



ORANGE WATER AND SEWER AUTHORITY

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

Agenda

Work Session of the OWASA Board of Directors

Thursday, June 8, 2017, 6:00 P.M.

OWASA Community Room

The Board of Directors appreciates and invites the public to attend and observe its meetings. For the Board's Work Session, public comments are invited on only items appearing on this agenda. Speakers are invited to submit more detailed comments via written materials, ideally submitted at least three days in advance of the meeting to the Clerk to the Board via email or US Postal Service (aorbich@owasa.org/400 Jones Ferry Road, Carrboro, NC 27510).

Public speakers are encouraged to organize their remarks for delivery within a four-minute time frame allowed each speaker, unless otherwise determined by the Board of Directors.

The Board may take action on any item on the agenda.

Announcements

- a. Announcements by the Chair
 - 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.
- b. Announcements by Board Members
 - Update on the June 6, 2017 Human Resources Committee Meeting (Robert Morgan)
- c. Announcements by Staff

Consent Agenda

Action

1. Resolution Awarding a Construction Contract for the Hillsborough Street Water Main Replacement Project (Simon Lobdell)
2. Approve Minor Changes to Water and Sewer Management, Planning and Boundary Agreement (Ruth Rouse)

Regular Agenda

Discussion and Action

3. Approval of the Schedule of Rates, Fees and Charges; Annual Budget; and Five-Year Capital Improvements Program (CIP) (Stephen Winters)
 - A. Resolution Adopting the Schedule of Rates, Fees and Charges Applicable to All Customers On and After October 1, 2017
 - B. Resolution Adopting the Budget for Orange Water and Sewer Authority for Fiscal Year (FY) 2018
 - C. Resolution Approving the CIP for FY 2018-2022 and the Accompanying FY 2018 Capital Project Resolution

Discussion

4. Progress Report on the Initial Implementation Plan for OWASA's Employee Diversity and Inclusion Program (Ed Kerwin)

Discussion and Action

5. Resolution Honoring the Service of Terri Buckner to the Chapel Hill-Carrboro-Orange County Community as a Member of the Orange Water and Sewer Authority's Board of Directors (John Young)
6. Resolution Honoring the Service of Dr. David H. Moreau to the Chapel Hill-Carrboro-Orange County Community as a Member of the Orange Water and Sewer Authority's Board of Directors (John Young)

Discussion

7. Review Board Work Schedule (John Young/Ed Kerwin)
 - A. Request(s) by Board Committees, Board Members and Staff
 - B. 12 Month Board Meeting Schedule
 - Proposed date for Financial Reserves Policy Discussion (Stephen Winters)
 - Does the Board agree to cancel the June 22, July 13 and July 27, 2017 Board meetings?
 - C. Pending Key Staff Action Items

Election of Officers (Effective July 1, 2017)

8. Report of the Nominating Committee for Election of Officers (Yinka Ayankoya, Chair of the Nominating Committee)
 - A. Chair of the Board
 - B. Vice Chair of the Board
 - C. Secretary of the Board

Summary of Work Session Items

9. Executive Director will summarize the key staff action items from the Work Session

Agenda Item 1:

Resolution Awarding a Construction Contract for the Hillsborough Street Water Main Replacement Project

Purpose:

This memorandum recommends that the OWASA Board award a construction contract to Moffat Pipe, Inc. (“Moffat”) for the construction of the Hillsborough Street Water Main Replacement Project (“Project”).

Background:

The Project is part of OWASA’s overall program to replace or abandon aging water mains to ensure a safe and reliable supply of drinking water for our customers. The existing mains within this project were identified as a high priority for replacement by our Water Main Prioritization Model.

This project was scheduled for construction in 2021, but through coordination with the Town of Chapel Hill, has been accelerated to allow the new pipe to be installed before the Town repaves Hillsborough Street next summer. The section of line from North Street to Rosemary Street was replaced in a recently completed project (Rosemary, Henderson and Hillsborough Streets Water Mains, Capital Improvement Program 275-71).

The project was designed and bid in Fiscal Year 2017 for the remainder of the Hillsborough Street water line replacement. As part of the original design for the project, hydraulic modeling established that a new 8-inch pipe would meet the service criteria for the distribution system in this area.

Attachment 1 shows the extents (in red) of water line replacement. This project replaces the remaining 3000 feet of asbestos concrete pipe and several hundred feet of 2 inch galvanized water lines in Hillsborough Street with new ductile iron pipe. The project area extends from Martin Luther King Jr Blvd, along Hillsborough Street to near the intersection with North Street.

A community meeting is being held on June 14, 2017 in order to convey the schedule and expected impacts during construction, and answer questions from the community. This community meeting is part of the overall Community Engagement Plan for this project, which includes periodic project updates and direct customer interaction.

Advertising and Bidding:

OWASA staff and its consultant Hazen and Sawyer (“Engineer”) developed complete design and specifications for the improvements during Fiscal Year 2017. Prospective bidders were screened through our standard prequalification process, which involved having interested contractors submit a package outlining their qualifications, including past

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performance on similar projects, credentials of their management team, safety record, etc. Only those firms that clearly demonstrated the capability to adequately perform the work were invited to submit bids.

The Request for Qualifications (RFQ) was posted January 18, 2017. After review, five contractors were prequalified to bid on the project. The invitation for bids was issued to the prequalified contractors on May 2, 2017. A total of three bids were received on May 24, 2017 and opened publicly. Moffat was the low, responsive and responsible bidder for the project with a bid of \$1,677,700.00. A copy of the certified bid tabulation is attached with the Engineer's recommendation for award (Attachment 2), and the results are summarized below:

Moffat Pipe, Inc.	\$1,677,700.00
Carolina Civilworks, Inc.	\$1,742,669.79
Pipeline Utilities, Inc.	\$2,180,000.00
<i>Engineer's Final Estimate</i>	<i>\$2,040,000.00</i>

Minority and Women Business Enterprise (MWBE) Participation:

OWASA's Minority Business Participation Outreach Plan and Guidelines include all of the statutory requirements from the State of North Carolina, and specifies a 10% goal for participation by minority businesses. In keeping with standard practice, OWASA staff took several actions to solicit minority participation in this contract, including advertising the RFQ in the Greater Diversity News, North Carolina Institute of Minority Economic Development, North Carolina Department of Administration Historically Underutilized Businesses, OWASA's website, and plan rooms. OWASA also requires bidders to complete "good faith" efforts to solicit participation by minority subcontractors. OWASA staff publicly advertised the formal bid as an additional effort to encourage participation by subcontractors where it was feasible.

The apparent low bidder (Moffat) is a Women Owned Business Enterprise (WBE) and they anticipate self-performing at least \$1,000,000.00 of the work. Additionally, they provided documentation of good faith efforts although none of their subcontractors qualify as Minority and Women owned Business Enterprise (MWBE) contractors. The total percentage of work going to an MWBE in this contract is approximately 60%.

Bid Analysis and Recommendation:

The three bids received were in the anticipated range with favorable pricing for the low bid (the high bid was 30% higher than the low bid). The low bid was 18% lower than the Engineer's estimate and is a competitive cost for the work.

Moffat was the contractor who performed the Rosemary, Henderson and Hillsborough Streets water main replacement previously and staff is confident their pricing reflects a fair cost for the current job.

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Moffat has the ability to complete this project, was evaluated thoroughly during the prequalification process, and they demonstrated sufficient qualifications in past project performance, personnel qualifications/experience, reference checks, and all other rated categories. OWASA staff also determined that Moffat's safety performance, relevant project experience, bonding capacity, and other non-rated categories met our requirements.

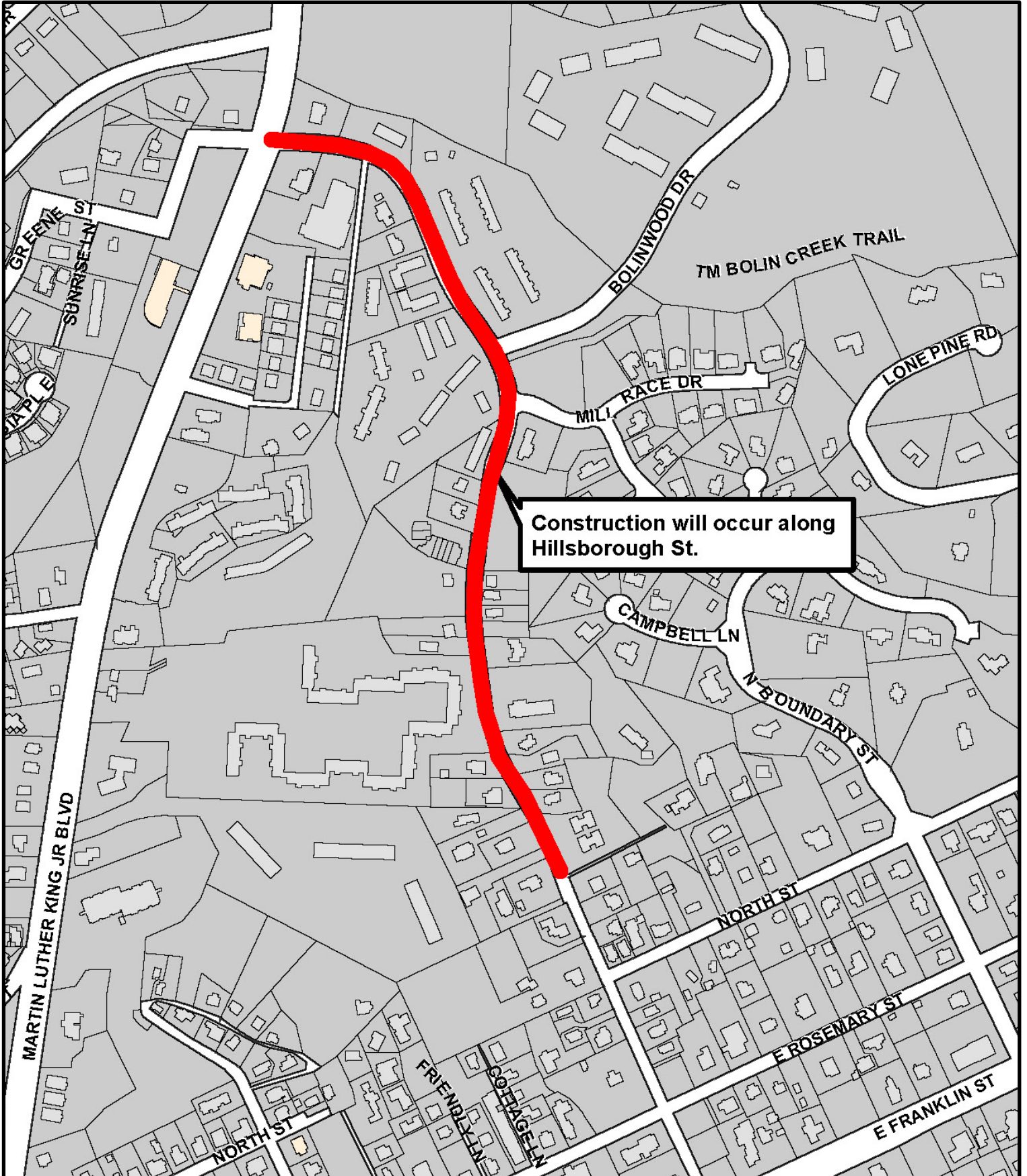
Hazen and Sawyer's recommendation that the construction contract for this project be awarded to Moffat is attached along with the certified bid tabulation (Attachment 2). OWASA staff concurs with this recommendation. In order to proceed, we request the Board's adoption of the attached resolution (Attachment 3) awarding the construction contract to Moffat.

