

ORANGE WATER AND SEWER AUTHORITY

MEETING OF THE BOARD OF DIRECTORS

JUNE 11, 2009

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in regular session on Thursday, June 11, 2009, at 7:00 P.M., in OWASA's Community Room.

Directors present: Randy Kabrick, P.E., Chair; Gordon Merklein, Vice Chair; Braxton Foushee, Secretary; Fred Battle; Michael A. (Mac) Clarke; Gene Pease; and Joyce C. Preslar. Directors absent: Alan Rimer, P.E.; and William R. Stott.

OWASA staff: Ed Kerwin; John Greene; Mason Crum; Gwen Burston; Jan Bryant-Berry; Stuart Carson; Patrick Davis; Greg Feller; Damon Forney; Walter Gottschalk; Ed Holland; Heidi Lamay; Andrea Orbach; Kevin Ray; and Robert Epling, Esq., Epling and Hackney.

Others present: Meg Holton, Water, Wastewater, and Stormwater Manager, UNC; Ben Poulson, Assistant Associate Director of Energy Services UNC; JoAnne and Ellie Gottschalk; Gary Richman and Peg Parker, Highland Woods' residents; and Beth Velliquette, Chapel Hill Herald.

There being a quorum present, Chair Randy Kabrick called the meeting to order.

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MOTIONS ACTED UPON

1. Fred Battle made a motion to elect the following officers for corporate year 2008-09: Randolph (Randy) M. Kabrick, P.E., Chair; Gordon Merklein, Vice Chair; and Braxton Foushee, Secretary. The motion was seconded by Mac Clarke and carried by unanimous vote.

2. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Resolution of Honoring the Service of Walter P. Gottschalk to Orange Water and Sewer Authority and the Chapel Hill-Carrboro Community." (Resolution so titled attached hereto and made a part of these minutes. Motion by Braxton Foushee, second by Mac Clarke, and carried by a unanimous vote.)

3. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Resolution Amending the Adopted Budget for Orange Water and Sewer Authority for Fiscal Year 2009 and Amending Adopted Capital Project Resolutions for Water Supply Improvements and Water Treatment and Distribution Improvements." (Resolution so titled attached hereto and made a part of these minutes. Motion by Gene Pease, second by Fred Battle and carried by unanimous vote.)

4. Gene Pease made a motion to approve the Minutes of the May 14, 2009 Board Meeting; the motion was seconded by Fred Battle and carried by unanimous vote.

5. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Resolution Adopting Schedule of Rates, Fees, and Charges Applicable to All Customers on or After October 1, 2009." (Resolution so titled attached hereto and made a part of these minutes. Motion by Braxton Foushee, seconded by Gene Pease and carried by a vote of six to one with Fred Battle opposed.)

6. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Resolution Adopting the Annual Budget for Orange Water and Sewer Authority Fiscal Year July 1, 2009 through June 30, 2010." (Resolution so titled attached hereto and made a part of these minutes. Motion by Braxton Foushee, seconded by Gordon Merklein and carried by a vote of six to one with Mac Clarke opposed.)

7. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Resolution Approving Capital Improvements Program for Fiscal Years 2010-2024 Including Five-Year Capital Improvements Budget for Fiscal Years 2010 -2014." (Resolution so titled attached hereto and made a part of these minutes. Motion by Braxton Foushee, seconded by Gordon Merklein and carried by unanimous vote.)

8. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Capital Project Resolution for Water Supply Improvements." (Resolution so titled attached hereto and made a part of these minutes. Motion by Braxton Foushee, seconded by Gordon Merklein and carried by unanimous vote.)

9. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Capital Project Resolution for Water Treatment and Distribution Improvements." (Resolution so titled attached hereto and made a part of these minutes. Motion by Braxton Foushee, seconded by Gordon Merklein and carried by unanimous vote.)

10. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Capital Project Resolution for Wastewater Collection, Treatment and Disposal Improvements." (Resolution so titled attached hereto and made a part of these minutes. Motion by Braxton Foushee, seconded by Gordon Merklein and carried by unanimous vote.)

11. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Capital Project Resolution for Support Services Facility Improvements." (Resolution so titled attached hereto and made a part of these minutes. Motion by Braxton Foushee, seconded by Gordon Merklein and carried by unanimous vote.)

12. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Resolution of Orange Water and Sewer Authority Schedule of Employee Classification and Authorized Compensation Effective October 1, 2009." (Resolution so titled

attached hereto and made a part of these minutes. Motion by Braxton Foushee, seconded by Fred Battle and carried by unanimous vote.)

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ITEM ONE: ELECTION OF OFFICERS

Mac Clarke reported that the Nominating Committee proposes the following officers for corporate year 2008-2009:

Randolph M. Kabrick, P.E., Chair

Gordon Merklein, Vice Chair

Braxton Foushee, Secretary

Mac Clarke opened the floor for discussion. There was no discussion.

Fred Battle moved to elect the officers proposed by the Nominating Committee for corporate year 2009-10. Mac Clarke seconded the motion and it carried by unanimous vote. (Please see Motion No. 1 above.)

ITEM TWO: ANNOUNCEMENTS

CONFLICT OF INTEREST

Randy Kabrick 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.

JUNE 25, 2009 BOARD MEETING

Randy Kabrick said the June 25, 2009 OWASA Board of Directors' meeting has been canceled; the next regularly scheduled meeting of the Board will be July 9, 2009 in the OWASA Community Room.

RESOLUTION OF APPRECIATION TO WALTER P. GOTTSCHALK

Randy Kabrick read aloud the resolution honoring the service of Walter P. Gottschalk, OWASA's Wastewater Specialist.

The Board and staff expressed sincere appreciation to Mr. Gottschalk for his service to OWASA.

Braxton Foushee made a motion to adopt the Resolution of Appreciation to Walter P. Gottschalk; the motion was seconded by Mac Clarke, and carried by unanimous vote. Please see Motion No. 2 above.

### COMMITTEE MEETINGS

Mason Crum said the Natural Resources Technical Systems (NRTS) Committee met on June 1, 2009 to discuss the long range water supply plan and biosolids management. The NRTS Committee endorsed staff's recommended future water supply plan and demand projections, and staff will update the Committee again with recommendations on near- and long-term actions that OWASA should undertake in order to meet the drinking water needs of the community through 2060. The Committee also recommended that the Board Chair sign off on a one-page biosolids information sheet to local elected officials and local governmental staff members. The NRTS Committee also discussed public outreach efforts on biosolids management. The Committee believes that while it is understood that uncertainty exists regarding the potential impacts of some biosolids constituents (and OWASA supports additional research on these impacts), OWASA's overarching message should be clear that a properly managed biosolids recycling management program is a safe, cost-effective and environmentally responsible way of managing this inevitable by-product of our community. The NRTS Committee requested that a training session on biosolids be provided the full Board at a future meeting. The Committee also agreed with staff's recommendation to invest no further effort in the 2007 Phase One Draft Biosolids Master Plan. Instead, the Committee directed staff to proceed with development of a concise report that focuses on optimization of our current land application and dewatered cake composting operations, as well as continuing to stay abreast of changes in the regulatory environment and staying abreast of emerging technologies that may have application in OWASA's wastewater treatment process.

