1, 2005.

Adopted this 8th day of June, 2006.

RESOLUTION AUTHORIZING RENEWAL OF PROPERTY, LIABILITY, WORKERS' COMPENSATION, INLAND MARINE, AUTOMOBILE, BOILER AND MACHINERY, CRIME, EXCESS LIABILITY AND UMBRELLA LIABILITY INSURANCE POLICIES THROUGH THE NORTH CAROLINA LEAGUE OF MUNICIPALITIES RISK MANAGEMENT SERVICES

WHEREAS, Property, Liability, Inland Marine, Automobile, Boiler and Machinery, Crime, Workers' Compensation, Excess Liability and Umbrella Liability insurance policies in effect for Orange Water and Sewer Authority will expire on June 30, 2006; and

WHEREAS, Section 707 of the Bond Order and prudent business practice dictate that Orange Water and Sewer Authority will maintain a practical insurance program which will afford adequate protection against damage to, or destruction of, the water and sewer system; and

WHEREAS, Section 707 of the Bond Order and prudent business practice dictate that Orange Water and Sewer Authority will maintain such comprehensive public liability insurance for bodily injury and property damage resulting from the operation of the water and sewer system as OWASA deems to be adequate;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Board of Directors of Orange Water and Sewer Authority awards the renewal of Property, Liability, Workers' Compensation, Inland Marine, Automobile, Boiler and Machinery, Crime and Umbrella Liability Insurance coverage to The North Carolina League of Municipalities Risk Management Services, in an amount not to exceed \$439,000 for the period from July 1, 2006 through June 30, 2007, subject to normal audit adjustments.

2. That the Executive Director be, and he hereby is, authorized and directed to renew the above stated insurance policies.

Adopted this 8th day of June, 2006.

RESOLUTION RATIFYING THE CONTRACT TO PURCHASE
THE RAY FAMILY TRUST PROPERTY

WHEREAS, the Executive Director, legal counsel and staff of OWASA have negotiated the attached contract in accordance with and at the direction of the Board of Directors; and

WHEREAS, the Board of Directors finds that acquisition of the Ray Family Trust property located at the intersection of Jones Ferry Road and Old Greensboro Highway, adjacent to tributaries flowing immediately into University Lake, will provide unique water quality protection benefits for OWASA's public drinking water reservoir system, as well as other community benefits;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors:

1. That the attached contract, executed in its name by its Executive Director, is hereby approved and ratified.

This the 8th day of June, 2006.

**RESOLUTION ADOPTING THE ANNUAL BUDGET FOR
ORANGE WATER AND SEWER AUTHORITY FOR THE FISCAL YEAR
JULY 1, 2006 THROUGH JUNE 30, 2007**

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

WHEREAS, such budget is to include estimates of revenues of the water and sewer system, current Operations and Maintenance expenses, estimated Interest Income and Debt Service costs, and disbursements from the General Fund for Capital Improvements and Equipment purchases;

NOW, THEREFORE, BE IT RESOLVED:

1. That pursuant to the provisions of North Carolina G.S. 159-13 the attached pages marked 1 through 6 be, and they hereby are, adopted as the official Budget of Orange Water and Sewer Authority of the Fiscal Year beginning July 1, 2006 through June 30, 2007.
2. That the appropriations for departments, functions, and projects as shown in the attached budget for the respective purposes and in the respective amounts therein specified are hereby made.
3. That the Executive Director shall administer the budget, and is hereby authorized to expend the funds for the purposes set forth therein.

Adopted this 8th day of June, 2006.

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

**FY 2007
Annual Budget**

Operating Revenue

Water	\$15,423,000
Sewer	10,785,000
Service Initiation Fee	145,000
Other	<u>688,900</u>

Total Operating Revenue **27,041,900**

Operating Expense

General and Administrative	4,485,881
Operations	<u>12,828,501</u>

Total Operating Expense **17,314,382**

Net Operating Income **9,727,518**

Non-operating Revenue

Customer Fees	2,538,506
Interest	<u>1,000,000</u>

Total Net Income **13,266,024**

Debt Service

Existing	8,058,000
New	<u>1,419,000</u>

Total Debt Service **9,477,000**

Net Income Less Debt Service **\$3,789,024**

Debt Coverage Ratio **1.40**

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

**FY 2007
Annual Budget**

General Fund

Resources

Transfer From Revenue	\$3,789,024
Assessments	27,000
Grants and Contributions	<u>1,926,000</u>

Annual Income Available for Capital **5,742,024**

Transfer from Construction Fund (Bond Proceeds) **19,015,500**

Total Available for Capital **24,757,524**

Capital Expenditures

Project ordinances	
General Fund Contribution	8,798,500
Funded by Bond Proceeds	<u>19,015,500</u>

Total Project Resolutions **27,814,000**

Capital Equipment **126,000**

Total Capital Outlay **27,940,000**

Annual General Fund Balance **(3,182,476)**

General Fund Beginning Balance **8,679,000**

General Fund Ending Balance **\$5,496,524**

Project Funding

Under Contract	0	
Future Years	577,485	
Operating Balance	<u>4,919,040</u>	<u>\$5,496,524</u>

Unallocated General Fund Balance **\$0**

REVENUE FUND

	Water	Sewer	Total
Fund Balance July 1, 2006			\$20,000
Receipts			
Operating Revenue			
Customer Billings	15,423,000	10,785,000	26,208,000
Service Initiation Fee	72,500	72,500	145,000
Other	<u>344,450</u>	<u>344,450</u>	<u>688,900</u>
Total Operating Revenue	15,839,950	11,201,950	27,041,900
Non-operating Revenue			
Customer Fees	1,269,253	1,269,253	2,538,506
Interest Income	<u>500,000</u>	<u>500,000</u>	<u>1,000,000</u>
Total Non-operating Revenue	1,769,253	1,769,253	3,538,506
Total Receipts	16,339,950	11,701,950	30,580,406
Expenditures			
Current Expense	8,657,191	8,657,191	17,314,382
Debt Service	<u>2,843,100</u>	<u>6,633,900</u>	<u>9,477,000</u>
Total Expenditures	11,500,291	15,291,091	26,791,382
Net Revenue			3,789,024
To General Fund			3,789,024
Fund Balance June 30, 2007			<u>\$20,000</u>
Change in Available Balance			\$0

In accordance with OWASA's Amended and Restated Bond Order, Series 2001, all revenues derived from the operation of the water and sewer system, with the exception of grants and assessment proceeds which are earmarked for other purposes, are deposited into the Revenue Fund. These revenues are first applied to the payment of current expenses and then to the repayment of outstanding debt. Any excess amounts above the cost of current operations and debt service are available for capital improvements and may be transferred, by certification to the Trustee, to the General Fund. The Revenue Fund is administered by OWASA.

BOND SERVICE FUND

Fund Balance July 1, 2006		\$6,199,190
Receipts		
Transfers from Revenue fund	9,454,500	
Interest	<u>22,500</u>	
Total Receipts		9,477,000
Expenditures		
Debt Service	8,888,926	
Total Expenditures		<u>8,888,926</u>
Fund Balance June 30, 2007		<u>\$6,787,264</u>
Change in Available Balance		\$588,074

The Bond Service Fund is established by the Amended and Restated Bond Order, Series 2001 and serves as the mechanism for repaying the current portion of long-term debt. The Bond Order requires that the total of any principal and interest payments on long-term debt be transferred to the Bond Service Fund no later than 45 working days prior to the due date of such payments. This Fund is comprised of restricted assets and is administered by the Bond Trustee, and is expected to increase by \$588,000 due to additional debt to be issued in FY 2006-07.