Information:

Attachments

1. Work Area Location Map
2. Engineer's Recommendation for Award and Certified Bid Tabulation
3. Resolution

Attachment 1 – Work Area Location Map





Hazen and Sawyer
498 Seventh Avenue, 11th Floor
New York, NY 10018 • 123.345.8765

May 25, 2017

Simon Lobdell, PE
Utilities Engineer
Orange Water and Sewer Authority
400 Jones Ferry Road
Carrboro, NC 27510

**Re: Award Recommendation
Hillsborough Street Water Main Replacement Project
Hazen Project No. 32172-005**

Mr. Lobdell,

Please find enclosed the certified bid tabulation for the Hillsborough Street Water Main Replacement Project. All bid received were opened and read aloud on May 24, 2017 at 3:00 PM at the offices of Orange Water and Sewer Authority on Jones Ferry Road.

A total of three bids were submitted and the apparent low bid price of **\$1,677,700.00** was submitted by Moffat Pipe, Inc out of Wake Forest, NC. Their bid has been reviewed and deemed complete based multiple factors, including but not limited to the following:

- The bid was submitted by the bid deadline and was deemed complete with applicable seals and signatures.
- The bid contained a bid bond of at least 5%.
- The bid identified minority businesses to be used on the project and included an affidavit attesting to the bidder's good faith efforts to solicit minority contractors.
- The bidder is properly licensed in the State of North Carolina and provided a list of similar projects completed by the bidder over the past five years exceeding the minimum qualifications for the project.

If you have any questions or require additional information, please give me a call at (919) 833-7152.

Sincerely,

Jason P. Cook, PE, PMP
Associate

Enclosure – Bid Tabulation
cc: File

CERTIFIED BID TABULATION

**Hillsborough Street Water Main Replacement
Orange Water and Sewer Authority
Chapel Hill, North Carolina**

Item No.	Description	Units	Estimated Quantity	Carolina Civilworks, Inc.		Moffat Pipe, Inc.		Pipeline Utilities, Inc.	
				Bid Unit Price	Extended Total	Bid Unit Price	Extended Total	Bid Unit Price	Extended Total
1a	8" Ductile Iron Water Main, PC 350 Restrained Joint	LF	2,960	\$130.93	\$387,552.80	\$160.00	\$473,600.00	\$88.00	\$260,480.00
1b	6" Ductile Iron Water Main, PC 350 Restrained Joint	LF	10	\$71.28	\$712.80	\$300.00	\$3,000.00	\$181.00	\$1,810.00
1c	4" Ductile Iron Water Main, PC 350 Restrained Joint	LF	344	\$129.59	\$44,578.96	\$140.00	\$48,160.00	\$76.00	\$26,144.00
1d	8" Ductile Iron Water Main, CL 51 Restrained Joint	LF	36	\$85.09	\$3,063.24	\$225.00	\$8,100.00	\$142.00	\$5,112.00
2	16" Ductile Iron Sanitary Sewer, PC 250 (0-6' Depth of Cut)	LF	200	\$250.46	\$50,092.00	\$300.00	\$60,000.00	\$276.00	\$55,200.00
3	4' Diameter Precast Concrete Sanitary Sewer Manholes (0-6')	EA	3	\$10,076.24	\$30,228.72	\$5,000.00	\$15,000.00	\$9,536.00	\$28,608.00
4	Ductile Iron Bends and Fittings	LBS	5,469	\$12.50	\$68,362.50	\$10.00	\$54,690.00	\$7.00	\$38,283.00
5	8" Transition Coupling	EA	1	\$768.05	\$768.05	\$3,000.00	\$3,000.00	\$963.00	\$963.00
6a	12" x 8" Tapping Sleeve and Valve Assembly	EA	1	\$8,225.67	\$8,225.67	\$8,000.00	\$8,000.00	\$25,138.00	\$25,138.00
6b	6" x 6" Tapping Sleeve and Valve Assembly	EA	1	\$8,621.10	\$8,621.10	\$6,000.00	\$6,000.00	\$23,089.00	\$23,089.00
7a	8" Valve Assemblies	EA	26	\$1,748.34	\$45,456.84	\$3,500.00	\$91,000.00	\$2,057.00	\$53,482.00
7b	4" Valve Assemblies	EA	7	\$1,204.35	\$8,430.45	\$3,000.00	\$21,000.00	\$1,598.00	\$11,186.00
7c	2" Valve Assemblies	EA	1	\$5,609.48	\$5,609.48	\$2,500.00	\$2,500.00	\$1,741.00	\$1,741.00
8	Fire Hydrants Assemblies	EA	4	\$6,313.63	\$25,254.52	\$8,000.00	\$32,000.00	\$6,218.00	\$24,872.00
9	Air Release Valve Assemblies	EA	1	\$2,951.37	\$2,951.37	\$6,000.00	\$6,000.00	\$5,812.00	\$5,812.00
10a	Connect to Exist. 8" Water Main	EA	4	\$1,458.40	\$5,833.60	\$6,000.00	\$24,000.00	\$7,616.00	\$30,464.00
10b	Connect to Exist. 4" Water Main	EA	5	\$1,182.26	\$5,911.30	\$4,250.00	\$21,250.00	\$7,563.00	\$37,815.00
10c	Connect to Exist. 2" Water Main	EA	1	\$1,940.84	\$1,940.84	\$4,000.00	\$4,000.00	\$5,179.00	\$5,179.00
11	Temporary Blow-Off Assembly	EA	7	\$3,745.41	\$26,217.87	\$3,500.00	\$24,500.00	\$2,593.00	\$18,151.00
12	Permanent Blow-Off Assembly	EA	2	\$3,369.86	\$6,739.72	\$4,500.00	\$9,000.00	\$3,102.00	\$6,204.00
13a	3/4" Water Service	EA	47	\$1,988.99	\$93,482.53	\$2,400.00	\$112,800.00	\$5,967.00	\$280,449.00
13b	1" Water Service	EA	3	\$3,357.02	\$10,071.06	\$3,000.00	\$9,000.00	\$6,540.00	\$19,620.00
13c	2" Water Service	EA	1	\$9,475.42	\$9,475.42	\$10,000.00	\$10,000.00	\$13,745.00	\$13,745.00
14	Abandon Existing Water Mains in Place	LF	3,364	\$21.38	\$71,922.32	\$8.00	\$26,912.00	\$9.00	\$30,276.00
15	Removal of Existing Sewer Mains	LF	210	\$22.87	\$4,802.70	\$35.00	\$7,350.00	\$139.00	\$29,190.00
16a	Milling of Asphalt	SY	360	\$52.76	\$18,993.60	\$30.00	\$10,800.00	\$11.00	\$3,960.00
16b	Surface Course (SF9.5B)	TN	122	\$629.16	\$76,757.52	\$400.00	\$48,800.00	\$362.00	\$44,164.00
16c	Base Course (B25.0B)	TN	603	\$192.53	\$116,095.59	\$155.00	\$93,465.00	\$243.00	\$146,529.00
16d	Aggregate Base Course	TN	570	\$78.82	\$44,927.40	\$25.00	\$14,250.00	\$35.00	\$19,950.00
17	Remove & Replace Curb & Gutter	LF	698	\$41.18	\$28,743.64	\$55.00	\$38,390.00	\$40.00	\$27,920.00
18	Remove & Replace Sidewalk	SY	313	\$64.35	\$20,141.55	\$55.00	\$17,215.00	\$75.00	\$23,475.00
19	Miscellaneous Concrete	CY	10	\$699.02	\$6,990.20	\$110.00	\$1,100.00	\$695.00	\$6,950.00
20	Offsite Fill Material	CY	102	\$89.71	\$9,150.42	\$25.00	\$2,550.00	\$99.00	\$10,098.00
21	Undercut and Replace with #57 Stone	CY	102	\$127.90	\$13,045.80	\$25.00	\$2,550.00	\$94.00	\$9,588.00
22	Trench Rock Removal by Mechanical Means (min \$115/cy)	CY	205	\$286.10	\$58,650.50	\$175.00	\$35,875.00	\$697.00	\$142,885.00
23	Traffic Control	LS	1	\$214,132.50	\$214,132.50	\$101,843.00	\$101,843.00	\$316,068.00	\$316,068.00
24	Town of Chapel Hill Fee Allowance	-	-	-	\$130,000.00	-	\$130,000.00	-	\$130,000.00
25	Temporary Water Service	LS	1	\$54,193.87	\$54,193.87	\$50,000.00	\$50,000.00	\$200,000.00	\$200,000.00
26	Mobilization (Less than 3% of Bid)	LS	1	\$39,541.34	\$39,541.34	\$50,000.00	\$50,000.00	\$65,400.00	\$65,400.00
Total of All Unit Price Bid Items					\$1,757,669.79		\$1,677,700.00		\$2,180,000.00

CERTIFICATION

- All bid received were opened and read aloud on May 24, 2017 at 3:00 PM at the offices of Orange Water and Sewer Authority on Jones Ferry Road.
- The bids shown represent the total bid amount provided on the original Bid Forms presented in each Bidder's proposal with the exception of the proposal received by Carolina Civilworks, Inc. The bid proposal received from Carolina Civilworks, Inc included an incorrect value for Item No. 24 which was increased from \$115,000 to \$130,000 in Addendum 1 on May 18, 2017. Carolina Civilworks, Inc included the amount for Item No. 24 before Addendum No. 1 was issued and thier final bid amount was adjusted to reflect the correct amount for Item No. 24. Carolina Civilworks confirmed receipt of Addendum No. 1 on May 18, 2017.