### CHAPEL HILL TOWN COUNCIL MEETING

Gordon Merklein, Chair of the Finance Committee, updated the Board on discussion at the June 8<sup>th</sup> Chapel Hill Town Council meeting regarding odor elimination improvements at the Mason Farm Wastewater Treatment Plant. Mr. Merklein reported that OWASA has invested \$8.5 million in Phase I and II of the odor improvements. Phase III of odor improvements has been delayed to 2011 because of budget and rate challenges. Although no action was requested by Council, Mr. Merklein said Mayor Kevin Foy requested that OWASA consider an agreement that sets a date in which OWASA expects to complete the odor elimination improvements and that an update be provided to the Council on June 22<sup>nd</sup>. Mr. Merklein suggested that the OWASA Board refer this matter to the Board's Finance Committee working with staff to prepare a response to the Council. The Board concurred with this recommendation.

### WATER CONSERVATION STANDARDS

Ed Kerwin announced that as requested by the OWASA Board, the Towns of Carrboro and Chapel Hill and Orange County adopted updated Water Conservation Ordinances in June, 2009.

GENE PEASE

Randy Kabrick thanked Gene Pease for his service to the OWASA Board of Directors as this is his last meeting as an appointee of the Town of Chapel Hill. A new appointment will be made by the Council this fall.

ITEM THREE: PETITIONS AND REQUESTS FROM THE PUBLIC

Randy Kabrick asked for petitions and requests from the public; there were none.

ITEM FOUR: PETITIONS AND REQUESTS FROM THE BOARD

Mac Clarke petitioned the Board to formally ask the Carrboro Board of Aldermen to confirm their lack of interest in acquiring OWASA owned property located north of Jones Ferry Road and University Lake (formerly the Ray Property) for low impact public recreation; and if there is no interest from the Board of Aldermen, request the Executive Director to pursue the sale of the property for development without undue delay.

Staff stated that they support Mr. Clarke's petition.

Braxton Foushee and Fred Battle are in favor of keeping the property until further study of the land is concluded.

Gene Pease said that OWASA owes due diligence to the public and that if OWASA has a nonperforming asset, it should be sold.

The Board referred Mr. Clarke's petition to an Ad Hoc Committee of the Board to work with staff to further explore other opportunities for this property.

ITEM FIVE: PETITIONS AND REQUESTS FROM STAFF

Randy Kabrick asked for petitions and requests from the staff; there were none.

ITEM SIX: UPDATE ON ASPHALT PLANT SOIL REMEDIATION NEAR THE STONE QUARRY RESERVOIR

The Board received this update as information only.

ITEM SEVEN: SEMIANNUAL STATUS REPORT FOR VARIOUS CAPITAL IMPROVEMENT PROJECTS INCLUDING THE SEMIANNUAL REPORT ON COMMUNICATIONS PLANS FOR CAPITAL PROJECTS

The Board received this report as information only.

ITEM EIGHT: RESOLUTION AMENDING THE ADOPTED BUDGET FOR ORANGE WATER AND SEWER AUTHORITY FOR FISCAL YEAR 2009 AND AMENDING ADOPTED CAPITAL PROJECT RESOLUTIONS FOR WATER SUPPLY IMPROVEMENTS AND WATER TREATMENT AND DISTRIBUTION IMPROVEMENTS

Gene Pease made a motion to adopt the resolution; the motion was seconded by Fred Battle and carried by unanimous vote. Please see Motion No. 3 above.

ITEM NINE: MINUTES

Gene Pease made a motion to approve the Minutes of the May 14, 2009 Board Meeting; the motion was seconded by Fred Battle and carried by unanimous vote. Please see Motion No. 4 above.

ITEM TEN: APPROVAL OF FINANCIAL DECISIONS AND DOCUMENTS FOR FISCAL YEAR (FY) 2010: A – RESOLUTION ADOPTING SCHEDULE OF RATES, FEES AND CHARGES APPLICABLE TO ALL CUSTOMERS ON OR AFTER OCTOBER 1, 2009; B – RESOLUTION ADOPTING THE ANNUAL BUDGET FOR ORANGE WATER AND SEWER AUTHORITY FOR FY JULY 1, 2009 THROUGH JUNE 30, 2010; RESOLUTION APPROVING CAPITAL IMPROVEMENTS PROGRAM FOR FY 2010-2014 INCLUDING A FIVE-YEAR CAPITAL IMPROVEMENTS BUDGET FOR FY 2010-2014 AND ACCOMPANYING CAPITAL PROJECT RESOLUTIONS

Fred Battle said he cannot support a rate increase at this time because there are so many people in the community who cannot afford a rate increase.

Braxton Foushee made a motion to approve the Resolution Adopting the Schedule of Rates, Fees, and Charges Applicable to All Customers on and After October 1, 2009; the motion was seconded by Gene Pease and carried by a vote of six to one with Fred Battle opposing. Please see Motion No. 5 above.

Braxton Foushee said he would like to amend the Annual Budget for Fiscal Year 2009 to include one more day of recreation at University Lake, particularly since there are only two places in Orange County that people can fish – University Lake and Cane Creek Reservoir.

John Greene said that adding an additional day of operation at University Lake would cost OWASA \$600 per day.

Gene Pease said that adding money to a budget that has been cut to mission critical purposes does not make sense, especially since this additional money is for a small number of people. Mac Clarke agreed with Mr. Pease.

Gordon Merklein said that the economic argument does not work because this is a service that has been provided historically, and it is an expense that can be absorbed.

Braxton Foushee made a motion to approve the Resolution Adopting the Annual Budget for Orange Water and Sewer Authority for Fiscal Year July 1, 2009 through June 30, 2010 as Amended to include one additional day of recreation at University Lake. The motion was seconded by Gordon Merklein and carried by a vote of six to one with Mac Clarke opposing. Please see Motion No. 6 above.

The Board requested that staff follow-up with those individuals who requested an additional day of recreation at University Lake.

Mac Clarke commented that while he supports the approving the Capital Improvements Program (CIP) resolution, the Board cannot continue on this course of reduced funding of the CIP, and the Board will have to reinvest in the CIP.

Braxton Foushee made a motion to approve the Resolution Approving Capital Improvements Program for Fiscal Years 2010-2024 Including a Five-Year Capital Improvements Budget for Fiscal Years 201-2014; the motion was seconded by Gordon Merklein and carried by a unanimous vote. Please see Motion No. 7 above.

Braxton Foushee made a motion to approve the Capital Project Resolution for Water Supply Improvements; the motion was seconded by Gordon Merklein and carried by a unanimous vote. Please see Motion No. 8 above.

Braxton Foushee made a motion to approve the Capital Project Resolution for Water Treatment and Distribution Improvements; the motion was seconded by Gordon Merklein and carried by a unanimous vote. Please see Motion No. 9 above.

Braxton Foushee made a motion to approve the Capital Project Resolution for Wastewater Collection, Treatment and Disposal Improvements; the motion was seconded by Gordon Merklein and carried by a unanimous vote. Please see Motion No. 10 above.

Braxton Foushee made a motion to approve the Capital Project Resolution for Support Services Facility Improvements; the motion was seconded by Gordon Merklein and carried by a unanimous vote. Please see Motion No. 11 above.

ITEM ELEVEN: RESOLUTION ADOPTING THE SCHEDULE OF EMPLOYEE CLASSIFICATION AND AUTHORIZED COMPENSATION EFFECTIVE OCTOBER 1, 2009

Braxton Foushee made a motion to adopt the resolution; the motion was seconded by Fred Battle and carried by unanimous vote. Please see Motion No. 12 above.

Orange Water and Sewer Authority

June 11, 2009

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ITEM TWELVE: UPDATE ON OWASA'S OUTREACH TO MINORITY-OWNED  
BUSINESSES

The Board received this update as an information item.

There being no further business to come before the Board, the meeting was adjourned at 8:35 P.M.