GENERAL FUND

Fund Balance July 1, 2006		\$8,679,000
Receipts		
Transfer From Revenue fund	3,789,024	
Transfer From Construction Fund (Bond Proceeds)	19,015,500	
Interest	600,000	
Assessments	27,000	
Grants and contributions	<u>1,926,000</u>	
Total Receipts		<u>25,357,524</u>
Total Balance Before Expenditures		34,036,524
Expenditures		
Capital Equipment/Leases	\$126,000	
Project Resolutions	27,814,000	
Transfer to Revenue Fund	600,000	
Total Expenditures		<u>28,540,000</u>
Fund Balance June 30, 2007		<u>\$5,496,524</u>
Allocation of Fund Balance June 30, 2006		
Project Funding		
Under Contract	0	
Future Years	577,485	
Operating Balance, Working Capital	<u>4,919,040</u>	
Total Allocation		<u>\$5,496,524</u>
Unallocated General Fund Balance June 30, 2006		<u>\$0</u>
Change in Available Balance		(\$3,182,476)

Establishment of the General Fund is required by statute. Monies in the General Fund may be used for any lawful purpose and, in addition to bond proceeds, are OWASA's primary source to pay for capital improvements. Interest earnings in the General Fund are considered debt-pledged revenue and are to be transferred to the credit of the Revenue Fund. The General Fund is administered by OWASA. The balance of the General fund is projected to decrease by approximately 36%. This is a result of OWASA's capital spending plans and reflects the outflow of funds for capital improvements that were previously appropriated for future use in the preceding year's budget.

**CONSTRUCTION FUND
(CAPITAL PROJECTS)**

Fund Balance July 1, 2006	\$0
Bond Proceeds	20,000,000
Interest	100,000
Project Resolutions	<u>19,015,500</u>
Fund Balance June 30, 2007	<u>\$1,084,500</u>
Change in Available Balance	\$1,084,500

Available bond proceeds are credited to the Construction Fund at the closing of a bond sale. As capital project obligations for which bonds were issued are incurred, these proceeds are transferred as reimbursements to the General Fund. The ending balance reflects the the withdrawal of proceeds to fund the capital projects for which they were earmarked.

RESOLUTION ADOPTING SCHEDULE OF RATES, FEES, AND CHARGES APPLICABLE TO ALL CUSTOMERS ON AND AFTER OCTOBER 1, 2006

WHEREAS, Orange Water and Sewer Authority has an adopted Schedule of Rates, Fees, and Charges as permitted under North Carolina General Statute 162A-9 and Section 7.04 of OWASA's Amended and Restated Bond Order (Bond Order); and

WHEREAS, General Statute 162A-6(9) and Section 7.04 of OWASA's Bond Order provide for the revision of such Rates, Fees, and Charges; and

WHEREAS, during the preparation of the Fiscal Year 2006-2007 budget, the need for rate adjustments to OWASA's Schedule of Rates, Fees, and Charges was confirmed to finance and provide sufficient revenues for the ongoing operations and the Capital Improvements Program; and

WHEREAS, notice of a Public Hearing to receive comments on the proposed adjustments to Rates, Fees and Charges was published in *The Chapel Hill News* on Sunday, May 14, 2006, and *The Chapel Hill Herald* on Thursday, May 18, 2006; and

WHEREAS, A Public Hearing was held on May 25, 2005 for the purpose of receiving public comment on the proposed adjustment to the Schedule of Rates, Fees, and Charges.

NOW, THEREFORE, BE IT RESOLVED:

1. That the attached *Schedule of Rates, Fees, and Charges* be, and hereby is, adopted by the Board of Directors as the revised rate policy of Orange Water and Sewer Authority.
2. That the revised rates shall become effective for all service billings rendered on and after October 1, 2006.
3. That the Executive Director is authorized to make discretionary judgments regarding charges when it is determined to be in the interest of OWASA in resolving a customer's appeal.
4. That the Executive Director is hereby directed to give proper notice to The University of North Carolina at Chapel Hill as required by the Sale and Purchase Agreements and to take the necessary steps to implement the revised *Schedule of Rates, Fees, and Charges*.

Adopted this 8th day of June, 2006.

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

APPLICABLE TO ALL CUSTOMER BILLINGS ON AND AFTER OCTOBER 1, 2006
UNLESS OTHERWISE NOTED

SECTION I: SCHEDULE OF WATER RATES AND FEES.....Pg. 2 to Pg. 6

SECTION II: SCHEDULE OF SEWER RATES AND FEESPg. 7 to Pg. 10

SECTION III: SCHEDULE OF MISCELLANEOUS CHARGESPg. 11 to Pg. 17

Background and Authorization

In providing essential public water and sewer services to the Chapel Hill, Carrboro and portions of southern Orange County, Orange Water and Sewer Authority (OWASA) incurs substantial operating and capital expenses. OWASA is a not-for-profit public utility and has no legislative authority to levy taxes, nor does OWASA receive tax revenues from local governments for ongoing operations. OWASA finances its water and sewer 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 a cost-of-service rate-making methodology. Each customer pays for the costs incurred by OWASA to provide the services and/or facility capacity required to meet customer demand.

The OWASA Board of Directors has determined that revisions presented in the attached Schedule of Rates Fees, and Charges are necessary to adequately fund OWASA's ongoing operations and long-range Capital Improvements Program. Additional revenues generated by these rate adjustments will provide OWASA with the financial resources necessary to: (1) fund operating costs; (2) adequately maintain existing water and sewer facilities; (3) fully comply with increasingly stringent environmental and public health standards; (4) meet debt service requirements; and (5) to create additional facility capacity to stay abreast of water and sewer service demand in a growing, dynamic community.

The attached Schedule of Rates, Fees, and Charges will replace the schedule adopted on June 9, 2005, which became effective on October 1, 2005.

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 21 days after the original billing date. Monthly water rates consist of two components: a monthly service charge and a commodity (volume) charge.

Water Service Charge

This charge is calculated to recover 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:

<u>Meter Size</u>	<u>Monthly Service Charge</u>	
	Existing	Proposed
5/8"	\$9.84	\$10.43
1"	\$19.76	\$20.95
1-1/2"	\$42.74	\$45.30
2"	\$64.50	\$68.37
3"	\$132.63	\$140.59
4"	\$216.52	\$229.51
6"	\$471.50	\$499.79
8"	\$670.50	\$710.73

Water Irrigation Service Charge

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

<u>Meter Size</u>	<u>Monthly Service Charge</u>	
	Existing	Proposed
5/8"	\$15.75	\$16.70
1"	\$31.48	\$33.37
1-1/2"	\$58.28	\$61.78
2"	\$89.63	\$95.01
3"	\$177.42	\$188.07
4"	\$272.35	\$288.69
6"	\$535.75	\$567.90
8"	\$852.00	\$903.12

Compound meter arrangements are billed 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. Sub-meters are no longer available and no additional sub-meters will be installed.

Meter changes from one size to another are billed at the rate applicable for the size of the new meter.

Meter readings for first and final bills are billed at a prorated amount based on days of service.

Water Commodity Charge

This charge is calculated to recover the direct and indirect costs of water supply and treatment, water distribution, general administration and water capital not recovered by the monthly service charge. This charge is applicable to all water accounts based on meter readings of water consumed.

When no meter reading is available due to an inoperative, damaged or inaccessible meter, consumption is estimated based on prior usage at the location and current use of the facilities at that time.