J.P. Cook
Jason P. Cook, PE, PMP
Hazen and Sawyer



Attachment 3

Resolution Awarding a Construction Contract for the Hillsborough Street Water Main Replacement Project

Whereas, there is a need to replace the 8” asbestos concrete water main along Hillsborough Street; and

Whereas, plans and specifications for the construction of this project have been prepared by Hazen and Sawyer; and

Whereas, advertisement for contractor qualifications was published on the websites of the North Carolina Institute of Minority Economic Development, North Carolina Department of Administration, and OWASA on January 18, 2017, and five contractors were qualified to bid; and

Whereas, on May 2, 2017, the prequalified contractors were formally invited to submit construction bids for the project, and three bids were received on May 24, 2017; and

Whereas, Moffat Pipe, Inc. of Wake Forest, North Carolina has been determined to be the low responsive, responsible bidder for the project; and

Whereas, the Capital Improvements Program (CIP) contains sufficient funds for the expedited rehabilitation of the water main;

Now, Therefore, Be It Resolved:

1. That the Orange Water and Sewer Authority Board of Directors awards the construction contract to Moffat Pipe, Inc., the low responsive, responsible bidder for the Hillsborough Street Water Main Replacement Project, in accordance with the approved plans and specifications, in the amount of \$1,677,700.00, subject to such change orders as may apply.

2. That the Executive Director be, and hereby is, authorized to execute said contract, subject to prior approval of legal counsel, and to approve and execute change orders and such documents as may be required in connection with the construction contract.

Adopted this 8th day of June, 2017.

John A. Young, Chair

ATTEST:

Barbara M. Foushee, Secretary

Agenda Item 2:

Approve Minor Changes to Water and Sewer Management, Planning and Boundary Agreement

Purpose:

The purpose of this agenda item is for the OWASA Board of Directors to determine whether to approve minor changes to the Water and Sewer Management, Planning and Boundary Agreement (WSMPBA) as requested by Orange County and the Town of Carrboro.

Background:

The [Water and Sewer Management, Planning and Boundary Agreement](#) (WSMPBA) was signed in 2001 by the Town of Carrboro, Town of Chapel Hill, Town of Hillsborough, Orange County and OWASA to identify those areas in the County which would be served by water and sewer and which utility would provide those services. Changes to the WSMPBA requires the approval of each of the five parties to the Agreement; modifications were last completed in 2010. The WSMPBA provides a comprehensive county-wide system of utility service areas upon which the signatory entities can rely when making decisions concerning land use, annexation, zoning, and growth management. OWASA staff rely on the Agreement to determine whether we can provide water and sewer service to a given parcel when asked by the community.

The WSMPBA includes two tiers of utility service areas as shown in Attachment 1b:

1. Primary Service Area – these are areas where service is currently provided or might reasonably be provided in the future. When asked if water and sewer service can be provided, OWASA staff would answer “yes” to that question based on the WSMPBA (may be other reason such as the need for a utility line extension, where we may not be able to currently serve that parcel).
2. Long-Term Interest Area – these are areas where public water and sewer service is not anticipated to be made, but designates which utility would serve the area if there was an adverse public health condition as defined in the WSMPBA.

Proposed Changes to the WSMPBA by Orange County and Town of Carrboro:

The proposed changes include minor changes to the WSMPBA boundaries near the Hillsborough Economic Development District and in the Town of Carrboro’s Extraterritorial Jurisdiction (ETJ) near Smith Level Road as illustrated in Attachment 1b. Further information on each of these areas is provided in the following sections.

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Orange County/Hillsborough Economic Development Area

Orange County is planning to invest approximately \$1.6 million in sewer infrastructure to serve the southern portion of the Hillsborough Economic Development District (EDD). The County has received a Master Plan Development conditional zoning application that includes a large portion of the area that will become part of the Primary Service Area served by the Town of Hillsborough. Approximately 84 acres will be transferred from the Town of Hillsborough's Long-Term Interest Area to the Town of Hillsborough's Primary Service Area. Attachment 1c illustrates the proposed changes.

Town of Carrboro ETJ/Smith Level Road

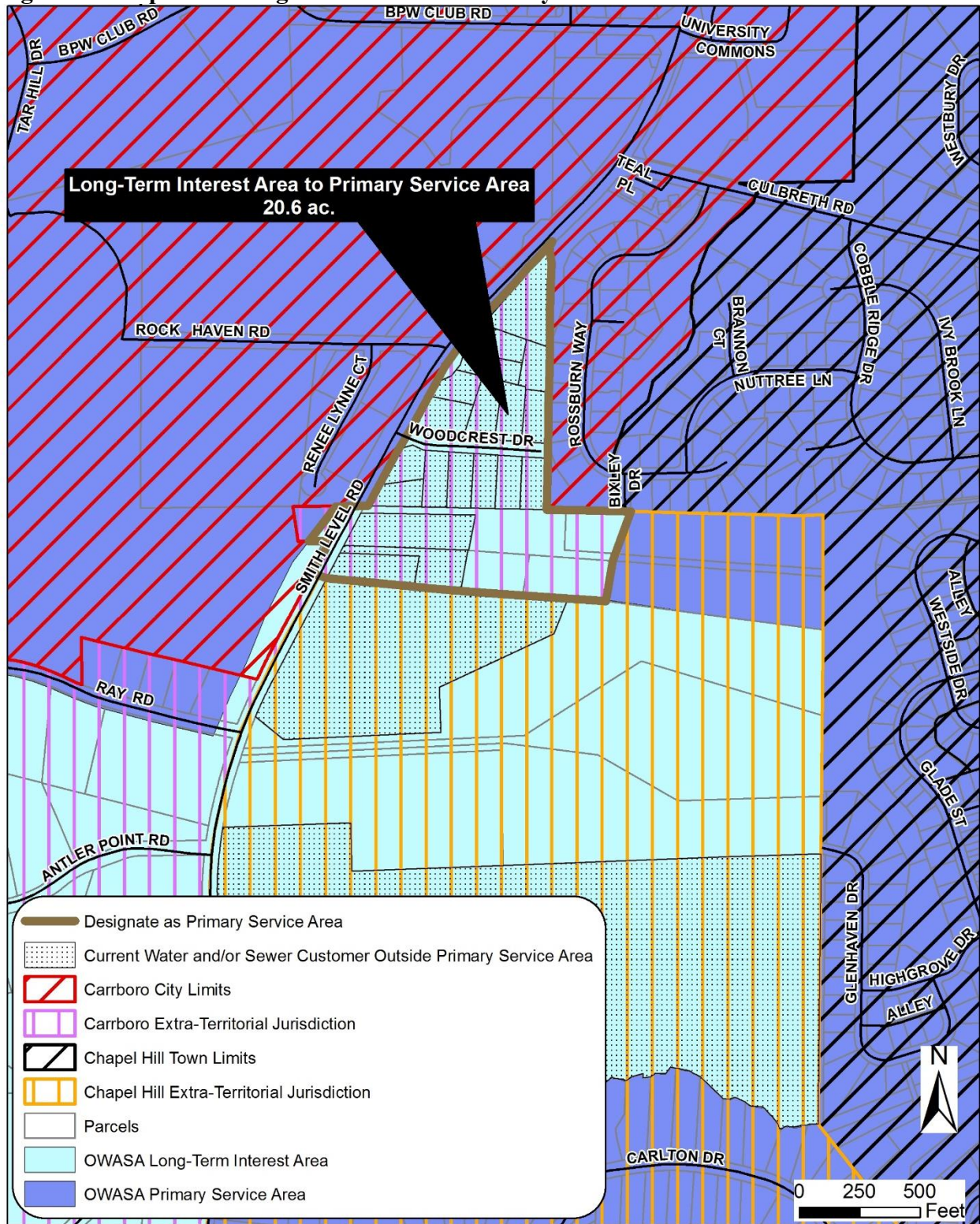
An area of 20.6 acres within the Town of Carrboro's ETJ is proposed to be moved from OWASA's Long-Term Interest Area to OWASA's Primary Service Area as shown in Attachment 1d. Most of these properties already receive water and/or sewer service from OWASA and have been served since the 1960's before the WSMPBA was developed (Figure 1). The Town of Carrboro's zoning in this area is R-10 (10,000 square foot lots or approximately 1/4 acre), which is too small to locate well and septic systems. Staff has reviewed the area and do not anticipate any problems with providing water and sewer service to the area.

Schedule:

The proposed changes are being voted on by the Boards of the five signatories according to the schedule below:

- | | |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Orange County: | May 2, 2017 (passed); will review revised boundary change near Hillsborough EDD on June 6 (maps included in this package are consistent with revisions County Commissioners will review in June). |
| Town of Carrboro: | May 16, 2017 (passed) |
| Town of Hillsborough: | June 12, 2017 |
| Town of Chapel Hill: | June 12, 2017 |

Figure 1: Proposed Changes to OWASA's Primary Service Area



Staff and General Counsel Recommendation:

Staff and General Counsel recommend the Board adopt the resolution amending the Water and Sewer Management, Planning, and Boundary Agreement.

Information:

- Resolution Amending the Water and Sewer Management, Planning, and Boundary Agreement
 - Map Showing Revised WSMPBA Boundary
 - Map Showing Proposed WSMPBA Amendments – Hillsborough EDD Area
 - Map Showing Proposed WSMPBA Amendments – Smith Level Road Area

**Resolution of the Board of Directors of Orange Water and Sewer Authority
Approving Amendments to the Water and Sewer Management, Planning, and
Boundary Agreement**

Whereas, in 2001, Town of Carrboro, Town of Chapel Hill, Town of Hillsborough, Orange County, and OWASA adopted a Water and Sewer Management, Planning and Boundary Agreement (“Agreement”); and

Whereas, the Agreement was last amended on October 5, 2010; and

Whereas, Orange County is planning to invest approximately \$1.6 million in sewer infrastructure to serve the southern portion of the Hillsborough Economic Development District; and

Whereas, additional lands are serviceable by gravity sewer lines but currently designated “Hillsborough Long-Term Interest Area” by the Agreement; and

Whereas, Orange County finds it is a wise use of public funds to increase the development potential within this designated area, located immediately south of the Hillsborough Economic Development District; and

Whereas, The Town of Carrboro has identified an area within the Town’s Extraterritorial Jurisdiction (ETJ), and within OWASA’s Long-Term Interest Area, which has extensively been served by public water and sewer systems prior to the execution of this Agreement and there being some nearby and contiguous parcels within the ETJ which do not yet receive such service; and

Whereas, the identified area is currently designated as “OWASA Long-Term Interest Area” in the Agreement; and

Whereas, amendments to the Agreement require the approval of all signatories to the Agreement:

Now Therefore, Be It Resolved:

1. That the Board of Directors hereby approves amendments to Appendix A of the Agreement to designate additional “Primary Service Area” as shown on the maps attached hereto.

Adopted this the 8th day of June 2017.