Enclosures



**RESOLUTION HONORING THE SERVICE OF WALTER P. GOTTSCHALK  
TO ORANGE WATER AND SEWER AUTHORITY AND THE  
CHAPEL HILL-CARRBORO COMMUNITY**

**WHEREAS**, Walter P. Gottschalk began his career in public service with Orange Water and Sewer Authority (OWASA) as a Plant Operator Trainee at the Mason Farm Wastewater Treatment Plant on October 19, 1978; and

**WHEREAS**, he became a Plant Operator on October 16, 1979; and he rose to the positions of Plant Operator II and Process Supervisor before becoming Superintendent of the Mason Farm Wastewater Treatment Plant on July 1, 1985 and Manager of Wastewater Treatment and Biosolids Recycling on November 3, 1996; and

**WHEREAS**, Mr. Gottschalk has further served since November, 2006 in the position of Wastewater Specialist, sharing his guidance, expertise and knowledge of all aspects of the Mason Farm Wastewater Treatment Plant; and

**WHEREAS**, Mr. Gottschalk was initially certified by the State of North Carolina as a Water Pollution Control System Operator, Level II, in November, 1978; he earned Level III and IV certifications in November, 1981 and November, 1982 respectively; and received additional North Carolina certifications in 1994 as a Land Application of Residuals Operator and Subsurface Water Pollution Control System Operator; and

**WHEREAS**, in the late 1980s Mr. Gottschalk and the staff at the Mason Farm Wastewater Treatment Plant were instrumental in the development of OWASA's patented "Nitrified Sludge" biological process to remove phosphorus from wastewater; and

**WHEREAS**, throughout his career Mr. Gottschalk has demonstrated his commitment to environmental protection through effective operation of the wastewater treatment plant and biosolids recycling program; and

**WHEREAS**, Mr. Gottschalk was always willing to convey his knowledge of and enthusiasm for wastewater treatment through numerous tours of the wastewater treatment plant to school children, civic groups, college students and international visitors; and

**WHEREAS**, Mr. Gottschalk is well loved at OWASA for his good cheer, sense of humor, enthusiasm and his warmth and friendship to all, and he will be greatly missed; and

**WHEREAS**, Mr. Gottschalk will retire from OWASA on June 30, 2009;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF  
DIRECTORS OF THE ORANGE WATER AND SEWER AUTHORITY:**

1. That the Board of Directors does hereby formally recognize, honor and praise Walter P. Gottschalk for his excellent service and many achievements with the Orange Water and Sewer Authority and expresses its appreciation for his service to the Chapel Hill-Carrboro community as an outstanding professional and member of the OWASA Team.

2. That this resolution shall be recorded in the minutes of the OWASA Board of Directors, shall be part of the permanent records of OWASA and shall be presented to Mr. Gottschalk in a public meeting of the OWASA Board.

Adopted and presented with deep appreciation this the 11<sup>th</sup> day of June, 2009.

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**RESOLUTION AMENDING THE ADOPTED BUDGET FOR ORANGE WATER AND SEWER AUTHORITY FOR FISCAL YEAR 2009 AND AMENDING ADOPTED CAPITAL PROJECT RESOLUTIONS FOR WATER SUPPLY IMPROVEMENTS AND WATER TREATMENT AND DISTRIBUTION IMPROVEMENTS**

**WHEREAS**, the Board of Directors adopted the Fiscal Year 2009 Budget of Orange Water and Sewer Authority; and

**WHEREAS**, North Carolina General Statute 159-15 provides the authority for the Board of Directors to amend the adopted budget; and

**WHEREAS**, capital improvements appropriations related to multi-year project spending were understated in the Fiscal Year 2009 Annual Budget; and

**WHEREAS**, funds remain encumbered and available from the prior year; and

**WHEREAS**, surplus funds exist in the Capital Improvements Program category for Raw Water Supply Sources.

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

1. That pursuant to the provisions of North Carolina G.S. 159-15, the Official Budget of Orange Water and Sewer Authority for the Fiscal Year 2009 is amended as set forth in Attachment A.
2. That \$63,000 in Fiscal Year 2009 Capital Improvements Program appropriations be transferred from Raw Water Supply Sources projects to Water Treatment Facilities projects as set forth in Attachment B.
3. That the Executive Director is authorized and instructed to implement the revised budget as herein set forth.

Adopted this 11<sup>th</sup> day of June, 2009.

**ORANGE WATER AND SEWER AUTHORITY  
FISCAL YEAR 2009 ANNUAL BUDGET  
STATEMENT OF INCOME, EXPENSE AND DEBT SERVICE**

		FY 2009	Amendment	FY 2009
		<u>Annual Budget</u>		<u>Amended Budget</u>
<b>Operating Revenue</b>				
	Water	\$15,938,688		
	Sewer	13,171,544		
	Reclaimed Water	108,020		
	Service Initiation Fee	148,952		
	Other	1,141,874		
	Refunds and Adjustments	<u>(103,322)</u>		
	<b>Total Operating Revenue</b>	<b>30,405,756</b>		<b>\$ 30,405,756</b>
<b>Operating Expense</b>				
	General and Administrative Operations	5,501,296		
		<u>12,906,656</u>		
	<b>Total Operating Expense</b>	<b>18,407,952</b>		<b>18,407,952</b>
<b>Net Operating Income</b>		<b>11,997,804</b>		
<b>Non-operating Revenue</b>				
	Customer Fees	1,965,465		
	Interest	<u>196,461</u>		
<b>Total Net Income</b>		<b>14,159,730</b>		<b>14,159,730</b>
<b>Debt Service</b>				
	Existing	9,465,326		9,465,326
	New	<u>0</u>		
	<b>Total Debt Service</b>	<b>9,465,326</b>		<b>9,465,326</b>
<b>Net Income Less Debt Service</b>		<b><u>\$4,694,404</u></b>		<b><u>4,694,404</u></b>
<b>General Fund</b>				
Resources				
	Transfer From Revenue	\$4,694,404		
	Assessments	3,000		
	Grants and Contributions	<u>7,084,706</u>		
	<b>Annual Income Available for Capital</b>	<b>11,782,110</b>		<b>11,782,110</b>
	Transfer from Construction Fund (Bond Proceeds)	<u>0</u>		<u>0</u>
	<b>Total Available for Capital</b>	<b>11,782,110</b>		<b>11,782,110</b>
Capital Expenditures				
	Project ordinances			
	General Fund Contribution	13,792,000	100,000	13,892,000
	Funded by Bond Proceeds	<u>0</u>		
	Total Project Resolutions	<b>13,792,000</b>		<b>13,792,000</b>
	Capital Equipment	<u>110,050</u>		<u>110,050</u>
<b>Total Capital Outlay</b>		<b>13,902,050</b>		<b>13,902,050</b>
<b>Annual General Fund Balance</b>		<b>(2,119,940)</b>		<b>(2,119,940)</b>
<b>General Fund Beginning Balance</b>		<b>6,729,868</b>	100,000	<b>6,829,868</b>
<b>General Fund Ending Balance</b>		<b><u>\$4,609,928</u></b>		<b><u>\$4,609,928</u></b>
Project Funding				
	Under Contract			
	Future Years	7,940		
	Operating Balance	<u>4,601,988</u>		<u>\$4,609,928</u>
<b>Unallocated General Fund Balance</b>		<b>\$0</b>		<b>0</b>