To achieve demand reduction during peak water use periods, the OWASA Board of Directors adopted a seasonal conservation rate structure. A reduced 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).

	Existing	Proposed
Off-peak rate per 1,000 gallons (October through April)	\$2.74	\$2.90
Peak seasonal rate per 1,000 gallons (May through September)	\$5.20	\$5.51

Conservation Water Commodity Charges Under Mandatory Water Use Restrictions

The peak seasonal conservation rate structure will be extended or invoked during periods of mandatory water use restrictions regardless of the time of year. During the various mandatory conservation stages, an inverted block pricing structure will be imposed in conjunction with the seasonal rate for residential and irrigation-only customers. The inverted block structure for single-family and multifamily individually metered residential and irrigation only customers is summarized in the following table. **(No adjustment is proposed).**

Increases to Residential Water Rates in Addition to Seasonal Rates When Mandatory Restrictions Are In Place				
Conservation Stage	Block I 0 – 5,000 (gal/month)	Block II 6,000 – 10,000 (gal/month)	Block III >10,000 (gal/month)	Cutoff Block Service Terminated
Stage 1	0%	+ 50% of seasonal rates	+100 % of seasonal rates	>1,000 gallons per day
Stage 2	0%	+ 100% of seasonal rates	+200 % of seasonal rates	>800 gallons per day
Stage 3 and Emergency	0%	+200% of seasonal rates	+400 % of seasonal rates	>600 gallons per day

INTERLOCAL WATER TRANSFER CHARGES

The purpose of this charge is to recover costs associated with the provision of supplemental water supply under contractual agreement with other water purveyors. The specific rates to be charged will be negotiated with the other party based upon specific conditions, but using the cost-of-service rate-making approach and approved by the Executive Director. The commodity charge for such interlocal water transfers shall not be less than seventy-five percent (75%) of the equivalent uniform water commodity charge applicable to all water accounts within OWASA’s service area unless OWASA and the other purveyor(s) have entered into an agreement establishing water transfer charges. This charge will not be subject to seasonal adjustments.

Equivalent Uniform Water Commodity Charge

Not less than seventy-five percent (75%) (unless OWASA and the other purveyor(s) have entered into an agreement establishing water transfer charges) of:

Existing	Proposed
\$3.93 per 1,000 gallons	\$4.17 per 1,000 gallons

TEMPORARY HYDRANT METER CHARGE

Service from a fire hydrant for construction purposes is subject to priority use of such hydrant for fire protection. Temporary hydrant meters may be used by a customer at a single location for a period not to exceed 60 days. Subject to availability of inventoried hydrant meters, a \$200.00 (**No adjustment is proposed**) service charge, payable in advance, is collected for setting and removing the meter. In addition, a security deposit is required in accordance with the following schedule:

Security Deposit

\$1,000.00 (**No adjustment is proposed**).

Monthly billings for temporary hydrant meters consist of two charges: (1) a service charge for that size meter, and (2) a commodity charge based on monthly readings of the meter. When the hydrant meter is returned undamaged, the security deposit is to be applied to the final bill and any credit balance will be refunded within thirty (30) days.

WATER AVAILABILITY FEE

Water availability fees are calculated to recover a portion of the capital costs of providing water system facility capacity. The availability 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 availability fees, customer accounts are divided into three categories: (1) Single-family Residential, (2) Multifamily Residential, Individually Metered; and (3) Nonresidential. The Nonresidential category includes master-metered multifamily apartment complexes and all commercial, University, and institutional accounts. The use of these categories is justified by distinctive patterns of water and sewer consumption.

WATER AVAILABILITY FEE (CONTINUED):

	Existing	Proposed
5/8" Meter, Single-family Residential:		
<1300 square feet	\$906.00	\$960.00
1300-1700 square feet	\$1,107.00	\$1,173.00
1701-2400 square feet	\$1,400.00	\$1,484.00
2401-3100 square feet	\$2,395.00	\$2,539.00
3101-3800 square feet	\$3,255.00	\$3,450.00
>3800 square feet	\$5,466.00	\$5,794.00
5/8" Meter, Residential, Irrigation-Only	\$2,653.00	\$2,812.00
5/8" Meter, Multifamily Residential	\$976.00	\$1,034.00
5/8" Meter, Nonresidential	\$2,653.00*	\$2,812.00*
1" Meter, Nonresidential	\$6,632.00*	\$7,030.00*
1-1/2" Meter, Nonresidential	\$13,265.00*	\$14,060.00*
2" Meter, Nonresidential	\$21,224.00*	\$22,496.00*
3" Meter, Nonresidential	\$42,448.00*	\$44,992.00*
4" Meter, Nonresidential	\$66,325.00*	\$70,300.00*
6" Meter, Nonresidential	\$132,650.00*	\$140,600.00*
8" Meter, Nonresidential	\$212,240.00*	\$224,960.00*

* Same fee for Nonresidential, Irrigation-Only accounts

WATER SERVICE AND METER INSTALLATION CHARGE

The purpose of this charge is to recover costs of extending service from the 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 within the premises, subject to satisfactory easement or license being provided by the applicant. Where a suitable stub-out for service has been made and is available, the "meter-only" charge will apply. Complete water service installation and meter-only charges are as follows:

	Existing	Proposed
Complete Water Service Installation, 5/8-inch meter	\$2,200.00	\$2,250.00
Complete Water Service Installation, 1-inch meter	\$2,360.00	\$2,400.00
Meter Only Installation, 5/8 inch-meter	\$180.00	\$180.00
Meter Only Installation, 1 inch-meter	\$220.00	\$220.00
Meter Only Installation, 1-1/2-inch meter	\$460.00	\$460.00
Meter Only Installation, 2 inch-meter	\$1,320.00	\$1,800.00

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 is responsible for providing a meter box or vault constructed to the configuration and standards of OWASA. All meters, regardless of size, are to be purchased from OWASA. A \$60.00 (**Proposed \$70.00**) delivery fee for 3-inch and larger meters will be applied.

WATER MAIN TAPPING FEE

The purpose of this charge is for making a tap into an OWASA water main. 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 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 is for time and equipment plus an allowance for overhead, but not less than \$250.00. **Proposed \$260.00.**

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 re-inspection fee of \$55.00 (**Proposed \$75.00**) 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.

HYDRAULIC FIRE FLOW TESTING

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

\$200.00 per test **(No adjustment is proposed).**

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 21 days after the original billing date. Monthly sewer rates consist of two components: a monthly service charge and a 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. Applicable to all sewer accounts, regardless of whether or not there is a commodity charge, the monthly service charge is based on water meter size as follows:

<u>Meter Size</u>	<u>Monthly Service Charge</u>	
	Existing	Proposed
5/8"	\$6.81	\$7.24
1"	\$11.73	\$12.46
1-1/2"	\$20.20	\$21.46
2"	\$30.55	\$32.46
3"	\$57.75	\$61.36
4"	\$88.28	\$93.80
6"	\$161.85	\$171.97
8"	\$276.20	\$293.46

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. 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.

Existing	Proposed
\$3.44 per thousand gallons	\$3.66 per thousand gallons

INTERLOCAL WASTEWATER COLLECTION, TREATMENT AND DISPOSAL CHARGES

The purpose of this charge is to recover costs associated with the provision of wastewater collection, treatment and disposal services under contractual agreement with other wastewater service providers. The specific rates to be charged will be negotiated with the other party based upon specific conditions, but using the cost-of-service rate-making approach and approved by the Executive Director. The uniform commodity charge for such interlocal wastewater services

shall not be less than seventy-five percent (75%) of the sewer commodity charge applicable to all sewer accounts within OWASA’s service area unless OWASA and the other purveyor(s) have entered into an agreement establishing water transfer charges.

