



ORANGE WATER AND SEWER AUTHORITY

*A public, non-profit agency providing water, sewer and reclaimed water services
to the Carrboro-Chapel Hill community.*

December 13, 2016

Mayor Pam Hemminger
Town of Chapel Hill
405 Martin Luther King Jr.
Boulevard
Chapel Hill, NC 27514

Mayor Lydia Lavelle
Town of Carrboro
301 West Main Street
Carrboro, NC 27510

Chair Mark Dorosin
Orange County Board of
Commissioners
Post Office Box 8181
Hillsborough, NC 27278

**SUBJECT: Change to Year-Round Water Rate for Multi-Family Master-Metered
(MFMM) Locations Such as Apartment Complexes**

Dear Mayor Hemminger, Mayor Lavelle and Chair Dorosin:

Following up on my September 29, 2016 letter, please be advised that the OWASA Board of Directors' approved a year-round water rate for Multi-Family Master-Metered (MFMM) customers at our December 8th meeting.

MFMM customers currently pay seasonal water rates: \$4.16 per 1,000 gallons from October through April and \$7.91 per 1,000 gallons from May through September. In May 2017, the new year-round water rate of \$5.67 per 1,000 gallons will go into effect for MFMM customers. This rate is designed to generate the same amount of revenue as the present seasonal rates.

In the past, MFMM residents expressed concern about unexpected increases in private water and sewer bills with the change to our peak seasonal rate in May, even when a resident's water use has not increased. About 7,700 households living in approximately 200 apartment complexes in Chapel Hill and Carrboro receive private water and sewer bills from property owners. Under rules of the NC Utilities Commission, the owners can pass through water and sewer costs to residents through private sub-metering and billing arrangements. The year-round rate will eliminate bill fluctuations due to changes in seasonal rates, so private bills should result in fewer questions and less confusion.

This rate change will not likely impact MFMM residents who do not receive private bills, but pay for water and sewer service through rent.

Water demand at MFMM locations currently does not have the seasonal peaking pattern that seasonal rates were originally intended to address. Next fall, the OWASA Board will review the impact, if any, of the year-round water rate on seasonal consumption patterns of MFMM customers.

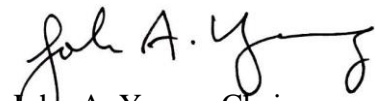
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Please let us know if you have any questions or comments.

Sincerely,

A handwritten signature in black ink that reads "John A. Young". The signature is written in a cursive style with a large initial "J" and a long horizontal stroke at the end.

John A. Young, Chair
OWASA Board of Directors

c: Mr. David Andrews, Carrboro Town Manager
Ms. Bonnie Hammersley, Orange County Manager
Mr. Roger Stancil, Chapel Hill Town Manager
OWASA Board of Directors
Ed Kerwin, OWASA Executive Director