<b>Project Category</b>	<b>FY 2009 Capital Improvements Budget</b>	<b>Budget Amendment (Transfer)</b>	<b>FY 2009 Amended Capital Improvements Budget</b>
Raw Water Supply Sources	\$ 90,000	\$ (63,000)	\$ 27,000
Raw Water Transmission	\$ -		\$ -
Water Treatment Facilities	\$ 511,000	\$ 63,000	\$ 574,000
Finished Water Pumping	\$ 50,000		\$ 50,000
Finished Water Storage	\$ 32,000		\$ 32,000
Water Transmission and Distribution	\$ 839,000		\$ 839,000
Wastewater Collection Lines	\$ 3,316,000		\$ 3,316,000
Wastewater Pump Stations	\$ 866,000		\$ 866,000
Wastewater Treatment and Disposal	\$ 7,813,000		\$ 7,813,000
Central Office and Operations	\$ -		\$ -
Information Services	<u>\$ 275,000</u>		<u>\$ 275,000</u>
	<u>\$ 13,792,000</u>		<u>\$ 13,792,000</u>

**RESOLUTION ADOPTING SCHEDULE OF RATES, FEES, AND CHARGES  
APPLICABLE TO ALL CUSTOMERS ON AND AFTER OCTOBER 1, 2009**

**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 O WASA's B ond O rder provide for the revision of such Rates, Fees, and Charges; and

**WHEREAS**, during the preparation of the Fiscal Year 2010 budget, the need for adjustments to O WASA's S chedule of R ates, F ees, a nd C harges was confirmed in order to provide sufficient revenues to fund ongoing operations, debt service and the Capital Improvements Program; and

**WHEREAS**, Public Hearings were held on May 28, 2009 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, 2009.
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 11th day of June, 2009.

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

APPLICABLE TO ALL BILLINGS AND SERVICES ON AND AFTER OCTOBER 1, 2009

SECTION I: SCHEDULE OF WATER RATES AND FEES.....Pg. 2 to Pg. 7

SECTION II: SCHEDULE OF SEWER RATES AND FEES.....Pg. 8 to Pg. 12

SECTION III: SCHEDULE OF RECLAIMED WATER RATES AND FEES.....Pg. 13 to Pg. 14

SECTION IV: SCHEDULE OF MISCELLANEOUS CHARGES.....Pg. 15 to Pg. 21

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 nonprofit 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 revisions presented in the attached 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 increasingly stringent environmental and public health standards; (4) meet debt service requirements; and (5) create additional facility capacity to stay abreast of water, reclaimed 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 26, 2008, which became effective on October 1, 2008.

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 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:

<u>Meter Size</u>	<u>Monthly Service Charge</u>	
	<u>Existing</u>	<u>Proposed</u>
5/8"	\$12.02	<b>\$13.19</b>
1"	\$24.15	<b>\$26.50</b>
1-1/2"	\$52.22	<b>\$57.31</b>
2"	\$78.81	<b>\$86.49</b>
3"	\$162.08	<b>\$177.88</b>
4"	\$264.58	<b>\$290.38</b>
6"	\$576.17	<b>\$632.35</b>
8"	\$819.34	<b>\$899.23</b>

Water Irrigation Service Charge

**(NOTE: In accordance with State law, all new in-ground irrigation systems installed on or 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.)**

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:

<u>Meter Size</u>	<u>Monthly Service Charge</u>	
	<u>Existing</u>	<u>Proposed</u>
5/8"	\$19.25	<b>\$21.13</b>
1"	\$38.47	<b>\$42.22</b>
1-1/2"	\$71.22	<b>\$78.16</b>
2"	\$109.53	<b>\$120.21</b>
3"	\$216.80	<b>\$237.94</b>
4"	\$332.80	<b>\$365.25</b>
6"	\$654.68	<b>\$718.51</b>
8"	\$1,041.13	<b>\$1,142.64</b>



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.

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 the next thousand gallon increment is registered by the meter.

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

Individually Metered Residential Accounts Except Irrigation-Only Accounts

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

	Volume of Use (Gallons)	Commodity Rate per 1,000 Gallons	
		<u>Existing</u>	<b><u>Proposed</u></b>
Block 1	1,000 to 2,000	\$2.15	<b>\$2.36</b>
Block 2	3,000 to 5,000	\$5.22	<b>\$5.73</b>
Block 3	6,000 to 10,000	\$6.41	<b>\$7.03</b>
Block 4	11,000 to 15,000	\$8.95	<b>\$9.82</b>
Block 5	All use 16,000 and up	\$16.18	<b>\$17.76</b>

Conservation Water Commodity Charges Under Mandatory Water Use Restrictions

Water commodity charges applicable to all customer accounts 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.

**WATER COMMODITY SURCHARGES  
APPLICABLE UNDER WATER SHORTAGE DECLARATION STAGES**

	Individually-Metered Residential Accounts						Non-Residential and Irrigation-Only
Block:	Res. Block 1	Res. Block 2	Res. Block 3	Res. Block 4	Res. Block 5	<b>Cutoff Block</b>	
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	<b>&gt;1,000 gallons per day</b>	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	<b>&gt;800 gallons per day</b>	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	<b>&gt;600 gallons per day</b>	1.5 times seasonal and irrigation-only rate.

Non-residential Accounts Except Irrigation-Only 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).

	<u>Existing</u>	<u>Proposed</u>
Off-peak seasonal rate per 1,000 gallons (October through April)	\$3.40	<b>\$3.73</b>
Peak seasonal rate per 1,000 gallons (May through September)	\$6.46	<b>\$7.09</b>
Equivalent Uniform Water Commodity Charge per 1,000 gallons	\$4.92	<b>\$5.40</b>

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.

\$6.95 per thousand gallons    **Proposed \$7.63 per thousand gallons**

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 OWASA.

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 compliance with water conservation standards and other applicable law. For periods of use longer than 60 days, the customer must purchase a hydrant meter in accordance with OWASA standards. Subject to availability of inventoried hydrant meters, a \$200.00 (**No Change Proposed**) service charge, payable in advance, shall be collected for setting and removing the meter. In addition, a security deposit shall be required in accordance with the following schedule:

Security Deposit  
\$1,000 (**No Change Proposed**)

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 undamaged, the security deposit shall 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) 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.

	<u>Existing</u>	<u>Proposed</u>
5/8" Meter, Single-family Residential:		
<1300 square feet	\$1,095	<b>\$1,143</b>
1300-1700 square feet	\$1,336	<b>\$1,395</b>
1701-2400 square feet	\$1,691	<b>\$1,766</b>
2401-3100 square feet	\$2,890	<b>\$3,018</b>
3101-3800 square feet	\$3,930	<b>\$4,104</b>
>3800 square feet	\$6,597	<b>\$6,889</b>
5/8" Meter, Multi-family Residential	\$1,179	<b>\$1,231</b>
5/8" Meter, Non-residential*	\$3,202	<b>\$3,344</b>
1" Meter, Non-residential*	\$8,005	<b>\$8,360</b>
1-1/2" Meter, Non-residential*	\$16,010	<b>\$16,720</b>
2" Meter, Non-residential*	\$25,616	<b>\$26,752</b>
3" Meter, Non-residential*	\$51,232	<b>\$53,504</b>
4" Meter, Non-residential*	\$80,050	<b>\$83,600</b>
6" Meter, Non-residential*	\$160,100	<b>\$167,200</b>
8" Meter, Non-residential*	\$256,160	<b>\$267,520</b>

\* Same fee for Irrigation-Only accounts.

A person or party completing a development or re-development project may be eligible to request and receive a credit on the Water Availability 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 Availability 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 Water Availability Fees that would otherwise apply to the development or re-development project.

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 Availability Fees.

Availability Fee credits are not transferrable to any other project or property.