Not less than seventy-five percent (75%) (unless OWASA and the other purveyor(s) have entered into an agreement establishing water transfer charges) of:

Existing	Proposed
\$3.83 per 1,000 gallons	\$4.07 per 1,000 gallons

MONTHLY RATES FOR SEWER ONLY ACCOUNTS

For existing sewer only accounts where there is no water meter, OWASA shall use the following as the basis for calculating the fixed monthly charges: (1) the monthly service charge shall be determined by the water meter size which would be required to supply water service to the property; (2) the billable quantity will be estimated using national engineering standards as the basis, but in no case shall the billable quantity be less than 6,000 gallons per month and at a rate of \$3.83 per 1,000 gallons (**Proposed \$4.07**).

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.

SEWER AVAILABILITY FEE

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

5/8" Meter, Single-family Residential:

	Existing	Proposed
<1300 square feet	\$1,586.00	\$1,685.00
1301-1700 square feet	\$1,915.00	\$2,034.00
1701-2400 square feet	\$1,950.00	\$2,071.00
2401-3100 square feet	\$2,389.00	\$2,538.00
3101-3800 square feet	\$2,582.00	\$2,743.00
>3800 square feet	\$2,931.00	\$3,114.00
5/8" Meter, Multifamily Residential	\$1,718.00	\$1,825.00

SEWER AVAILABILITY FEE (CONTINUED):

	Existing	Proposed
5/8" Meter, Nonresidential	\$3,410.00	\$3,623.00
1" Meter, Nonresidential	\$8,525.00	\$9,057.00
1-1/2" Meter, Nonresidential	\$17,050.00	\$18,115.00
2" Meter, Nonresidential	\$27,280.00	\$28,984.00
3" Meter, Nonresidential	\$54,560.00	\$57,968.00
4" Meter, Nonresidential	\$85,250.00	\$90,575.00
6" Meter, Nonresidential	\$170,500.00	\$181,150.00
8" Meter, Nonresidential	\$272,800.00	\$289,840.00

(Proposed) In addition to the sewer availability fee, an excess sewer capacity fee of four percent (4%) of the applicable sewer service availability fee will be charged to recover the costs of excess sewer capacity installed in an area covered by an agreement for credit payments to the constructing developer. This fee applies to residential and nonresidential customers.

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 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 sewer line. All 6" lines and larger must be tapped into a manhole. All permits, bonds and pavement repairs are the responsibility of the applicant.

The charge will be for time and equipment plus an allowance for overhead, but not less than \$285.00 (**Proposed \$300.00**).

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 re-inspection fee of \$55.00 (**Proposed \$75.00**) 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.

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:

HIGH STRENGTH WASTE SURCHARGE (CONTINUED)

Normal Strength Domestic Wastewater

Biochemical Oxygen Demand (BOD)	-	205 mg/l
Suspended Solids (SS)	-	235 mg/l
Ammonia Nitrogen (NH3-N)	-	30 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:

Biochemical Oxygen Demand (BOD) \$0.22 (**Proposed \$0.23**) per pound for all BOD in excess of 205 mg/l

Suspended Solids (SS) \$0.15 (**Proposed \$0.16**) per pound for all SS in excess of 235 mg/l

Ammonia Nitrogen (NH3-N) \$2.28 (**Proposed \$2.42**) per pound for all NH3-N in excess of 30 mg/l

Phosphorus (P) \$6.40 (**Proposed \$6.80**) per pound for all P excess of 6.5 mg/l

SECTION III: MISCELLANEOUS CHARGES

SERVICE INITIATION FEE

The purpose of this charge is to defray the labor and administrative costs associated with the establishment of a water and/or sewer account. This includes establishing service and account records for billing. Applicable to all accounts requiring field work, be it setting a meter, reconnection of service or reading the meter.

\$40.00 per event (**No adjustment is proposed**).

\$70.00 per event, outside of normal business hours of OWASA (**No adjustment is proposed**).

RECORD CHANGE CHARGE

The purpose of this charge is to defray the administrative costs associated with the transfer of responsibility for an account from one customer to another. This does not require field work and is done at the request of the new customer. Record changes are conditional on the customer signing a statement assuming responsibility for the account balance, paying the record change charge, any delinquent amounts and any applicable security deposit.

\$10.00 per record change (**No adjustment is proposed**).

CHARGE FOR RECONNECTION OF DELINQUENT ACCOUNTS

Disconnection of water and/or sewer service for nonpayment may occur at the option of OWASA no sooner than 21 calendar days after the date of initial billing. The purpose of this charge is to offset the costs of special handling of delinquent accounts, which may include, but not limited to, the disconnection and reconnection of service due to nonpayment of the customer's bill. This charge is to be applied 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 balance due plus reconnection charge and applicable security deposit.

\$40.00 per event, during OWASA's normal business hours (**No adjustment is proposed**).

\$70.00 per event, outside OWASA's normal business hours (**No adjustment is proposed**).

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

The purpose of this charge is to recover the cost to temporarily disconnect and subsequently reconnect water service at the request of a customer. Such requests may result from an emergency condition or routine plumbing system maintenance need. The charge may be waived if the customer provides documentation that a master cutoff valve has been installed within thirty (30) days of the date of the temporary service disconnection. However, this charge

will not be waived for any customer who had a master cutoff valve on the premises before the temporary service disconnection. \$40.00 per event (**No adjustment is proposed**).

RETURNED CHECK CHARGE

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

Returned Check:	\$18.00 per event (No adjustment is proposed).
Dishonored Draft:	\$18.00 per event (No adjustment is proposed).

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.

SECURITY DEPOSITS

OWASA may require 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 in the name of (1) owners or tenants of single-family residential properties, detached or attached units, who can provide a satisfactory credit history or reference to OWASA, 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 an average of three months' billing charges or \$50.00, whichever is greater. In (1) above where satisfactory credit history or reference is not provided, the initial security deposit shall be \$25.00. All security deposits must be paid at the time application for service is made and in advance of service initiation. (**No adjustment proposed.**)

Any (**residential**) customer whose service has been disconnected for nonpayment of billing charges twice within a six month period of time will be required to pay a \$25.00 security deposit prior to reconnection of service. 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 of residential customers may be refunded after the customer has established a satisfactory payment history four twelve (12) consecutive months. Otherwise, security deposits will be applied to the final bill when a customer's account is terminated.

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:

Monthly Administrative Charge		\$20.00/trip (No adjustment proposed).
	Plus	
Volume Charge and High Strength Surcharge		\$57.00/thousand gallons (No adjustment proposed).

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
BOD = Biochemical Oxygen Demand
TSS = Total Suspended Solids
P = Phosphorus

Monthly Administrative Charge of \$20.00/trip (**No adjustment proposed**).
Plus

Volume and High Strength Surcharge calculated as follows:

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

A = pounds of NH₃-N/thousand gallons in waste x \$2.28/pound (**Proposed \$2.42**).

B = pounds of BOD/thousand gallons in waste x \$0.22/pound (**Proposed \$0.23**).

C = pounds of TSS/thousand gallons in waste x \$0.15/pound (**Proposed \$0.16**).

D = \$3.83 per 1,000 gallons Sewer Commodity Charge(**Proposed \$4.07**).