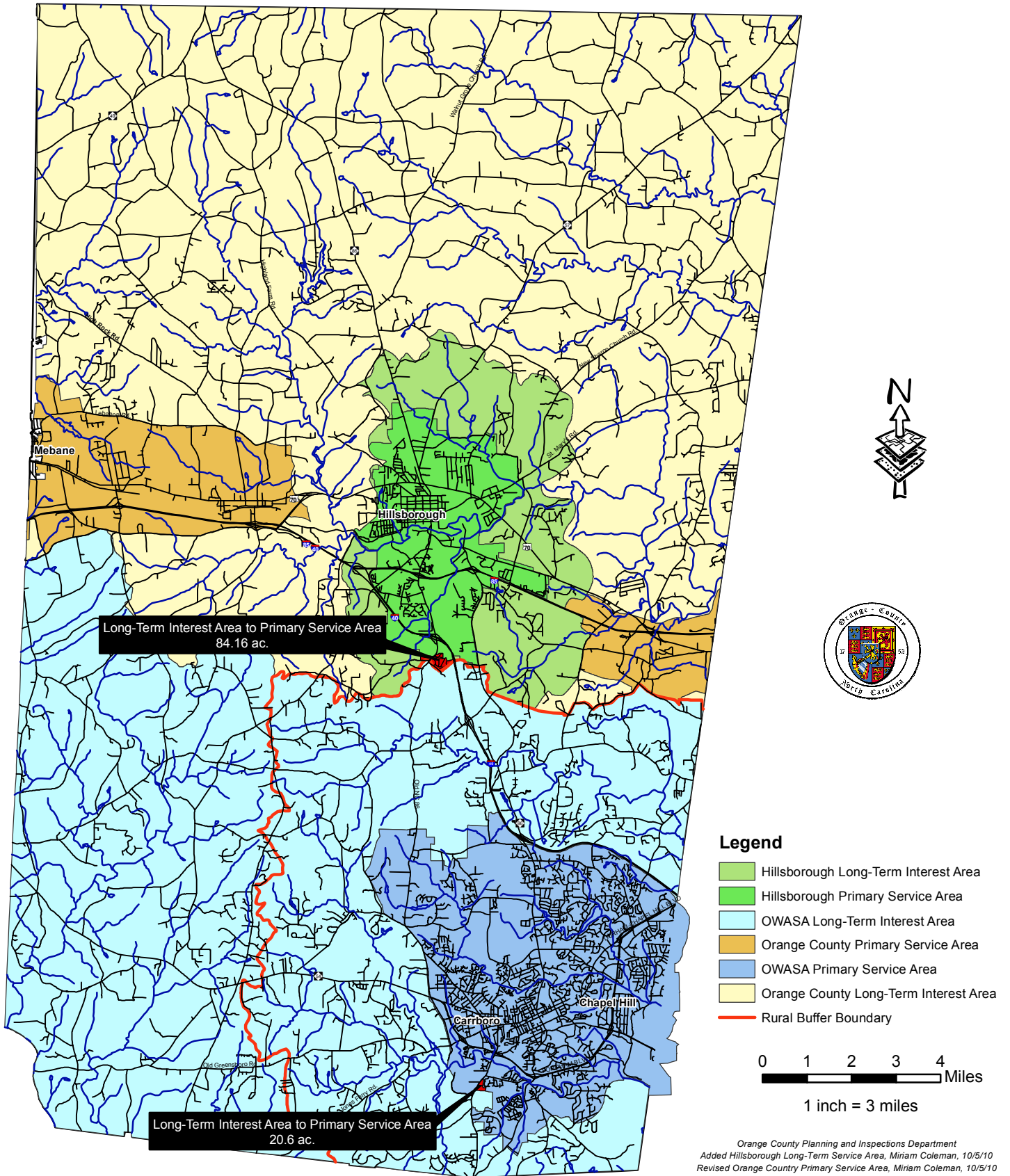
John A. Young, Chair

ATTEST:

Barbara M. Foushee, Secretary

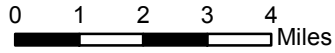
Appendix A

Water and Sewer Management Planning and Boundary Agreement



Legend

- Hillsborough Long-Term Interest Area
- Hillsborough Primary Service Area
- OWASA Long-Term Interest Area
- Orange County Primary Service Area
- OWASA Primary Service Area
- Orange County Long-Term Interest Area
- Rural Buffer Boundary

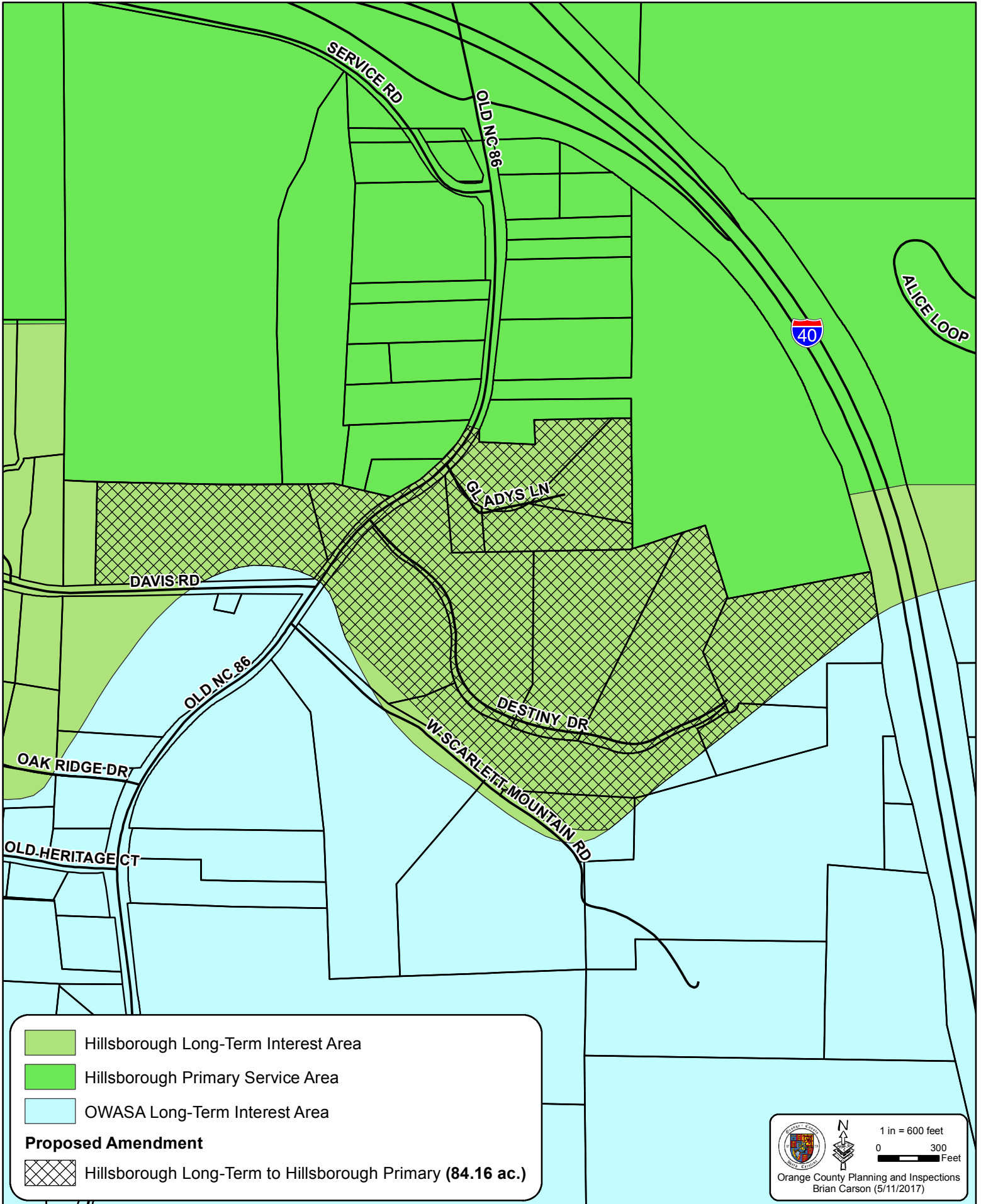


1 inch = 3 miles

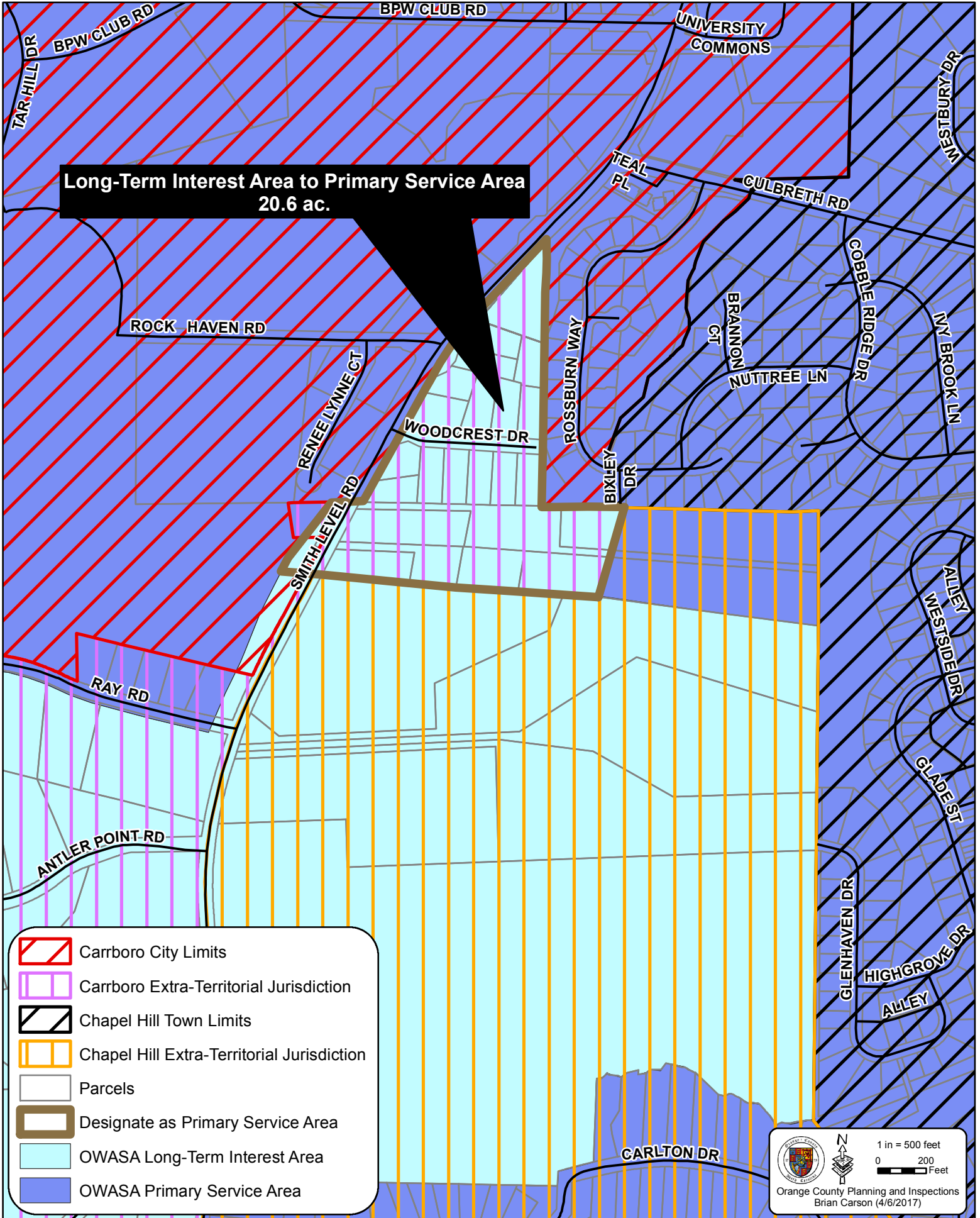
Orange County Planning and Inspections Department
 Added Hillsborough Long-Term Service Area, Miriam Coleman, 10/5/10
 Revised Orange County Primary Service Area, Miriam Coleman, 10/5/10
 Updated Hillsborough Primary Service Area, Miriam Coleman, 10/22/08
 Updated Streets, Miriam Coleman, 2002
 Revised Map to show retracted Chapel Hill Urban Service Boundary, Carrie Whitehill, 11/14/01
 Original Map Prepared by Beth McFarland, 04/17/97