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 stub-out for service has been made and is available, the "meter-only" charge shall apply. Complete water service installation and meter-only charges are as follows:

	<u>Existing</u>	<u>Proposed</u>
Complete Water Service Installation, 5/8” meter	\$2,643	<b>\$2,785</b>
Complete Water Service Installation, 1” meter	\$2,807	<b>\$2,980</b>
Meter Only Installation, 5/8” meter	\$199	<b>\$200</b>
Meter Only Installation, 1” meter	\$241	<b>\$250</b>
Meter Only Installation, 1-1/2” meter	\$508	<b>\$520</b>
Meter Only Installation, 2” meter	\$1,491	<b>\$975</b>
Remote Read Box with 5/8” Detector Meter	\$328	<b>\$355</b>

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%. A \$115.00 (**Proposed \$100.00**) delivery fee for 3-inch and larger meters shall be applied.

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, but not less than \$348.00 (**Proposed \$350.00**).

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 \$100.00 (**No Change Proposed**) 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.

#### HYDRAULIC FIRE FLOW TESTING

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

\$221.00 per test (**Proposed \$225.00**)

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 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 or not there is a commodity charge, the monthly service charge is based on the size of the meter upon which sewer usage is calculated as follows:

<u>Meter Size</u>	<u>Monthly Service Charge</u>	
	<u>Existing</u>	<u>Proposed</u>
5/8"	\$9.81	<b>\$10.77</b>
1"	\$16.86	<b>\$18.50</b>
1-1/2"	\$29.05	<b>\$31.88</b>
2"	\$43.93	<b>\$48.21</b>
3"	\$83.06	<b>\$91.16</b>
4"	\$126.97	<b>\$139.35</b>
6"	\$232.79	<b>\$255.49</b>
8"	\$397.23	<b>\$435.96</b>

**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 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 customer's discharging wastewater into the OWASA sewer system, regardless of whether or not 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.**

**\$5.29 per thousand gallons (Proposed \$5.81)**

Individually-metered residential customers will not be charged for monthly sewer use in excess of 15,000 gallons.

INTERLOCAL WASTEWATER COLLECTION, TREATMENT AND DISPOSAL CHARGES

The purpose of this charge is to recover costs associated with the provision of wastewater collection, treatment and disposal services under contractual 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 OWASA.

MONTHLY RATES FOR SEWER ONLY ACCOUNTS

For ~~existing~~ sewer only accounts where there is no OWASA ~~water~~ 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: ~~or for facilities using well water, rainwater harvesting systems, reclaimed water or other water services which have a discharge to the sewer system, 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 shall 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 \$5.29 per 1,000 gallons.~~**

**(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 of \$5.81 per 1,000 gallons times 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 6,000 gallons per month.**

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

	<u>Existing</u>	<u>Proposed</u>
5/8" Meter, Single-family Residential:		
<1300 square feet	\$2,540	<b>\$2,652</b>
1301-1700 square feet	\$3,068	<b>\$3,204</b>
1701-2400 square feet	\$3,122	<b>\$3,260</b>
2401-3100 square feet	\$3,826	<b>\$3,995</b>
3101-3800 square feet	\$4,134	<b>\$4,317</b>
>3800 square feet	\$4,696	<b>\$4,904</b>
5/8" Meter, Multi-family Residential	\$2,752	<b>\$2,874</b>
5/8" Meter, Nonresidential	\$5,462	<b>\$5,703</b>
1" Meter, Nonresidential	\$13,655	<b>\$14,257</b>
1-1/2" Meter, Nonresidential	\$27,310	<b>\$28,515</b>
2" Meter, Nonresidential	\$43,696	<b>\$45,624</b>
3" Meter, Nonresidential	\$87,392	<b>\$91,248</b>
4" Meter, Nonresidential	\$136,550	<b>\$142,575</b>
6" Meter, Nonresidential	\$273,100	<b>\$285,150</b>
8" Meter, Nonresidential	\$436,960	<b>\$456,240</b>

In addition to the sewer availability fee, an excess sewer capacity fee of four percent (4%) of the applicable sewer service availability fee shall be charged to recover the costs of excess sewer capacity installed in an area covered by an agreement with 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 Availability 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 Availability 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 Availability Fees that would otherwise apply to the development or re-development project.**

**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 Availability Fees.**

**Availability Fee credits are not transferrable to any other project or property.**

### 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 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, but not less than \$319.00 (**Proposed \$320.00**).

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 \$100.00 (**No Change Proposed**) 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.

### 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

Carbonaceous Biochemical Oxygen Demand (CBOD)	205 mg/l
Suspended Solids (SS)	235 mg/l
Ammonia Nitrogen (NH <sub>3</sub> -N)	25 mg/l
Phosphorus (P)	6.5 mg/l

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

Carbonaceous Biochemical Oxygen Demand (CBOD)	\$0.35 ( <b>Proposed \$0.38</b> ) per pound for all CBOD in excess of 205 mg/l
Suspended Solids (SS)	\$0.43 ( <b>Proposed \$0.47</b> ) per pound for all SS in excess of 235 mg/l
Ammonia Nitrogen (NH <sub>3</sub> -N)	\$2.49 ( <b>Proposed \$2.73</b> ) per pound for all NH <sub>3</sub> -N in excess of 25 mg/l
Phosphorus (P)	\$10.02 ( <b>Proposed \$11.00</b> ) per pound for all P excess of 6.5 mg/l

## SECTION III: RECLAIMED WATER RATES AND CHARGES

### MONTHLY RECLAIMED WATER RATES

Reclaimed water 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) has paid to construct the first phase of the reclaimed water system, and OWASA and UNC have contractually agreed to the methodology for determining reclaimed water charges applicable to 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; 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)   \$25,800 per month **(Proposed \$24,000)**

#### Reclaimed Water Commodity Charge

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

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

UNC Accounts                   \$0.55 per 1,000 gallons **(Proposed \$0.60 per 1,000 gals.)**

**Bulk (Tanker) Sales \$0.00**

### Reclaimed Water Availability 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 availability 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.

## SECTION IV: MISCELLANEOUS CHARGES

### SERVICE INITIATION FEE

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

\$45.00 per event (**No Change Proposed**)

\$80.00 per event, outside of normal business hours of OWASA (**No Change 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 Change 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: \$25.00 (**No Change Proposed**)

Dishonored Draft: \$25.00 (**No Change 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 or an additional security deposit.

### CHARGE FOR RECONNECTION OF DELINQUENT ACCOUNTS

Disconnection of water, sewer and/or reclaimed water 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.

\$45.00 per event, during OWASA's normal business hours (**No Change Proposed**)

\$80.00 per event, outside OWASA's normal business hours (**No Change 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. \$45.00 per event (**No Change Proposed**)

#### LATE PAYMENT FEE

This fee is designed to recover a portion of the cost of delinquent payment collection efforts that arise prior to service termination and are not recovered by charges for reconnection of delinquent accounts, and to encourage customers to make timely payments, thereby reducing the overall cost of a delinquent account to the customer base. The late payment fee applies when a customer's account is delinquent as defined above.

Late Payment Fee: \$2.40 plus 0.42% a month (5% APR) of the outstanding balance. (**No Change Proposed**)

#### 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 of single-family residential properties, whether 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 \$50.00 (**No Change Proposed**) for **single-family residential customers**. In (1) above where satisfactory credit history or reference is not provided, the initial security deposit shall be \$50.00 (**No Change Proposed**). 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 nonpayment of billing charges twice within a six month period of time **and who has not previously given a security deposit** will be required to pay a \$50.00 security deposit prior to reconnection of service.

Nonresidential security deposits may be required and will be computed as 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 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.