E = pounds of P/thousand gallons in waste x \$6.40/pound (**Proposed \$6.80**).

Waste concentrations shall be as determined by OWASA.

BOAT RENTAL AND LAKE USER FEES (CONTINUED)

Seasonal Passes

INDIVIDUAL PASS

Boat or canoe rental \$65.00 per person (**Proposed \$69.00**).
Each additional person in boat pays appropriate lake use fee.

Boat with trolling motor rental \$130.00 per person (**Proposed \$138.00**).
Each additional person in boat pays appropriate lake use fee.

GROUP PASS

Boat or canoe rental \$130.00 (**Proposed \$138.00**).
Maximum of 3 people per pass. Each additional person in boat pays appropriate lake use fee.

Boat with trolling motor rental \$195.00 (**Proposed \$207.00**).
Maximum of 3 people per pass. Each additional person in boat pays appropriate lake use fee.

ALL OTHERS

Day Use

Charge for each boat or canoe rental \$11.00 for one-half day (**Proposed \$11.50**).

Trolling motor rental \$18.00 for one-half day (**Proposed \$19.00**).

Lake User Fee, Under 12 Years Old \$1.25 per person (**No adjustment proposed**).

Lake User Fee, 12-64 Years \$4.25 per person (**Proposed \$4.50**).

Lake User Fee, 65 Years and over \$1.25 per person (**No adjustment proposed**).

Seasonal Pass

Not Available

UNC Boat Club

By Agreement with OWASA and is applicable to all the University of North Carolina at Chapel Hill students, faculty and staff affiliated with boating or crew clubs sanctioned by The University.

FIELD TEST OF 5/8" METER

Upon a customer's written request, OWASA will conduct a special field test of the customer's 5/8" water 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 \$50.00 (**No adjustment proposed**) for the meter test.

SHOP TESTING OF METER

Upon a customer's written request, OWASA will conduct a special shop test of the customer's water meter that is 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 \$80.00 (**No adjustment proposed**) for the in-house meter test.

FIELD TEST OF LARGE METERS

Upon a customer's written request, OWASA will conduct a special field test of the customer's water meter that is 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. This charge shall not be less than \$100.00 (**No adjustment proposed**).

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 and sewer facilities. The charge also recovers the operating cost for providing field observation on the installation of these facilities. The plan review and construction observation fees are applicable to all extensions of the public water and/or sewer system regardless of the party which may be undertaking the improvements. The fees will be applied separately to water main and sewer main extensions, but in no case shall the fee be less than \$100.00 (**No adjustment proposed**).

Plan Review:	\$2.00 per linear foot (Proposed \$1.96).
Construction Observation:	\$1.82 per linear foot (Proposed \$1.79).

CHARGES FOR MISCELLANEOUS SERVICES

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

TRANSFER OF CHARGES

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

OWASA may temporarily withhold service from a customer, or refuse service (including but not limited to individuals, corporations, or partnerships), from whom any unpaid, past due balance which is not in dispute is due OWASA for services or charges.

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 \$1,500.00. For amounts exceeding \$1,500.00, approval of the Board of Directors shall also be required prior to filing an action for collection.

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**RESOLUTION APPROVING CAPITAL IMPROVEMENTS PROGRAM FOR
FISCAL YEARS 2007-2021 INCLUDING FIVE-YEAR CAPITAL
IMPROVEMENTS BUDGET FOR FISCAL YEARS 2007-2011**

WHEREAS, a 15-Year Capital Improvements Program and a Five-Year Capital Improvements Budget enables Orange Water and Sewer Authority to identify, assess, and project the water and sewer systems' capital projects in an orderly, coordinated, and fiscally sound manner, and to plan for the replacement and repair of existing facilities; and

WHEREAS, the Capital Improvements Program for the fiscal Years 2007-2021 and the Capital Improvements Budget for the Fiscal Years 2007-2011 have been developed by the staff, reviewed by the Board of Directors, and revisions incorporated therein; and

WHEREAS, a Public Hearing on the Capital Improvements Program was held on May 25, 2006 for the purpose of receiving public comment;

NOW, THEREFORE, BE IT RESOLVED:

1. The Board of Directors of Orange Water and Sewer Authority approves the adoption of the Capital Improvements Program for Fiscal Years 2007-2021 including Five-Year Capital Improvements Budget for Fiscal Years 2007-2011 as provided in the Capital Improvements Program document dated May 25, 2006.

2. That the Executive Director be, and is hereby, authorized to administer the planning, studies, design, and financing, and make recommendations to the Board of Directors for award of contracts for the projects in the Capital Improvements Budget.

Adopted this 8th day of June 2006.

CAPITAL IMPROVEMENTS PROGRAM 2007-2021

ORANGE WATER AND SEWER AUTHORITY, CARRBORO, NORTH CAROLINA

PROJECT CATEGORY:	FIVE-YEAR CAPITAL BUDGETING PERIOD					5-YEAR BUDGET	6 To 15-YEAR PLANNING PERIOD		15-YEAR TOTAL
	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2007-011	FY 2012-16	FY 2017-21	FY 2007-21
RAW WATER SUPPLY SOURCES	5,012,000	478,000	387,000	27,000	27,000	5,931,000	326,000	2,085,000	8,342,000
RAW WATER TRANSMISSION	0	0	0	0	0	0	0	11,775,000	11,775,000
WATER TREATMENT FACILITIES	272,000	222,000	83,000	98,000	86,000	761,000	1,957,000	259,000	2,977,000
FINISHED WATER PUMPING	931,000	50,000	12,000	185,000	267,000	1,445,000	1,321,000	0	2,766,000
FINISHED WATER STORAGE	30,000	160,000	30,000	1,653,000	1,530,000	3,403,000	0	0	3,403,000
WATER TRANSMISSION AND DISTRIBUTION	2,077,000	2,074,000	3,520,000	2,910,000	3,508,000	14,089,000	17,967,000	22,441,000	54,497,000
WASTEWATER COLLECTION LINES	4,238,000	8,086,000	2,898,000	1,587,000	2,470,000	19,279,000	22,513,000	15,106,000	56,898,000
WASTEWATER PUMP STATIONS AND FORC	941,000	1,563,000	783,000	1,339,000	2,011,000	6,637,000	4,311,000	2,074,000	13,022,000
WASTEWATER TREATMENT AND DISPOSAL	13,823,000	7,124,000	2,111,000	50,000	595,000	23,703,000	35,773,000	5,080,000	64,556,000
CENTRAL OFFICE AND OPERATIONS	0	0	0	0	0	0	0	0	0
INFORMATION SERVICES	490,000	330,000	350,000	370,000	360,000	1,900,000	1,775,000	1,090,000	4,765,000
TOTAL PROJECTED FOR FISCAL YEAR:	\$27,814,000	\$20,087,000	\$10,174,000	\$8,219,000	\$10,854,000	\$77,148,000	\$85,943,000	\$59,910,000	\$223,001,000
PROPOSED 5-YEAR FUNDING SOURCES:	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2007-011			
CASH	9,958,000	14,687,000	10,174,000	8,219,000	10,854,000	53,892,000			
PROPOSED BONDS	15,800,000	5,400,000	0	0	0	21,200,000			
EXISTING BONDS	0	0	0	0	0	0			
GRANTS	2,056,000	0	0	0	0	2,056,000			
TOTAL PROPOSED FUNDING SOURCES:	\$27,814,000	\$20,087,000	\$10,174,000	\$8,219,000	\$10,854,000	\$77,148,000			

SUMMARY TABLE 1

**ORDER AND RESOLUTION ADOPTING A CAPITAL PROJECT RESOLUTION
FOR WATER SUPPLY IMPROVEMENTS**

WHEREAS, present water supplies must be maintained and additional sources of supply developed to meet future water needs; and

WHEREAS, Orange Water and Sewer Authority has determined that certain additional water supply improvements are needed, including Watershed Preservation and facility improvements to the Stone Quarry Pump Station; and

WHEREAS, additional funds must be added to the previous project appropriations to support approved elements of the Water Supply Improvements category; and

WHEREAS, it has been determined that adequate funds are available for the completion of these improvements;

NOW, THEREFORE, BE IT RESOLVED:

1. That pursuant to the provisions of North Carolina G.S.159-13.2, a project fund, for the above-described purposes as set out on the attached statement of revenues and expenditures is hereby established and expenditures therefrom authorized for said Water Supply Improvements.