Proposed WASMPBA Amendments - Hillsborough EDD Area


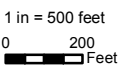
(Revised 5/11/2017)




Proposed WASMPBA Amendments - Smith Level Road Area



-  Carrboro City Limits
-  Carrboro Extra-Territorial Jurisdiction
-  Chapel Hill Town Limits
-  Chapel Hill Extra-Territorial Jurisdiction
-  Parcels
-  Designate as Primary Service Area
-  OWASA Long-Term Interest Area
-  OWASA Primary Service Area


 Orange County Planning and Inspections
 Brian Carson (4/6/2017)

Agenda Item 3:

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

- A. Resolution Adopting the Schedule of Rates, Fees and Charges Applicable to All Customers On or After October 1, 2017;
- B. Resolution Adopting the Budget for Orange Water and Sewer Authority for Fiscal Year (FY) 2018; and
- C. Resolution Approving the CIP for FY 2018-2022 and the Accompanying FY 2018 Capital Project Resolution

Background:

North Carolina General Statutes and OWASA’s Bond Order require that on or before July 1 of each fiscal year, OWASA must adopt an Annual Budget for the ensuing year.

The Board of Directors held public hearings on May 25, 2017 for the purpose of receiving stakeholder input on the proposed FY 2018 Budget and Schedule of Rates, Fees and Charges. After the close of the public hearings and subsequent discussion, the Board of Directors directed staff to present for adoption at the June 8, 2017 board meeting an Annual Budget for FY 2018 that provides funding for \$21.9 million in operating expenses, \$6.9 million in debt service payments, \$15.1 million for capital improvements and \$1.2 equipment expenditures.

The attached Annual Budget is unchanged from the budget considered during the public hearings.

The proposed Annual Budget includes projected operating revenues which are based on no increase in OWASA’s monthly water, sewer, and reclaimed water rates. Customer fees (Service Availability Fees) and certain other fees have been adjusted based on changes in the costs of providing the services. Staff has developed a proposed Schedule of Rates, Fees and Charges that would become effective October 1, 2017.

Board approval of the CIP indicates the Board’s endorsement of the proposed projects and identified needs, and funding for the first year of the CIP is adopted as part of the annual budget ordinance.

Annual Budget:

The Annual Budget agenda package includes the resolution to adopt the Annual Budget and the budget ordinance and accompanying fund schedules.

Capital Improvements Program:

The total Five-Year CIP for FY 2018-2022 is approximately \$96 million and FY 2018 spending is budgeted to be about \$15.1 million. The dollar amounts presented in the attached resolutions are consistent with previous discussions and direction of the Board of Directors.

Action Needed:

Approval of the resolutions adopting: (a) the Schedule of Rates, Fees and Charges applicable to all customers on or after October 1, 2017; (b) the Annual Budget for FY 2018; (c) the CIP for FY 2018-2022 and the accompanying capital project resolution.

Information:

- Resolutions and supporting documents relating to approval of the Rates Schedule, Annual Budget and Five-Year CIP

**Resolution Adopting the Schedule of Rates, Fees, And Charges Applicable
To All Customers On and After October 1, 2017**

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

Whereas, General Statute 162A-6(9) and Section 7.04 of OWASA's Bond Order empower and direct the Authority to fix and revise from time to time and to collect rates, fees and other charges for the use of or for the services and facilities furnished by any system operated by the Authority; and

Whereas, a Public Hearing on the proposed Schedule of Rates, Fees, and Charges was held on May 25, 2017.

Now, Therefore, Be It Resolved:

1. That the attached *Schedule of Rates, Fees, and Charges* is hereby adopted by the Board of Directors of Orange Water and Sewer Authority.
2. That the rates shown on the attached schedule shall become effective for all service billings rendered on and after October 1, 2017.
3. That the Executive Director is authorized in his discretion to make findings and determinations as necessary in the application of the *Schedule of Rates Fees and Charges*, and otherwise as necessary to resolve customer inquiries or appeals arising thereunder, subject to the customer's right of appeal to the Board of Directors.
4. That the Executive Director is hereby directed to give proper notice as required by the Sale and Purchase Agreements and to take the necessary steps to implement the *Schedule of Rates, Fees, and Charges*.

Adopted this 8th day of June 2017.

John A. Young, Chair

ATTEST:

Barbara M. Foushee, Secretary

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

APPLICABLE TO ALL BILLINGS AND SERVICES ON AND AFTER OCTOBER 1, 2017

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Background and Authorization

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

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

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

The attached Schedule of Rates, Fees, and Charges will replace the schedule adopted on June 9, 2016, which became effective on October 1, 2016.

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

SECTION I: WATER RATES AND FEES

MONTHLY WATER RATES

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

Water Service Charge No Change

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

Meter Size	Monthly Service Charge
5/8"	\$14.70
3/4" Combination Fire and Domestic Service Meter	\$15.20
1"	\$29.53
1" Combination Fire and Domestic Service Meter	\$30.03
1-1/2"	\$63.86
2"	\$96.38
3"	\$198.22
4"	\$323.58
6"	\$704.66
8"	\$1,002.06

Water Irrigation Service Charge No Change

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

Meter Size	Monthly Service Charge
5/8"	\$23.54
1"	\$47.05
1-1/2"	\$87.10
2"	\$133.96
3"	\$265.15
4"	\$407.02
6"	\$800.67
8"	\$1,273.30

Monthly service charges for compound meter arrangements are based on the largest meter in the grouping. In addition to the applicable charge for the primary meter, existing OWASA-owned sub-meters

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

are billed according to the above schedule. OWASA-owned sub-meters are no longer available and no additional sub-meters will be installed. Meter readings and service charges for first and final bills are prorated based on days of service.

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

Water Commodity Charge

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

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

Individually Metered Residential Accounts Except Irrigation-only Accounts **No Change**

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

	Volume of Use (Gallons)	Commodity Rate per 1,000 Gallons
Block 1	1,000 to 2,000	\$2.63
Block 2	3,000 to 5,000	\$6.39
Block 3	6,000 to 10,000	\$7.83
Block 4	11,000 to 15,000	\$10.94
Block 5	All use 16,000 and up	\$19.79

Multi-family Master-metered Residential Accounts **No Change**

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

\$5.67 per thousand gallons

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

Non-residential Accounts Except Irrigation Accounts **No Change**

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).

Off-peak seasonal rate per 1,000 gallons (October through April)	\$4.16
Peak seasonal rate per 1,000 gallons (May through September)	\$7.91

Irrigation-only Accounts **No Change**

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.

\$8.51 per thousand gallons

WATER COMMODITY SURCHARGES APPLICABLE UNDER WATER SHORTAGE
DECLARATION STAGES

Conservation Water Commodity Charges Under Mandatory Water Use Restrictions **No Change**

Water commodity charges will be temporarily increased during periods of declared Water Shortages and mandatory water use restrictions regardless of the time of year. These applicable surcharges are summarized in the following table.

Individually-Metered Residential						Multi-family Master-metered Residential	Non-Residential and Irrigation- Only
Block:	Res. Block 1	Res. Block 2	Res. Block 3	Res. Block 4	Res. Block 5		
Use Level: (gallons)	1,000 to 2,000	3,000 to 5,000	6,000 to 10,000	11,000 to 15,000	16,000 and up		
Stage 1	No surcharge	No surcharge	1.25 times normal Block 3 rate	1.5 times normal Block 4 rate	2 times normal Block 5 rate	1.15 times year- round rate	1.15 times seasonal and irrigation-only rate
Stage 2	No surcharge	1.25 times normal Block 2 rate	1.5 times normal Block 3 rate	2 times normal Block 4 rate	3 times normal Block 5 rate	1.25 times year- round rate	1.25 times seasonal and irrigation-only rate
Stage 3 and Emergency	No surcharge	1.5 times normal Block 2 rate	2 times normal Block 3 rate	3 times normal Block 4 rate	4 times normal Block 5 rate	1.5 times year- round rate	1.5 times seasonal and irrigation- only rate

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

INTERLOCAL WATER TRANSFER CHARGES

The purpose of this charge is to recover costs associated with the provision of supplemental water supply under contractual agreement with other water purveyors. The specific rates to be charged will be negotiated with the other party based upon specific conditions using the cost-of-service rate-making approach and approved by OWASA.

TEMPORARY HYDRANT METER CHARGE

Subject to availability, a Customer may obtain a temporary hydrant meter from OWASA for a period of up to 60 days. A customer may submit a written request to use the hydrant meter for one additional 60 day period but granting said request will be subject to availability and is at OWASA’s sole discretion. Service from a fire hydrant is subject to interruption when the hydrant is needed for fire protection, compliance with water conservation standards, and other applicable law. For situations where temporary water service is needed for a period longer than 120 days, the user can purchase a metering device of a size, make and model specified by OWASA. A \$300.00 (**\$320 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

Monthly billings for temporary hydrant meters consist of two charges: (1) a service charge for that size meter, and (2) the seasonal commodity charge, including surcharges where applicable, based on monthly readings of the meter. When the hydrant meter is returned, the security deposit shall be applied to the final bill plus any damages. The Customer is responsible for paying OWASA for damages that exceed the amount of the Security Deposit. Any credit balance will be refunded within thirty (30) days.

WATER 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.