**BULK WASTEWATER CHARGES**

**Normal Domestic Septage**

The purpose of these charges is to recover the costs associated with the service rendered by OWASA to those customers who discharge normal domestic septic tank wastes into the wastewater treatment facilities of OWASA. Applicable to those customers who have an account established at OWASA’s Customer Service Office, charges for handling normal domestic septage will be billed to the customer on a monthly basis. The monthly bill will include two components: (1) an administrative charge for special services required to receive this type waste and rendering the monthly bill; and (2) a charge for the treatment of the septage as determined by OWASA. This charge is calculated as follows:

Administrative Charge	\$30.00 ( <b>No Change Proposed</b> )/ trip, plus
Volume Charge and High Strength Surcharge	\$113.00 ( <b>Proposed \$125.00</b> )/ thousand gallons

**Other High Strength Waste**

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

- NH<sub>3</sub>-N = Ammonia Nitrogen
- CBOD = Carbonaceous Biochemical Oxygen Demand
- TSS = Total Suspended Solids
- P = Phosphorus

Administrative Charge of \$30.00 (**No Change Proposed**)/ trip, plus Volume and High Strength Surcharge calculated as follows:

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

A = pounds of NH<sub>3</sub>-N/thousand gallons in waste x \$2.49 (**Proposed \$2.73**)/pound

B = pounds of CBOD/thousand gallons in waste x \$0.35 (**Proposed \$0.38**)/pound

C = pounds of TSS/thousand gallons in waste x \$0.43 (**Proposed \$0.47**)/pound

Other High Strength Waste (Continued)

D = \$5.29 (**Proposed \$5.81**)/per 1,000 gallons Sewer Commodity Charge

E = pounds of P/thousand gallons in waste x \$10.02 (**Proposed \$11.00**)/pound

Waste concentrations shall be ~~as~~ determined by OWASA.

TANK SALES OR BULK WATER SALES

The purpose of this charge is to recover the labor and administrative costs associated with the supply of bulk quantities of water to tank trucks or trailers from a metering point on the premises of OWASA. Applicable to all tank or bulk water sales, the following charges apply for each loading.

Administrative Charge      \$24.00 (**Proposed \$25.00**) per trip, plus

Commodity Charge          \$4.92 (**\$5.40 Proposed** ) per thousand gallons or portion thereof.

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

DIRECT SALES OF SUPPLIES

Applicable to the direct sale of supplies from inventory to municipalities or contractors, the supplies will be billed at the most recent cost plus a handling charge of 10%.

BOAT RENTAL AND LAKE USE FEES

General Public

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 will be as follows:

OWASA CUSTOMERS AND ORANGE COUNTY RESIDENTS

Day Use

Charge for each boat or canoe rental	\$8.00 ( <b>Proposed \$4.00</b> ) for one-half day <b>plus the applicable lake use fee for each person in the boat. <del>Each additional person in boat pays appropriate lake use fee</del></b>
Trolling motor rental	\$14.00 ( <b>No Change Proposed</b> ) for one-half day



BOAT RENTAL AND LAKE USE FEES (continued)

Private Boat Launching Fee	\$3.00 ( <b>No Change Proposed</b> ) per boat <b>plus the applicable lake use fee for each person in the boat.</b>
Lake Use Fee, Under 12 Years Old	\$2.00 ( <b>No Change Proposed</b> ) per person
Lake Use Fee, 12-64 Years	\$4.00 ( <b>No Change Proposed</b> ) per person
Lake Use Fee, 65 Years and over	\$2.00 ( <b>No Change Proposed</b> ) per person
INDIVIDUAL PASS Boat or canoe rental	\$75.00 ( <b>No Change Proposed</b> ) per person. Each additional person in boat pays appropriate lake use fee.
Lake Use Pass - Adult	\$40.00 ( <b>No Change Proposed</b> )
Boat with trolling motor rental	\$150.00 ( <b>No Change Proposed</b> ) per person. Each additional person in boat pays appropriate lake use fee.
GROUP PASS Boat or canoe rental	\$150.00 ( <b>No Change Proposed</b> ) (maximum of 3 people per pass.) Each additional person in boat pays appropriate lake use fee.
Boat with trolling motor rental	\$220.00 ( <b>No Change Proposed</b> ) (maximum of 3 people per pass.) Each additional person in boat pays appropriate lake use fee.

ALL OTHERS

<u>Day Use</u> Charge for each boat or canoe rental	\$12.00 ( <b>Proposed \$7.00</b> ) for one-half day <b>plus the applicable lake use fee for each person in the boat. <del>Each additional person in boat pays appropriate lake use fee</del></b>
Trolling motor rental	\$20.00 ( <b>No Change Proposed</b> ) for one-half day
Private Boat Launching Fee	\$6.00 ( <b>No Change Proposed</b> ) per boat <b>plus the applicable lake use fee for each person in the boat.</b>
Lake User Fee, Under 12 years old	\$2.00 ( <b>No Change Proposed</b> ) per person
Lake User Fee, 12-64 Years	\$5.00 ( <b>No Change Proposed</b> ) per person
Lake User Fee, 65 Years and over	\$2.00 ( <b>No Change Proposed</b> ) per person
<u>UNC Men's Crew Club and Women's Rowing Team</u>	By agreement between UNC- Chapel Hill and OWASA and is applicable to all 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 \$80.00 (**No Change 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 \$124.00 (**Proposed \$125.00**) for the shop 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 \$223.00 (**Proposed \$225.00**).

### REINSPECTION FEE

OWASA will initially inspect grease traps, cross connections and water and sewer taps at no cost to the customer. Should a subsequent reinspection be required for any of these fixtures, a \$100.00 (**No Change Proposed**) fee will apply to each reinspection.

### 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, 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 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 Change Proposed)**.

	WATER	SEWER
Plan Review:	\$3.63/lf <b>(No Change Proposed)</b> .	\$3.63/lf <b>(No Change Proposed)</b> .
Construction Observation:	\$3.69/lf <b>(No Change Proposed)</b> .	\$3.69/lf <b>(No Change Proposed)</b> .

### 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 to a customer when such a customer (including but not limited to individuals, corporations, or partnerships), owes OWASA 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 **(No Change Proposed)**. For amounts exceeding \$1,500.00 **(No Change Proposed)**, approval of the Board of Directors shall also be required prior to filing an action for collection.

**RESOLUTION ADOPTING THE ANNUAL BUDGET FOR  
ORANGE WATER AND SEWER AUTHORITY FOR THE FISCAL YEAR  
JULY 1, 2009 THROUGH JUNE 30, 2010**

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

**WHEREAS**, such budget is to include estimates of revenues of the water, sewer and reclaimed water systems, 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. Chapter 159-13 the attached pages marked 1 through 5 be, and they hereby are, adopted as the official Budget of Orange Water and Sewer Authority of the Fiscal Year beginning July 1, 2009 through June 30, 2010.

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 11<sup>th</sup> day of June, 2009.