2. That \$8,301,417 is subtracted from previously approved funds, the unexpended balance of \$1,180,973 is brought forward, and \$4,599,027 of additional funds is included resulting in a current project authorization of \$14,081,417.

3. That supplementary funds will be appropriated in future years for completion of the projects.

4. That this resolution shall take effect upon its passage.

5. That this Order and Resolution shall be entered in the Minutes of the Authority and within five (5) days after its adoption copies thereof are ordered to be filed with the Finance Officer, the Budget Officer, and the Clerk to the Board of Directors as required by G.S. 159-13.2(d).

Adopted this 8th day of June 2006.

CAPITAL PROJECT FUND: WATER SUPPLIES
ORANGE WATER AND SEWER AUTHORITY, FISCAL YEAR 2007 BUDGET

		Total Project Budget (A)	Prior Years Expenditures (B)	Carryover FY 2006 (C)	Additional FY 2007 (D)	Current Year + Ongoing Proj. (E)	Future Years FY 2008-11 (F)
REVENUES							
	General Fund and/or Bond Proceeds	12,365,422	6,715,422	1,050,973	4,599,027	5,650,000	151,000
	Grants	1,715,995	1,585,995	130,000	-	130,000	-
	TOTAL	14,081,417	8,301,417	1,180,973	4,599,027	5,780,000	151,000
EXPENDITURES							
270-04	JORDAN LAKE RAW WATER INTAKE	72,000	12,000	-	60,000	60,000	-
270-07	WATERSHED PRESERVATION	8,842,590	5,762,590	94,072	2,985,928	3,080,000	-
270-08	CANE CREEK RESERVOIR (RECREATION)	33,966	33,966	-	-	-	-
270-09	STONE QUARRY LAND ACQUISITION	565,409	550,409	74,591	(59,591)	15,000	60,000
270-11	UNIVERSITY LAKE PUMP STATION IMPROVEMENT	128,600	21,600	-	107,000	107,000	91,000
270-13	STONE QUARRY PUMP STATION	1,568,590	1,568,590	288,591	(288,591)	-	-
270-16	CANE CREEK PUMP STATION IMPROVEMENT	-	-	-	-	-	-
270-17	STONE QUARRY PUMP STATION 2006 REPAIR	2,756,281	291,281	678,719	1,786,281	2,465,000	-
270-18	RAW WATER SECURITY IMPROVEMENT	113,981	60,981	45,000	8,000	53,000	-
	TOTAL	14,081,417	8,301,417	1,180,973	4,599,027	5,780,000	151,000
(A)	As Adopted June 9, 2005 and modified for 2006 adoption of the Board						
(B)	Estimated Expenditures as of June 30, 2006						

**ORDER AND RESOLUTION ADOPTING A CAPITAL PROJECT RESOLUTION
FOR WATER TREATMENT AND DISTRIBUTION IMPROVEMENTS**

WHEREAS, Orange Water and Sewer Authority must provide an adequate supply of high quality drinking water for its customers; and

WHEREAS, Orange Water and Sewer Authority has determined that certain water treatment and distribution improvements are needed including Water Treatment Plant Upgrade and Expansion, Booster Pump Station at Interstate 40, the Fordham Boulevard and Dobbins Drive Water Main Replacements, and certain additional water transmission and distribution line improvements; and

WHEREAS, it is necessary to appropriate funds to a project fund to meet the needs for the Water Treatment and Distribution Improvements; and

WHEREAS, it has been determined that adequate funds are available for the completion of said improvements;

NOW, THEREFORE, BE IT RESOLVED:

1. That pursuant to the provisions of North Carolina G.S.159-13.2, a project fund, for the above-described purposes as set out on the attached statement of revenues and expenditures is hereby established and expenditures therefrom authorized for said Water Treatment and Distribution Improvements.

2. That \$16,035,291 is subtracted from previously approved funds, the unexpended balance of \$1,643,388 is brought forward, and \$3,540,612 of additional funds is included resulting in a current project authorization of \$21,219,291.

3. That supplementary funds will be appropriated in future years for completion of the projects.

4. That this resolution shall take effect upon its passage.

5. That this Order and Resolution shall be entered in the Minutes of the Authority and within five (5) days after its adoption copies thereof are ordered to be filed with the Finance Officer, the Budget Officer, and the Clerk to the Board of Directors as required by G.S. 159-13.2(d).

Adopted this 8th day of June 2006.

CAPITAL PROJECT FUND: WATER TREATMENT AND DISTRIBUTION
ORANGE WATER AND SEWER AUTHORITY, FISCAL YEAR 2007 BUDGET

	Total Project Budget (A)	Prior Years Expenditures (B)	Carryover FY 2006 (C)	Additional FY 2007 (D)	Current Year + Ongoing Proj. (E)	Future Years FY 2008-11 (F)
REVENUES						
General Fund and/or Bond Proceeds	21,219,291	16,035,291	1,643,388	3,540,612	5,184,000	14,514,000
TOTAL	21,219,291	16,035,291	1,643,388	3,540,612	5,184,000	14,514,000
EXPENDITURES						
272-03 WATER TREATMENT PLANT (WTP) UPGRADE, E	13,023,504	13,023,504	118,295	(118,295)	-	-
272-05 WTP INSTRUMENTATION & CONTROLS IMPROV	55,000	30,000	-	25,000	25,000	20,000
272-10 WTP REHAB PROJECTS	240,175	58,175	73,825	108,175	182,000	404,000
272-14 WTP WATER SECURITY IMPROVEMENTS	116,124	61,124	55,000	-	55,000	-
272-15 WTP SECONDARY CONTAINMENT FOR CHEMIC	75,000	-	-	75,000	75,000	-
273-02 CALVANDER PUMP STATION IMPROVEMENTS	14	14	50,000	(50,000)	-	514,000
273-08 BOOSTER PUMP STATION AT I-40	973,170	217,170	422,405	333,595	756,000	-
273-09 BOOSTER PUMP STATION AT I-BARBEE CHAPE	188,726	13,726	39,144	135,856	175,000	-
274-02 1.5 MILLION GALLON TANK IN 740 PRESSURE Z	89,015	89,015	11,000	(11,000)	-	3,373,000
274-03 FINISHED WATER STORAGE SECURITY IMPROV	30,000	-	30,000	-	30,000	-
275-15 WATER MAIN ROAD IMPROVEMENT PROJECTS	430,807	188,807	292,860	(50,860)	242,000	1,281,000
275-20 WATER LINE REHAB, REPLACEMENT PROJECT	2,515,000	1,282,000	-	1,233,000	1,233,000	4,599,000
275-23 ABBEY ROAD/BOOTH ROAD WATER MAIN REPL	241,888	36,888	127,112	77,888	205,000	-
275-25 REINFORCEMENT PROJECTS	1,207,685	930,685	341	276,659	277,000	138,000
275-26 8" WATER MAIN - CLELAND DRIVE	-	-	374,000	(374,000)	-	384,000
275-37 OAKWOOD NEIGHBORHOOD WM REPLACEMENT	-	-	-	-	-	3,462,000
275-40 12"-ELLIOTT ROAD (FRANKLIN TO 15/501)	299	299	-	-	-	-
275-42 12" WATER MAIN - ESTES DRIVE	-	-	-	-	-	124,000
275-45 12" WATER MAIN - FORDHAM BLVD	1,074,159	56,159	841	1,017,159	1,018,000	-
275-46 16" WATER MAIN - DOBBINS DRIVE	883,725	47,725	48,565	787,435	836,000	-
275-47 16" WATER MAIN - US 15/501	-	-	-	-	-	125,000
275-53 WATER DISTRIBUTION SYSTEM HYDRAULIC MC	75,000	-	-	75,000	75,000	75,000
275-59 WATER MAIN ABANDONMENTS	-	-	-	-	-	15,000
TOTAL	21,219,291	16,035,291	1,643,388	3,540,612	5,184,000	14,514,000
(A)	As Adopted June 9, 2005 and modified for 2006 adoption of the Board					
(B)	Estimated Expenditures as of June 30, 2006					