Property Description	Current Fee	Proposed Fee
5/8” Meter or 3/4" Combination Fire and Domestic Service, Single-family Residential:		
<1300 square feet	\$1,265	\$1,033
1300-1700 square feet	\$1,545	\$1,207
1701-2400 square feet	\$1,956	\$1,552
2401-3100 square feet	\$3,344	\$2,470

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Property Description	Current Fee	Proposed Fee
3101-3800 square feet	\$4,546	\$3,429
>3800 square feet	\$7,631	\$5,406
1" Meter, Single-Family Residential (all square footages)	\$9,260	\$8,143
5/8" Meter or 3/4" Combination Fire and Domestic Service Meter, Multi-family Residential	\$1,363	\$1,112
5/8" Meter or 3/4" Combination Fire and Domestic Service Meter, Nonresidential*	\$3,704	\$3,255
1" Meter, Multi-Family Residential and Nonresidential*	\$9,260	\$8,143
1-1/2" Meter, Multi-Family Residential and Nonresidential*	\$18,519	\$16,275
2" Meter, Multi-Family Residential and Nonresidential*	\$29,631	\$26,040
3" Meter, Multi-Family Residential and Nonresidential*	\$59,262	\$52,081
4" Meter, Multi-Family Residential and Nonresidential*	\$92,596	\$81,376
6" Meter, Multi-Family Residential and Nonresidential*	\$185,192	\$162,752
8" Meter, Multi-Family Residential and Nonresidential*	\$296,308	\$260,403

* 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 of the water meters that are permanently abandoned as a direct result of the project. However, the credit due shall not exceed the amount of the Water Availability Fees that would otherwise apply to the development or re-development project. Availability Fee credits are not transferrable to any other project or property.

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

WATER SERVICE AND METER INSTALLATION CHARGE

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

Service Description	Fee	
	Existing	Proposed
Complete Water Service Installation, 5/8" meter	\$3,570	\$3,650
Complete Water Service Installation, 3/4" Combination Fire and Domestic Service Meter	\$3,650	\$3,860

**ORANGE WATER AND SEWER AUTHORITY
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Service Description	Fee	
	Existing	Proposed
Complete Water Service Installation, 1" meter	\$3,790	\$3,770
Meter Only Installation, 5/8" meter	\$260	\$270
Meter Only Installation, 3/4" Combination Fire and Domestic Service Meter	\$360	\$400
Meter Only Installation, 1" Combination Fire and Domestic Service Meter	\$360	No change
Meter Only Installation, 1" meter	\$360	No change
Meter Only Installation, 1-1/2" meter	\$600	\$810
Meter Only Installation, 1-1/2" Combination Fire and Domestic Service Meter	\$610	\$840
Meter Only Installation, 2" meter	\$790	\$810
Meter Only Installation, 2" Combination Fire and Domestic Service Meter	\$720	\$740
Remote Read Box with 5/8" Detector Meter	\$470	\$420

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 \$140.00 (**\$110 proposed**) delivery fee for 3-inch and larger meters shall also apply.

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 \$340 (**Proposed \$350**).

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 \$125.00 will be charged for each additional site visit required to determine if the water main is accessible and all required material and safety measures are in place. The tap will not be performed until any applicable reinspection fees are paid in full.

**ORANGE WATER AND SEWER AUTHORITY
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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.

\$290 per test (**\$300 proposed**)

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

SECTION II: SEWER RATES AND FEES

MONTHLY SEWER RATES

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

Sewer Service Charge **No Change**

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 where sewer usage is measured as follows:

Meter Size	Monthly Service Charge
5/8" or 3/4" Combination Fire and Domestic Service	\$12.00
1"	\$20.61
1-1/2"	\$35.53
2"	\$53.72
3"	\$101.58
4"	\$155.28
6"	\$284.70
8"	\$485.82

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 **No Change**

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

The sewer commodity charge is applicable to all customers discharging wastewater into the OWASA sewer system, regardless of whether 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.

**ORANGE WATER AND SEWER AUTHORITY
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\$6.48 per thousand gallons

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

INTERLOCAL WASTEWATER COLLECTION, TREATMENT AND DISPOSAL CHARGES

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

MONTHLY RATES FOR SEWER-ONLY ACCOUNTS

For sewer-only accounts where there is no OWASA meter for directly or indirectly measuring the volume of wastewater discharged by the customer, the monthly sewer service and commodity charges shall be fixed and be the total of:

- (1) a monthly service charge which shall be determined by the water meter size which would be required to supply water service to the property,

plus

- (2) a sewer commodity charge of \$6.48 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 (4,000 proposed) gallons per month (based on the current average household water use).

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, University, and other

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

institutional accounts. The use of these categories is justified by distinctive patterns of water and sewer consumption.

Property Description	Current Fee	Proposed Fee
5/8" Meter or 3/4" Combination Fire and Domestic Service, Single-family Residential:		
<1300 square feet	\$2,938	\$2,829
1301-1700 square feet	\$3,549	\$3,270
1701-2400 square feet	\$3,611	\$3,384
2401-3100 square feet	\$4,425	\$3,859
3101-3800 square feet	\$4,781	\$4,256
>3800 square feet	\$5,431	\$4,541
1" Meter, Single-Family Residential (all square footages)	\$12,301	\$13,088
5/8" Meter or 3/4" Combination Fire and Domestic Service, Multi-family Residential	\$3,183	\$3,064
1" Meter, Multi-Family Residential	\$12,301	\$13,088
5/8" Meter or 3/4" Combination Fire and Domestic Service, Nonresidential	\$6,317	\$6,553
1" Meter, Nonresidential	\$15,792	\$16,392
1-1/2" Meter, Multi-family Residential and Nonresidential	\$31,584	\$32,763
2" Meter, Multi-family Residential and Nonresidential	\$50,535	\$52,421
3" Meter, Multi-family Residential and Nonresidential	\$101,070	\$104,842
4" Meter, Multi-family Residential and Nonresidential	\$157,922	\$163,816
6" Meter, Multi-family Residential and Nonresidential	\$315,844	\$327,632
8" Meter, Multi-family Residential and Nonresidential	\$505,350	\$524,211

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

A person or party completing a development or re-development project may be eligible to request and receive a credit on the Sewer 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. Availability Fee credits are not transferrable to any other project or property.

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

**ORANGE WATER AND SEWER AUTHORITY
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SEWER TAP CHARGE No Change

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

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

The charge shall be for time and equipment plus an allowance for overhead, but not less than \$340.

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 \$125 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 No Change

The purpose of this charge is to recover operation and maintenance costs from customers whose wastewater discharge into the system is in excess of certain parameters for normal strength domestic wastewater as determined by OWASA. Based on local sampling and analysis, normal strength domestic wastewater has been determined to have the following pollutant characteristics.

Normal Strength Domestic Wastewater	
Carbonaceous Biochemical Oxygen Demand (CBOD)	205 mg/l
Suspended Solids (SS)	235 mg/l
Ammonia Nitrogen (NH ₃ -N)	25 mg/l
Phosphorus (P)	6.5 mg/l

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

Carbonaceous Biochemical Oxygen Demand (CBOD)	\$0.43 per pound for all CBOD in excess of 205 mg/l
Suspended Solids (SS)	\$0.52 per pound for all SS in excess of 235 mg/l
Ammonia Nitrogen (NH ₃ -N)	\$3.04 per pound for all NH ₃ -N in excess of 25 mg/l
Phosphorus (P)	\$12.26 per pound for all P excess of 6.5 mg/l

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

SECTION III: RECLAIMED WATER RATES AND CHARGES

MONTHLY RECLAIMED WATER RATES

Reclaimed water (RCW) charges will be billed monthly at approximately 30-day intervals. Charges are due upon receipt of the bill, and become delinquent 21 days after the original billing date. Monthly reclaimed water rates consist of two components: a monthly service charge and a commodity (volume) charge.

The University of North Carolina at Chapel Hill (UNC) funded the construction of the first phase of the reclaimed water system, and the methodology for determining reclaimed water charges applicable to UNC is stipulated by a contract between OWASA and UNC. For this reason, reclaimed water charges have been established for two major customer classes: UNC uses and non-UNC uses. As determined necessary by OWASA, and in accord with OWASA’s contractual obligations to UNC, reclaimed water service to non-UNC customers may be temporarily interrupted to ensure the UNC’s reclaimed water demand can be met from the facilities and capacity paid for by UNC.

Reclaimed Water Service Charge **No Change**

This fixed monthly charge is calculated to recover direct and indirect costs including but not limited to customer service and billing, meter and lateral maintenance, general and administrative services, and fixed costs associated with supplying reclaimed water to the customer’s property. The Reclaimed Water service charge is applicable to all metered reclaimed water accounts, independent of the quantity of reclaimed water consumed. Meter readings and service charges for first and final bills are prorated based on days of service.

UNC Reclaimed Water Use (covers all UNC reclaimed water uses served by the facilities paid for by UNC) \$24,000 per month.

Non-UNC RCW Customers	
Meter Size	Per Month
5/8”	\$8.37
1”	\$16.74
1.5”	\$30.96
2”	\$47.62

Service charges for non-UNC reclaimed water meters larger than 2” will be determined on a case-by-case basis following an evaluation of the reclaimed water demands of the customer.

Reclaimed Water Commodity Charge **No Change**

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

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

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

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

RECLAIMED WATER SERVICE AVAILABILITY AND CONNECTION FEES

Reclaimed Water Availability Fees **No Change**

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.

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

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

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

Reclaimed Water Service Connection Fees

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

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

SECTION IV: MISCELLANEOUS CHARGES

SERVICE INITIATION FEE **No Change**

The purpose of this charge is to defray the labor and administrative costs associated with the establishment of a water and/or sewer account. This includes establishing service and account records for billing and is applicable to all accounts.

\$45 per event
\$80 per event, outside of normal business hours of OWASA

RETURNED CHECK CHARGE **No Change**

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

Returned Check:	\$25
Dishonored Draft:	\$25

The customer will be notified of the returned check charge and instructed to pay the amount due immediately. Failure to respond within the time allowed will result in disconnection of water service and an additional charge for reconnection. The customer may also be required to pay a security deposit or an additional security deposit.

CHARGE FOR DELINQUENT ACCOUNTS **No Change**

The purpose of this charge is to offset the costs of special handling of delinquent accounts, which may include, but is not limited to, the disconnection and reconnection of service due to nonpayment of the customer's bill. This charge applies to all accounts scheduled for disconnection for nonpayment and is applicable on or after the specified disconnect date, regardless of whether the service was disconnected or not. Reconnection resulting from disconnection due to nonpayment will be made within 24 hours of receipt of full payment of the balance due plus the delinquency charge and applicable security deposit.

\$45 per event, during OWASA's normal business hours
\$80 per event, outside OWASA's normal business hours

CHARGE FOR TEMPORARY DISCONNECTION/SUBSEQUENT RECONNECTION AT CUSTOMER'S REQUEST **No Change**

OWASA customers may request to have their service temporarily disconnected and subsequently reconnected. In emergency conditions, there will be no charge to the customer for this service. Additionally, no more than once in any twelve month period, a customer may request to have their service temporarily disconnected and subsequently reconnected at no charge for routine plumbing system maintenance. For requests to temporarily disconnect and subsequently reconnect service in any situation other than those listed above, the charges listed below will apply.

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

The purpose of this charge is to recover the cost to temporarily disconnect and subsequently reconnect water service at the request of a customer. In situations where charges apply, the charge may be waived if the customer provides documentation that a master cutoff valve has been installed within thirty (30) days of the date of the temporary service disconnection.