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

**FY 2010  
Annual Budget**

**Operating Revenue**

Water	\$16,372,159
Sewer	14,726,764
Reclaimed Water	471,112
Service Initiation Fee	148,952
Other	1,272,484
Refunds and Adjustments	<u>(113,396)</u>

**Total Operating Revenue** **32,878,075**

**Operating Expense**

General and Administrative	4,990,129
Operations	<u>13,543,175</u>

**Total Operating Expense** **18,533,304**

**Net Operating Income** **14,344,771**

**Non-operating Revenue**

Customer Fees	<b>1,163,650</b>
Interest	<u>72,365</u>

**Total Net Income** **15,580,786**

**Debt Service**

Existing	<b>9,678,113</b>
New	<u>0</u>

**Total Debt Service** **9,678,113**

**Net Income Less Debt Service** **\$5,902,673**

**Debt Coverage Ratio** **1.61**

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

**FY 2010  
Annual Budget**

**General Fund**

Resources

Transfer From Revenue	\$5,902,673
Assessments	3,000
Grants and Contributions	<u>250,000</u>

**Annual Income Available for Capital 6,155,673**

Transfer from Construction Fund (Bond Proceeds) 0

**Total Available for Capital 6,155,673**

Capital Expenditures

Project ordinances	
General Fund Contribution	5,701,000
Funded by Bond Proceeds	<u>0</u>

Total Project Resolutions 5,701,000

Capital Equipment 41,000

**Total Capital Outlay 5,742,000**

**Annual General Fund Balance 413,673**

**General Fund Beginning Balance 9,464,666**

**General Fund Ending Balance \$9,878,339**

Project Funding

Under Contract	2,138,901
Future Years	911,670

Reserves

Rate Stabilization	250,000
CIP	400,000
Operating Balance	<u>6,177,768</u>

**\$9,878,339**

**Unallocated General Fund Balance \$0**

**REVENUE FUND**

	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>Fund Balance July 1, 2009</b>			\$20,000
<b>Receipts</b>			
<b>Operating Revenue</b>			
Customer Billings	16,372,159	14,726,764	31,098,923
Service Initiation Fee	74,476	74,476	148,952
Reclaimed Water	471,112	0	471,112
Other	636,242	636,242	1,272,484
Refunds and Adjustments	<u>(56,698)</u>	<u>(56,698)</u>	<u>(113,396)</u>
<b>Total Operating Revenue</b>	17,497,291	15,380,784	32,878,075
<b>Non-operating Revenue</b>			
Customer Fees	581,825	581,825	1,163,650
Interest Income	<u>36,183</u>	<u>36,183</u>	<u>72,365</u>
<b>Total Non-operating Revenue</b>	618,007	618,007	1,236,015
<b>Total Receipts</b>	17,533,474	15,416,967	34,114,090
<b>Expenditures</b>			
Current Expense	(9,266,652)	(9,266,652)	(18,533,304)
Debt Service	<u>(4,839,056)</u>	<u>(4,839,056)</u>	<u>(9,678,113)</u>
<b>Total Expenditures</b>	(14,105,709)	(14,105,709)	(28,211,417)
<b>Net Revenue</b>			5,902,673
<b>To General Fund</b>			5,902,673
<b>Fund Balance June 30, 2010</b>			<u>\$20,000</u>
<b>Change in Available Balance</b>			\$0

**BOND SERVICE FUND**

<b>Fund Balance July 1, 2009</b>		\$7,077,816
<b>Receipts</b>		
Transfers from Revenue Fund	9,678,113	
Interest	<u>24,195</u>	
<b>Total Receipts</b>		9,702,308
<b>Expenditures</b>		
Debt Service	9,678,113	
<b>Total Expenditures</b>		<u>9,678,113</u>
<b>Fund Balance June 30, 2010</b>		<u>\$7,102,011</u>
<b>Change in Available Balance</b>		\$24,195



**GENERAL FUND**

<b>Fund Balance July 1, 2009</b>		\$9,464,666
<b>Receipts</b>		
Transfer From Revenue fund	5,902,673	
Transfer From Construction Fund (Bond Proceeds)	0	
Interest	48,170	
Assessments	3,000	
Grants and contributions	<u>250,000</u>	
<b>Total Receipts</b>		<u>6,203,843</u>
<b>Total Balance Before Expenditures</b>		15,668,509
<b>Expenditures</b>		
Capital Equipment/Leases	\$41,000	
Project Resolutions	5,701,000	
Transfer to Revenue Fund	48,170	
<b>Total Expenditures</b>		<u>5,790,170</u>
<b>Fund Balance June 30, 2010</b>		<u>\$9,878,339</u>
<b>Allocation of Fund Balance June 30, 2010</b>		
Project Funding		
Under Contract	2,138,901	
Future Years	911,670	
Capital Reserves	<u>6,827,768</u>	
<b>Total Allocation</b>		<u>\$9,878,339</u>
<b>Unallocated General Fund Balance June 30, 2010</b>		<u>\$0</u>
<b>Change in Available Balance</b>		\$413,673

**RESOLUTION APPROVING CAPITAL IMPROVEMENTS PROGRAM FOR  
FISCAL YEARS 2010-2024 INCLUDING FIVE-YEAR  
CAPITAL IMPROVEMENTS BUDGET FOR FISCAL YEARS 2010-2014**

**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 a orderly, coordinated, and fiscally sound manner, and to plan for the replacement and repair of existing facilities; and

**WHEREAS**, the draft Capital Improvements Program for Fiscal Years 2010-2024 and the draft Capital Improvements Budget for Fiscal Years 2010-2014 have been developed by the staff, reviewed by the Board of Directors, and revisions incorporated therein; and

**WHEREAS**, a Public Hearing on the Capital Improvements Program was held on May 28, 2009;

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

1. The Board of Directors of Orange Water and Sewer Authority approves the Capital Improvements Program for Fiscal Years 2010 -2024 including the Five-Year Capital Improvements Budget for Fiscal Years 2010 -2014 as provided in the FY 2010 Draft Annual Budget document.

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 11<sup>th</sup> day of June, 2009.

**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 (OWASA) has determined that certain additional water supply improvements are needed, including improvements to the University Lake Pump Station; and

**WHEREAS**, adequate funds will be available for the completion of these improvements;

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

1. That pursuant to the provisions of North Carolina General Statute 159-13.2, a project fund of \$319,000 is hereby established and expenditures therefrom authorized for Water Supply Improvements:

**Expenditures:**

Jordan Lake Raw Water Supply and Pumping Facility	\$12,000
Stone Quarry Acquisition	\$15,000
University Lake Pump Station Improvements	<u>\$292,000</u>
Total	\$319,000

**Revenues:**

Transfers from the General Fund and/or Bond Proceeds and Grants	\$319,000
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2. That supplementary funds will be appropriated in future years for completion of the projects.

3. That this Resolution shall take effect upon its passage.

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

Adopted this 11<sup>th</sup> day of June, 2009.

**CAPITAL PROJECT RESOLUTION FOR  
WATER TREATMENT AND DISTRIBUTION IMPROVEMENTS**

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

**WHEREAS**, OWASA has determined that certain water treatment and distribution system improvements are needed including certain rehabilitation projects at the Water Treatment Plant (WTP), Water Security Improvements, Water Distribution System Hydraulic Model Update, and certain additional water transmission and distribution line improvements; and

**WHEREAS**, adequate funds will be available for the completion of said improvements;

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

1. That pursuant to the provisions of North Carolina General Statute 159-13.2, a project fund of \$1,791,000 is hereby established and expenditures therefrom authorized for Water Treatment and Distribution Improvements:

**Expenditures:**

WTP Instrumentation and Control Improvements	\$14,000
WTP Rehabilitation Projects	\$117,000
WTP Water Security Improvements	\$146,000
WTP Sodium Hypochlorite Tank Facility Improvements	\$120,000
Calvander Pump Station Improvements	\$25,000
Water Main Road Improvement Projects	\$99,000
Water Main Rehabilitation and Replacement Projects	\$995,000
Water Main Reinforcement Projects	\$75,000
Water Distribution System Hydraulic Model Update	<u>\$200,000</u>
Total	\$1,791,000

**Revenues:**

Transfers from the General Fund and/or Bond Proceeds	\$1,791,000
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2. That supplementary funds will be appropriated in future years for completion of the projects.

3. That this Resolution shall take effect upon its passage.

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

Adopted this 11<sup>th</sup> day of June, 2009.