**ORDER AND RESOLUTION ADOPTING A CAPITAL PROJECT RESOLUTION
FOR WASTEWATER COLLECTION AND TREATMENT IMPROVEMENTS**

WHEREAS, Orange Water and Sewer Authority must operate and maintain wastewater collection system, wastewater pumping stations and Mason Farm Wastewater Treatment Plant, to provide adequate wastewater collection, treatment and disposal services; and

WHEREAS, it has been determined that additional wastewater collection system line improvements, pump station and force main improvements and wastewater treatment plant upgrade and expansion improvements are needed; and

WHEREAS, additional funds must be added to the previous project appropriations to satisfy the current needs for the Wastewater Collection and Treatment Improvements category; and

WHEREAS, it has been determined that adequate funds are available for the completion of said improvements;

NOW THEREFORE, BE IT RESOLVED:

1. That pursuant to the provisions of North Carolina G.S.159-13.2, a project fund, for the above-described purposes as set out on the attached statement of revenues and expenditures is hereby established and expenditures therefrom authorized for said Wastewater Collection and Treatment Improvements.

2. That \$49,100,409 is subtracted from previously approved funds, the unexpended balance of \$6,874,834 is brought forward, and \$34,508,166 of additional funds is included resulting in a current project authorization of \$90,483,409.

3. That supplementary funds will be appropriated in future years for completion of the projects.

4. That this resolution shall take effect upon its passage.

5. That this Order and Resolution shall be entered in the Minutes of the Authority and within five (5) days after its adoption copies thereof are ordered to be filed with the Finance Officer, the Budget Officer, and the Clerk to the Board of Directors as required by G.S. 159-13.2(d).

Adopted this 8th day of June 2006.

CAPITAL PROJECT FUND: WASTEWATER COLLECTION AND TREATMENT
ORANGE WATER AND SEWER AUTHORITY, FISCAL YEAR 2007 BUDGET

		Total Project Budget (A)	Prior Years Expenditures (B)	Carryover FY 2006 (C)	Additional FY 2007 (D)	Current Year + Ongoing Proj. (E)	Future Years FY 2008-11 (F)
REVENUES							
	General Fund and/or Bond Proceeds	88,457,583	49,000,583	4,948,834	34,508,166	39,457,000	8,236,000
	Grants	2,025,826	99,826	1,926,000	-	1,926,000	-
	TOTAL	90,483,409	49,100,409	6,874,834	34,508,166	41,383,000	8,236,000
EXPENDITURES							
276-01	BOLIN CREEK INTERCEPTOR PHASE III	4,362,862	196,862	590,608	3,575,392	4,166,000	-
276-03	FRIDAY CENTER/MEADOWMONT INTERCEPTOR	87,225	87,225	525	(525)	-	-
276-04	MORGAN CREEK INTERCEPTOR	1,727,675	517,675	884	1,209,116	1,210,000	-
276-09	BOLIN CREEK BASIN - REHAB & REPLACE	2,491,939	802,939	333,847	1,355,153	1,689,000	-
276-10	BOOKER CREEK BASIN - REHAB & REPLACE	4,260,294	294	150,000	4,110,000	4,260,000	-
276-11	MORGAN CREEK BASIN - REHAB & REPLACE	156,623	156,623	-	-	-	-
276-18	SERVICE AREA SEWER LINE REHAB & REPLACE	502,081	282,081	278,280	(58,280)	220,000	3,323,000
276-33	MEETING OF THE WATERS INTERCEPTOR	4,777,276	366,276	556,754	3,854,246	4,411,000	-
277-01	PUMP STATION IMPROVEMENTS	123,215	93,215	40,785	(10,785)	30,000	578,000
277-03	HERITAGE HILLS FORCE MAIN REPLACEMENT	1,441,058	590,058	15,190	835,810	851,000	-
277-06	PUMP STATION RELIABILITY IMPROVEMENTS	283,012	283,012	-	-	-	-
277-10	MORGAN CREEK PUMP STATION IMPROVEMENTS	-	-	-	-	-	-
277-11	PUMP STATION PHASE OUT PROJECTS	14,204	14,204	-	-	-	-
277-14	ROGERSON DRIVE PARALLEL FORCE MAIN	-	-	-	-	-	3,311,000
277-15	LLOYD STREET/STARLITE PS PHASE OUT	501,357	70,357	218,435	212,565	431,000	-
277-16	CLELAND DRIVE PUMP STATION PHASE OUT	143,082	143,082	510,440	(510,440)	-	664,000
277-17	NORTH FOREST HILLS PUMP STATION PHASE OUT	614,770	614,770	1,321	(1,321)	-	-
277-18	CLAYTON ROAD PUMP STATION PHASE OUT	689,700	69,700	-	620,000	620,000	-
277-19	TINKERBELL PUMP STATION PHASE OUT	10,000	-	-	10,000	10,000	-
277-20	PINEY MOUNTAIN PUMP STATION REPLACEMENT	169,850	27,850	42,150	99,850	142,000	-
278-05	AGRICULTURAL NUTRIENTS RECYCLING SITES	2,542,463	2,542,463	-	-	-	-
278-06	MASON FARM WASTEWATER TREATMENT PLANT (WWTP) EXPANSION	51,654,187	41,741,187	1,426,816	8,486,184	9,913,000	-
278-07	MASON FARM WWTP - 18.5 MGD UPGRADE & EXP.	600,253	253	49,747	550,253	600,000	-
278-08	WWTP BIOSOLIDS DEWATERING FACILITIES	2,690,000	-	-	2,690,000	2,690,000	-
278-09	WWTP ODOR CONTROL PROJECT	318,464	18,464	81,536	218,464	300,000	-
278-10	WWTP FLOOD PROTECTION ENHANCEMENTS	50,000	-	-	50,000	50,000	-
278-11	WWTP REHAB PROJECTS	144,479	16,479	33,521	94,479	128,000	360,000
278-30	RECLAMATION TREATMENT, PUMPING AND STORAGE FACILITIES	4,289,469	262,469	1,017,098	3,009,902	4,027,000	-
278-31	RECLAIMED WATER TRANSMISSION SYSTEM	5,837,869	202,869	1,526,897	4,108,103	5,635,000	-
	TOTAL	90,483,409	49,100,409	6,874,834	34,508,166	41,383,000	8,236,000
(A)	As Adopted June 9, 2005 and modified for 2006 adoption of the Board						
(B)	Estimated Expenditures as of June 30, 2006						