\$45 per event, during OWASA's normal business hours
\$80 per event, outside OWASA's normal business hours

LATE PAYMENT FEE No Change

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

Late Payment Fee: For past due balances of \$10.00 or more, \$2.40 plus 0.42% a month (5% APR) of the outstanding balance.

SECURITY DEPOSITS No Change

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

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

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

Non-residential security deposits are required based on credit worthiness and will be computed as one or two times the average monthly bill of the previous customer at the same location over the past calendar year. If there is no previous customer at the service location, the security deposit will be determined by OWASA based on the best information available, such as OWASA's experience with similar types, sizes, etc. of businesses.

Repeated disconnections will require additional security deposits until the customer has accumulated a security deposit balance, which will cover an average of three months' billing charges.

Security deposits may be refunded upon written request after the customer has established a satisfactory payment history for twelve (12) consecutive months. Otherwise, security deposits will be applied to the final bill when a customer's account is terminated with any remaining balance refunded to the customer.

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

BULK WASTEWATER CHARGES No Change

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/ trip, plus
Volume Charge and High Strength Surcharge	\$140/ thousand gallons

Other High Strength Waste

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

- NH₃-N = Ammonia Nitrogen
- CBOD = Carbonaceous Biochemical Oxygen Demand
- TSS = Total Suspended Solids
- P = Phosphorus

Administrative Charge of \$30 / 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 ₃ -N/thousand gallons in waste x \$3.04/pound
B = pounds of CBOD/thousand gallons in waste x \$0.43/pound
C = pounds of TSS/thousand gallons in waste x \$0.52/pound
D = \$6.48/per 1,000 gallons Sewer Commodity Charge
E = pounds of P/thousand gallons in waste x \$12.26/pound
Waste concentrations shall be determined by OWASA

TANK SALES OR BULK WATER SALES No Change

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

Administrative Charge	\$25 per trip, plus
Commodity Charge	\$6.02 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

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

provided. Charges for bulk sales are not subject to seasonal adjustments.

DIRECT SALES OF SUPPLIES

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

**ORANGE WATER AND SEWER AUTHORITY
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BOAT RENTAL AND LAKE USE FEES No Change

Fees are applicable to all persons using row boats and canoes on University Lake and Cane Creek Reservoir during scheduled hours of operation as established by OWASA. Boat rental and lake user charges are:

OWASA Customers and Orange County Residents	
Charge for each flat-bottomed boat or canoe rental	\$4.50 for one-half day plus the applicable lake use fee for each person
Trolling motor rental	\$15.00 for one-half day
Kayak rental	\$15.00 for one-half day plus the applicable lake use fee for each person
Private Boat Launching Fee	\$3.50 per boat plus the applicable lake use fee for each person
Lake Use Fee, Under 12 Years Old	\$2.00 per person
Lake Use Fee, 12-64 Years	\$4.50 per person
Lake Use Fee, 65 Years and over	No charge

Individual Season Pass	
Boat or canoe rental	\$82.00 per person. Each additional person pays appropriate lake use fee.
Lake Use Pass – Adult	\$46.00
Boat with trolling motor rental	\$163.00 per person. Each additional person pays appropriate lake use fee.

Group Season Pass	
Boat or canoe rental	\$163.00 (maximum of 3 people per pass.) Each additional person pays appropriate lake use fee.
Boat with trolling motor rental	\$245.00 (maximum of 3 people per pass.) Each additional person pays appropriate lake use fee.

For visitors who are not OWASA Customers or Orange County Residents	
Charge for each flat-bottomed boat or canoe rental	\$8.00 for one-half day plus the applicable lake use fee for each person
Trolling motor rental	\$22.00 for one-half day
Kayak rental	\$20.00 for one-half day plus the applicable lake use fee for each person
Private Boat Launching Fee	\$7.00 per boat plus the applicable lake use fee for each person
Lake Use Fee, Under 12 years old	\$2.50 per person
Lake Use Fee, 12-64 Years	\$5.50 per person
Lake Use Fee, 65 Years and over	\$2.50 per person
UNC Men’s Crew Club and Women’s Rowing Team	By agreement between UNC-Chapel Hill and OWASA

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

FIELD TEST OF 5/8" METER OR 3/4" COMBINATION FIRE AND DOMESTIC SERVICE METER No Change

Upon a customer's written request, OWASA will conduct a special field test of the customer's 5/8" water meter or 3/4" combination fire and domestic service meter. There will be no charge for testing meters (1) which have not been tested during the past five years, or (2) which are found to be over-registering. Over-registering meters will be replaced by OWASA at no charge to the customer.

If, however, the meter has been tested within the past five years and the results of the meter test indicate proper or under-registering, the customer will be charged \$100 for the meter test.

SHOP TESTING OF METER No Change

Upon a customer's written request, OWASA will conduct a special shop test of water meters that are larger than 3/4 inches. There will be no charge for testing meters (1) which have not been tested during the past five years, or (2) which are found to be over-registering. Over-registering meters will be replaced by OWASA at no charge to the customer.

If, however, the meter has been tested within the past five years and the results of the meter test indicate proper or under-registering, the customer will be charged \$160 for the shop meter test.

FIELD TEST OF LARGE METERS No Change

Upon a customer's written request, OWASA will conduct a special field test of water meters that are larger than 5/8 inches. There will be no charge for testing meters (1) which have not been tested during the past five years, or (2) which are found to be over-registering. Over-registering meters will be replaced by OWASA at no charge to the customer.

If, however, the meter has been tested within the past five years and the results of the meter test indicate proper or under-registering, the customer will be charged a meter test fee based on the actual time and equipment required to complete the field test. This charge shall not be less than \$260.

REINSPECTION FEE No Change

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 \$125 fee will apply to each reinspection.

PLAN REVIEW AND CONSTRUCTION OBSERVATION FEES No Change

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.

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

Service	Water	Sewer
Plan Review	\$3.63/lf	\$3.63/lf
Construction Observation	\$3.69/lf	\$3.69/lf

CHARGES FOR MISCELLANEOUS SERVICES

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

TRANSFER OF CHARGES

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

OWASA may temporarily withhold service from a customer, or refuse service to a customer when such a customer (including but not limited to individuals, corporations, or partnerships), owes OWASA any past due balance.

Accounts or portions of accounts, including charges for material or damaged property that are disputed and delinquent fees and delinquent assessment charges, may be submitted to the courts by the Executive Director, upon approval by General Counsel, for collection if such amounts do not exceed \$1,500. For amounts exceeding \$1,500, approval of the Board of Directors shall also be required prior to filing an action for collection.

**Resolution Adopting the Annual Budget For
Orange Water and Sewer Authority for the Fiscal Year
July 1, 2017 Through June 30, 2018**

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;

Whereas, such budget is to include estimates of revenues of the water, sewer and reclaimed water systems, current operations expenses, interest income, debt service costs, and disbursements from the general fund for capital improvements and equipment purchases; and

Whereas, during the preparation of the Fiscal Year (FY) 2018 budget, and after holding public hearings on May 25, 2017 concerning the FY 2018 budget, the Board of Directors determined that it is not necessary to increase the rates OWASA's charges for monthly water, sewer, and reclaimed services in order to provide sufficient revenues to fund ongoing operations, debt service and the Capital Improvements Program. Certain other fees have been adjusted based on changes in the costs of providing the services.

Now, Therefore, Be It Resolved:

1. That pursuant to the provisions of North Carolina G.S. Chapter 159-13 the attached pages marked 2 through 6 be, and they hereby are, adopted as the official budget of Orange Water and Sewer Authority of the Fiscal Year beginning July 1, 2017 through June 30, 2018.
2. That the appropriations for departments, functions, and projects as shown in the attached budget for the respective purposes and in the respective amounts therein specified are hereby made.
3. That the Executive Director shall administer the budget, and is hereby authorized to expend the funds for the purposes set forth therein.

Adopted this 8th day of June 2017.

John A. Young, Chair

ATTEST:

Barbara M. Foushee, Secretary

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

	FY 2018 Annual Budget
Operating Revenue	
Water	\$17,824,170
Sewer	16,734,273
Reclaimed Water	450,060
Service Initiation Fee	165,650
Other	963,227
Refunds and Adjustments	(246,088)
Total Operating Revenue	\$35,891,292
Operating Expense	
General and Administrative	7,177,861
Operations	14,742,616
Total Operating Expense	21,920,477
Net Operating Income	13,970,815
Non-operating Revenue	
Customer Fees	1,416,657
Interest	38,441
Total Net Income	\$15,425,913
Debt Service	
Existing	\$6,949,537
New	0
Total Debt Service	6,949,537
Net Income Less Debt Service	\$8,476,376

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

		<u>FY 2018 Annual Budget</u>
General Fund		
Resources		
Transfer From Revenue	<u>\$8,476,376</u>	
Annual Income Available for Capital		\$8,476,376
Transfer from Construction Fund (Bond Proceeds)		<u>0</u>
Total Available for Capital		<u>8,476,376</u>
Capital Expenditures		
Project ordinances		
General Fund Contribution	15,085,000	
Funded by Bond Proceeds	<u>0</u>	
Total Project Resolutions		15,085,000
Capital Equipment		<u>1,231,100</u>
Total Capital Outlay		<u>16,316,100</u>
Annual General Fund Balance		(7,839,624)
General Fund Beginning Balance		<u>26,661,000</u>
General Fund Ending Balance		18,821,276
Project Funding	1,888,276	
Reserves		
Rate/Revenue Stabilization	1,728,000	
Capital Improvements	3,600,000	
Working Capital	<u>11,605,000</u>	<u>18,821,276</u>
Unallocated General Fund Balance		<u><u>\$0</u></u>

REVENUE FUND			
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Fund Balance July 1, 2017			\$0
Receipts			
Operating Revenue			
Customer Billings	\$17,824,170	\$16,734,273	34,558,443
Reclaimed Water	450,060	-	450,060
Service Initiation Fee	82,825	82,825	165,650
Other	481,614	481,613	963,227
Refunds and Adjustments	(123,044)	(123,044)	(246,088)
Total Operating Revenue	18,715,625	17,175,667	35,891,292
Non-operating Revenue			
Customer Fees	615,387	801,270	1,416,657
Interest Income	19,221	19,220	38,441
Total Non-operating Revenue	634,608	820,490	1,455,098
Total Receipts	19,350,233	17,996,157	37,346,390
Expenditures			
Current Expense	(11,305,900)	(10,614,577)	(21,920,477)
Debt Service	(4,517,199)	(2,432,338)	(6,949,537)
Total Expenditures	(15,823,099)	(13,046,915)	(28,870,014)
Net Revenue			8,476,376
To General Fund			(8,476,376)
Fund Balance June 30, 2018			<u>0</u>
Change in Available Balance			<u><u>\$0</u></u>