**CAPITAL PROJECT RESOLUTION FOR  
WASTEWATER COLLECTION, TREATMENT AND DISPOSAL IMPROVEMENTS**

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

**WHEREAS**, additional wastewater collection system line improvements, pump station and force main improvements, and wastewater treatment plant upgrade and other improvements are needed; and

**WHEREAS**, adequate funds will be available for the completion of said improvements;

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

1. That pursuant to the provisions of North Carolina General Statute 159-13.2, a project fund of \$3,290,000 is hereby established and expenditures therefrom authorized for Wastewater Collection, Treatment and Disposal Improvements:

**Expenditures:**

Bolin Creek Interceptor Phase III	\$1,108,000
Service Area Sewer Line Rehabilitation and Replacement	\$495,000
Willow Drive/Estes Drive & US 15-501/Culbreth Road Sewers	\$400,000
Sanitary Sewer Service Area Study	\$349,000
Pump Station Improvements	\$50,000
WWTP Rehabilitation Projects	\$77,000
WWTP Odor Improvements	\$471,000
WWTP Hydraulic and Treatment Capacity Analysis	\$280,000
WWTP Methane Engine Reconditioning	\$60,000
Total	\$3,290,000

**Revenues:**

Transfers from the General Fund and/or Bond Proceeds and Grants	\$3,290,000
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2. That supplementary funds will be appropriated in future years for completion of the projects.

3. That this Resolution shall take effect upon its passage.

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

Adopted this 11<sup>th</sup> day of June, 2009.

**CAPITAL PROJECT RESOLUTION FOR  
SUPPORT SERVICES FACILITY IMPROVEMENTS**

**WHEREAS**, Orange Water and Sewer Authority (OWASA) has determined that certain improvements and modifications are needed for OWASA's computer hardware and software facilities to facilitate the handling of system information including customer records; and

**WHEREAS**, adequate funds will be available for the completion of said improvements;

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

1. That pursuant to the provisions of North Carolina General Statute 159-13.2, a project fund of \$301,000 is hereby established and expenditures therefrom authorized for Support Services Facility Improvements:

**Expenditures:**

Information Services	\$301,000
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**Revenues:**

Transfers from the General Fund and/or Bond Proceeds	\$301,000
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2. That supplementary funds will be appropriated in future years for completion of the projects.

3. That this Resolution shall take effect upon its passage.

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

Adopted this 11<sup>th</sup> day of June, 2009.

**RESOLUTION OF ORANGE WATER AND SEWER AUTHORITY  
SCHEDULE OF EMPLOYEE CLASSIFICATION AND AUTHORIZED  
COMPENSATION EFFECTIVE OCTOBER 1, 2009**

**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**, the Director of Finance and the Director of Human Resources researched the Consumer Price Index (CPI) and the Employment Cost Index (ECI) to determine the percentage of adjustment needed for OWASA pay ranges to remain competitive and they recommend that the salary ranges be adjusted by 2.3% based on the information collected from these indexes; and

**WHEREAS**, this information was reviewed by the Human Resources Committee at their meeting on March 10, 2009;

**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 2.3% effective October 1, 2009.
2. That these salary ranges shall remain in effect until such time as further modified or revised.

Adopted this 11th day of June 2009.

**Attachment #1**

**ORANGE WATER AND SEWER AUTHORITY  
SCHEDULE OF EMPLOYEE CLASSIFICATION AND  
AUTHORIZED COMPENSATION  
Effective October 1, 2009**

<b><u>Salary Grade</u></b>	<b><u>Authorized Positions</u></b>	<b><u>Salary Range</u></b>	<b><u>Classification Title</u></b>
9	0-5 2 0-33	\$27,737 – 40,219	Clerk/Cashier* Assistant Lake Warden Utility Mechanic I*
10	0-33	\$29,399 – 42,629	Utility Mechanic II*
11	1 0-4 0-5 1	\$31,061 – 45,040	Senior Assistant Lake Warden Accounting Technician I* Customer Service Representative* Field Service Representative
12	3 3 5 1	\$32,724 – 47,450	Utility Mechanic III Solids Handler Administrative Assistant Service Technician
13	0-4	\$34,387 – 49,861	Accounting Technician II*
14	0-9	\$36,053 – 52,277	Maintenance Mechanic*
15	0-9 6 1 2	\$37,713 – 54,685	Senior Maintenance Mechanic* Laboratory Analyst Sr. Customer Service Representative Engineering Technician
16	6 1 1 14 1	\$39,374 – 57,095	Crew Leader Human Resources Generalist Lakes Warden Treatment Plant Operator Solids Handler Supervisor
18	2 1	\$42,701 – 61,920	Information Services Technical Specialist Instrumentation Control Technician
19	2	\$44,363 – 64,329	Construction Inspector



OWASA Schedule of Employee Classification and Authorized Compensation

Effective October 1, 2009

Page 2 of 3

<b><u>Salary Grade</u></b>	<b><u>Authorized Positions</u></b>	<b><u>Salary Range</u></b>	<b><u>Classification Title</u></b>
20	2 2 1 2 1	\$46,028 – 66,742	Plant Maintenance Supervisor Engineering Associate Executive Assistant Operations Supervisor Laboratory Supervisor
21	1 1	\$47,690 – 69,153	GIS Coordinator Public Affairs Administrator
22	1	\$49,353 – 71,562	Safety & Training Administrator
23	1	\$51,003 – 73,955	Assistant Distribution & Collection Systems Manager
25	0-2 1	\$54,338 – 78,790	Utilities Engineer* Network/Database Administrator
27	0-2	\$57,662 – 83,619	Utilities Engineer – Registered*
28	1 1 1	\$59,326 – 86,023	Procurement Manager Customer Service Manager Laboratory Manager
31	1  1 1 1 1 1 1	\$64,316 – 93,261	Engineering Manager, Systems Development Engineering Manager, Capital Projects Operations Engineer Distribution & Collection Systems Manager Plants Maintenance Manager Sustainability Manager Finance Manager
33	1 1	\$67,482 – 97,850	Water Supply & Treatment Manager Wastewater Treatment & Biosolids Recycling Manager
37	1 1	\$74,292 – 107,723	Business Information Services Director Human Resources Director
39	1	\$77,616 – 112,544	Planning & Development Director
44	1 1	\$85,929 – 124,598	Finance and Customer Service Director Engineering & Planning Director

<u>Salary Grade</u>	<u>Authorized Positions</u>	<u>Salary Range</u>	<u>Classification Title</u>
46	1	\$89,257 – 129,422	General Manager of Operations
Contract	1		Executive Director
<b>Total of 138 positions</b>			

\* On June 14, 2007, the OWASA Board amended the Schedule of Employee Classification and Authorized Compensation to provide for skill-based pay progression for the following positions:

- Utility Mechanic I to Utility Mechanic II
- Maintenance Mechanic to Senior Maintenance Mechanic
- Accounting Technician I to Accounting Technician II
- Clerk/Cashier to Customer Service Representative
- Utilities Engineer to Utilities Engineer Registered

The Executive Director has established eligibility criteria and administrative procedures for the skill-based pay program.

While there is flexibility in the number of authorized positions in each skill-based pay position, the total number of authorized positions for each skill-based pay job family is as follows:

<u>Skill-based Pay Job Family</u>	<u>Total Authorized Positions</u>
Utility Mechanic I / Utility Mechanic II	33
Maintenance Mechanic / Senior Maintenance Mechanic	9
Accounting Technician I / Accounting Technician II	4
Clerk/Cashier / Customer Service Representative	5
Utilities Engineer / Utilities Engineer Registered	2