**ORDER AND RESOLUTION ADOPTING A CAPITAL PROJECT RESOLUTION
FOR SUPPORT SERVICES FACILITIES IMPROVEMENTS**

WHEREAS, Orange Water and Sewer Authority has determined that certain improvements and modifications are needed for its computer hardware and software facilities, to facilitate the handling of system information and customer records; and

WHEREAS, funds must be appropriated to satisfy the current needs for the Support Services Facility Improvements; and

WHEREAS, it has been determined that adequate funds are available for the completion of said improvements;

NOW THEREFORE, BE IT RESOLVED:

1. That pursuant to the provisions of North Carolina G.S.159-13.2, a project fund, for the above-described purposes as set out on the attached statement of revenues and expenditures is hereby established and expenditures therefrom authorized for said Support Services Facility Improvements.

2. That \$8,309,663 is subtracted from previously approved funds, the unexpended balance of \$187,500 is brought forward, and \$302,500 of additional funds is included resulting in a current project authorization of \$8,799,663.

3. That supplementary funds will be appropriated in future years for completion of the projects.

4. That this resolution shall take effect upon its passage.

5. That this Order and Resolution shall be entered in the Minutes of the Authority and within five (5) days after its adoption copies thereof are ordered to be filed with the Finance Officer, the Budget Officer, and the Clerk to the Board of Directors as required by G.S. 159-13.2(d).

Adopted this 8th day of June 2006.

CAPITAL PROJECT FUND: SUPPORT SERVICES
ORANGE WATER AND SEWER AUTHORITY, FISCAL YEAR 2007 BUDGET

		Total Project Budget (A)	Prior Years Expenditures (B)	Carryover FY 2006 (C)	Additional FY 2007 (D)	Current Year + Ongoing Proj. (E)	Future Years FY 2008-11 (F)
REVENUES							
	sa						
	General Fund and/or Bond Proceeds	8,799,663	8,309,663	187,500	302,500	490,000	1,410,000
	TOTAL	8,799,663	8,309,663	187,500	302,500	490,000	1,410,000
EXPENDITURES							
279-03	OPERATIONS CENTER	7,600,268	7,600,268	1,400	(1,400)	-	-
279-04	ADMINISTRATION BUILDING	459,395	459,395	-	-	-	-
280-01	INFORMATION SERVICES	740,000	250,000	186,100	303,900	490,000	1,410,000
	TOTAL	8,799,663	8,309,663	187,500	302,500	490,000	1,410,000
(A)	As Adopted June 9, 2005 and modified for 2006 adoption of the Board						
(B)	Estimated Expenditures as of June 30, 2006						

**RESOLUTION OF ORANGE WATER AND SEWER AUTHORITY
SCHEDULE OF EMPLOYEE CLASSIFICATION AND AUTHORIZED
COMPENSATION EFFECTIVE OCTOBER 1, 2006**

WHEREAS, to adequately and appropriately provide water and sewer services to the customers of Orange Water and Sewer Authority, a sufficient and competent staff is necessary to perform the variety of services required; and

WHEREAS, to recruit and retain qualified employees to fulfill the foregoing commitment, such employees shall receive fair and equitable compensation for the services performed; and

WHEREAS, Dr. Earnest R. Archer, Executive Consultant, DMG Maximus, has completed his review and provided salary recommendations which have been carefully reviewed by staff and the members of the Human Resources Committee;

NOW, THEREFORE BE IT RESOLVED:

1. That the Board of Directors hereby authorizes and directs that the salary ranges for classified employees be increased by 3.4% effective October 1, 2006.
2. That these salary ranges shall remain in effect until such time as further modified or revised.
3. That a 3.8% merit pool be provided to employees in November 2006.

Adopted this 8th day of June 2006.

**ORANGE WATER AND SEWER AUTHORITY
DRAFT SCHEDULE OF EMPLOYEE CLASSIFICATION AND
AUTHORIZED COMPENSATION
EFFECTIVE OCTOBER 1, 2006**

<u>Salary Grade</u>	<u>Authorized Positions</u>	<u>Salary Range</u>	<u>Classification Title</u>
7	1 1	\$22,190 – 32,177	Courier Custodian
8	1	\$23,702 – 34,368	Laboratory Assistant
9	4 1 2 2 16	\$25,213 – 36,559	Meter Reader Receptionist/Secretary Clerk/Cashier Assistant Lake Warden Utility Mechanic I
10	13 1	\$26,724 – 38,750	Utility Mechanic II Purchasing Specialist
11	1 2 1 3 1	\$28,235 – 40,941	Senior Assistant Lake Warden Accounting Technician I Groundskeeper Customer Service Representative Field Service Representative
12	3 3 7 1	\$29,746 – 43,132	Utility Mechanic III Solids Handler Administrative Assistant Service Technician
13	2	\$31,258 – 45,324	Accounting Technician II
14	5	\$32,772 – 47,521	Maintenance Mechanic
15	4 6 1 2	\$34,282 – 49,710	Senior Maintenance Mechanic Laboratory Analyst Senior Customer Service Representative Engineering Technician
16	5	\$35,792 – 51,900	Crew Leader

<u>Salary Grade</u>	<u>Authorized Positions</u>	<u>Salary Range</u>	<u>Classification Title</u>
	1 1 14 1		Human Resources Generalist Lakes Warden Treatment Plant Operator Solids Handler Supervisor
17	1	\$37,306 – 54,094	Senior Crew Leader
18	2 2 1	\$38,816 – 56,285	Information Services Technical Specialist Chief Plant Operator Instrumentation Control Technician
19	2 2	\$40,327 – 58,475	Laboratory Supervisor Construction Inspector
20	2 2 2	\$41,840 – 60,668	Plant Maintenance Supervisor Engineering Associate Executive Assistant
21	1 1	\$43,351 – 62,860	GIS Coordinator Public Affairs Administrator
22	1	\$44,862 – 65,050	Safety & Training Administrator
23	1	\$46,362 – 67,226	Assistant Distribution & Collection Systems Manager
25	3 1	\$49,393 – 71,621	Utilities Engineer Network/Database Administrator
28	1 1 1 1	\$53,928 – 78,196	Accounting Manager Procurement Manager Customer Service Manager Laboratory Manager
30	1	\$56,953 – 82,581	Sustainability Administrator
31	1 1	\$58,464 – 84,774	Engineering Manager (Systems Development) Engineering Manager (Capital

<u>Salary Grade</u>	<u>Authorized Positions</u>	<u>Salary Range</u>	<u>Classification Title</u>
	1 1 1 1 1 1		Projects) Operations Engineer Distribution & Collection Systems Manager Plants Maintenance Manager Wastewater Treatment & Biosolids Recycling Manager Water Supply & Treatment Manager Utility Manager Generalist
37	1 1	\$67,532 – 97,921	Director of Business Information Services Director of Human Resources
39	1	\$70,554 – 102,304	Director of Planning & Development
44	1 1	\$78,110 – 113,260	Director of Finance and Customer Service Director of Engineering & Planning
46	1	\$81,135 – 117,645	General Manager of Operations
Contract	1		Executive Director
Total of 150 positions			