BOND SERVICE FUND

Fund Balance July 1, 2017		\$0
Receipts		
Transfers from Revenue Fund	\$6,949,537	
Interest		
	<hr/>	
Total Receipts		6,949,537
Expenditures		
Debt Service	6,949,537	
	<hr/>	
Total Expenditures		<hr/> (6,949,537)
Fund Balance June 30, 2018		<hr/> 0
Change in Available Balance		<hr/> <hr/> \$0

GENERAL FUND

Fund Balance July 1, 2017		\$26,661,000
Receipts		
Transfer From Revenue fund	8,476,376	
Transfer From Construction Fund (Loan Proceeds)	0	
Interest	0	
Assessments	0	
Grants and contributions	0	
	<hr/>	
Total Receipts		<u>8,476,376</u>
Total Balance Before Expenditures		35,137,376
Expenditures		
Capital Equipment/Leases	1,231,100	
Project Resolutions	15,085,000	
Transfer to Revenue Fund	0	
	<hr/>	
Total Expenditures		<u>(16,316,100)</u>
Fund Balance June 30, 2017		<u><u>\$18,821,276</u></u>
Allocation of Fund Balance June 30, 2017		
Project Funding	1,888,276	
Capital Reserves	16,933,000	
	<hr/>	
Total Allocation		<u><u>\$18,821,276</u></u>
Unallocated General Fund Balance June 30, 2017		<u>0</u>
Change in Available Balance		<u><u>(\$7,839,724)</u></u>

**Resolution Approving the Capital Improvements Program and Budget
For Fiscal Years 2018-2022**

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

Whereas, the Capital Improvements Program and budget for Fiscal Years 2018-2022 have been developed by the staff, reviewed by the Board of Directors, and revisions incorporated therein; and

Whereas, a Public Hearing on the Capital Improvements Program was held on May 25, 2017;

Now, Therefore, Be It Resolved:

1. The Board of Directors of Orange Water and Sewer Authority approves the Capital Improvements Program and budget for Fiscal Years 2018-2022 as required by the Financial Management Policy.
2. That the Executive Director be, and is hereby, authorized to administer the planning, studies, design, and financing, and make recommendations to the Board of Directors for award of contracts, as appropriate, for the projects in the Capital Improvements Budget.
3. The Five-Year Capital Improvements Program Budget for Fiscal years 2018-2022 is as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2018	\$15,085,000
2019	23,456,000
2020	16,897,000
2021	17,674,000
2022	<u>23,174,000</u>
Total	<u>\$96,286,000</u>

Adopted this 8th day of June 2017.

John A. Young, Chair

ATTEST:

Barbara M. Foushee, Secretary

**Capital Project Resolution for
Fiscal Year 2018 Infrastructure Improvements**

Whereas, present infrastructure must be maintained and additional infrastructure developed to meet future needs; and

Whereas, Orange Water and Sewer Authority (OWASA) has determined that certain additional infrastructure improvements are needed, including improvements to the water supply system; water treatment and distribution system; wastewater collection, treatment and disposal system; reclaimed water system; and support services facilities; and

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

Now, Therefore, Be It Resolved:

1. A project fund of \$15,085,000 is hereby established and expenditures therefrom authorized for the following improvements:

Expenditures

Water Supply Improvements:

Jordan Lake Raw Water Supply Allocation	\$5,000
Stone Quarry Reservoir Development	15,000
Cane Creek and University Lake Sodium Permanganate Feed Systems	20,000
University Lake Pump Station Improvements	65,000
Subtotal	105,000

Water Treatment and Distribution Improvements:

Water Facility Security Upgrades	110,000
Water Treatment Plant Generator Building Louvers Replacement	40,000
Water Treatment Plant Switchgear Upgrade	60,000
Water Treatment Plant and Adjacent Facilities Paving	25,000
Water Treatment Plant Concrete Condition Assessment	75,000
Water Treatment Plant Sedimentation Basin Rehabilitation	102,000
Water Treatment Plant Filter Media and Backwash Improvements	880,000
Water Treatment Plant Flash Mix Basins Isolation Valve Replacement	25,000
Water Treatment Plant Belt Press Rehabilitation	65,000
Water Treatment Plant Risk Assessment	75,000
Water Treatment Plant Fluoride System Improvements	150,000
Lake Ellen Water Main Replacement	160,000
Brandywine Road Water Main Rehabilitation	739,000
Dobbin Drive Water Main Condition Assessment	50,000
Water Distribution System Hydraulic Model	40,000
Advanced Metering Infrastructure System	1,500,000
Galvanized Water Main Replacements	96,000
Hillsborough Street Water Main Replacement	1,700,000
High Priority Water Main Replacement	107,000
Cameron Avenue Water Main Design Alternatives Assessment	25,000
Subtotal	6,024,000

Wastewater Collection, Treatment and Disposal Improvements:

Rogers Road Gravity Sanitary Sewer Extension	357,000
Rogers Road Gravity Sanitary Sewer Extension Reimbursement	(357,000)

Wastewater Treatment Plant (WWTP) Main Potable Water Line – Backflow Preventer Installation	25,000
Sanitary Sewer Rehabilitation	1,249,000
Sanitary Sewer Condition Assessment	41,000
Bolinwood Drive Interceptor	150,000
Little Creek Interceptor	552,000
Creek Crossing Access Improvements	20,000
Eastowne, Eubanks, Meadowmont 1 Pump Station Rehabilitation	790,000
Rogerson Drive Pump Station Rehabilitation	925,000
Knolls Pump Station Rehabilitation	55,000
Comprehensive Coatings Program	200,000
WWTP Digesters #1 & #2 Rehabilitation	25,000
WWTP Intermediate Pump Stations (IPS) Rehabilitation/Replacement	472,000
Wastewater Pump Stations Rehabilitation and Replacement	90,000
WWTP Non-Drinking Water Pump Replacements	120,000
WWTP Secondary Clarifier Rehabilitation and Chlorine Chamber Demo	150,000
Dobbins Drive Interceptor	55,000
Sanitary Sewer Hydraulic Model	151,000
Rogerson Drive Force Main Redundancy Evaluation	45,000
WWTP Solids Thickening Improvements	300,000
WWTP SCADA System Upgrade	150,000
WWTP Warehouse Improvements	25,000
Water and Wastewater Facilities Building Envelope Rehabilitation	236,000
Kenan Stadium Interceptor Replacement	575,000
Rogerson Drive Force Main Emergency Repair and Rehabilitation	1,250,000
WWTP Digester/Fermenter Rehabilitation and Mixing and Pumping Improvements	40,000
Primary Sludge Pump Station Rehabilitation and Old Lab Building Demo	50,000
WWTP Rehabilitation and Replacement of Chemical Building and Piping Improvements	125,000
WWTP Risk Assessment	75,000
WWTP Pavement Improvements	20,000
 Subtotal	<hr/> 7,961,000
 Support Services Facilities Improvements:	
Administration Building HVAC System Upgrade	900,000
Administration Building LED Lighting Retrofit	95,000
 Subtotal	<hr/> 995,000
 Total Expenditures	<hr/> <hr/> \$15,085,000
 <u>Revenues</u>	
Transfers from the General Fund, Bond or Loan Proceeds, and Grants	<hr/> \$15,085,000

2. That supplementary funds will be appropriated in future years for completion of the projects.
3. That this Resolution shall take effect upon its passage.

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

Adopted this 8th day of June 2017.

John A. Young, Chair

ATTEST:

Barbara M. Foushee, Secretary

Agenda Item 4:

Progress Report on the Initial Implementation Plan for OWASA's Employee Diversity and Inclusion Program

Purpose:

To provide a Progress Report on the Initial Implementation Plan for OWASA's Employee Diversity and Inclusion Program and to have the Board interact with Angela Bryant, Senior Consultant and Co-founder of VISIONS, Inc., and Thomas Griggs, Senior Consultant for VISIONS, Inc.

Background:

The Board of Directors and staff recognize the value of establishing an Employee Diversity and Inclusion Program. Our updated Strategic Plan adopted by the Board on June 9, 2016 identified this as a high priority task for the organization.

The Board received and discussed staff's first draft Diversity and Inclusion Plan at its July 14, 2016 meeting. Following discussion, the Board agreed to hold a Special Work Session in the fall of 2016 to receive additional information and to continue its discussion of the draft.

The Board held a Special Work Session on November 3, 2016 and received excellent presentations on diversity and inclusion by Maria Hicks-Few, Camille Brooks, Jennifer Bynum, Faith Thompson and Michelle Johnson. Following discussion, the Board agreed that staff will update the draft Diversity and Inclusion Plan based on information learned since July 2016 for discussion at a future Board meeting.

An updated "working draft" Diversity and Inclusion Plan was provided to the Board by email on November 17, 2016, and it was provided to other peers for review and comment. Voluntary meetings with employees were also held to answer questions and receive feedback and suggestions on the updated "working draft."

The information gathered as noted above greatly assisted staff in preparing its proposed Initial Implementation Plan (Plan) for our Employee Diversity and Inclusion Program which was approved by the Board at their March 9, 2017, meeting. Board approval also included a directive that a consultant be hired within the next quarter.

Progress Report:

Important progress has been made on the Plan since March 9, 2017, as summarized in attachment #1 to include the execution of a service contract with VISIONS, Inc. Staff worked with Angela Bryant over the past two months to develop VISIONS, Inc.'s Scope of Services

June 8, 2017

(attachment #2) for the next year or so as generally outlined in the Plan. Staff shared the draft scope of services with the Board by email on May 16, 2017, and invited Board member questions or comments by May 26, 2017. No Board feedback was received and staff executed the service contract with VISIONS, Inc. on May 30, 2017.

Based on guidance by Ms. Bryant during the development of their scope of services, some of the Plan's work tasks and target completion dates were changed as noted in attachment #2.

Staff looks forward to discussing its progress on the Plan and for the Board to have the opportunity to interact with Ms. Bryant and Mr. Griggs.

Information:

- OWASA's Diversity and Inclusion Program – June 8, 2017 Progress Report
- VISIONS Inc. Scope of Services
- Workforce Race and Gender Graph

June 8, 2017 Progress Report

OWASA's Diversity and Inclusion Program

Initial Implementation Plan – adopted March 9, 2017

Goal 1. The diversity of OWASA's workforce reflects the communities we serve.

Objective 1.1 Attract diverse pool of applicants for open positions.						
Strategies	Task #	Tasks	Resources to Complete Task	Target Completion Date	Outcomes & Measures of Success	Status as of June 2, 2017
Increase the diversity of applicants for employment and establish OWASA as an employer that values diversity and inclusion.	1.1a	Develop a list of agencies/ organizations that can assist OWASA with ways to attract a more diverse group of applicants for employment.	Human Resources and Safety Director (HR Director)	March 2017 Ongoing to keep current	Comprehensive list developed	Complete and ongoing. <i>The Recruitment Efforts and Strategies form is maintained and routinely updated. Individuals and agencies on this list are provided recruitment notifications.</i>
	1.1b	Engage with agencies/ organizations to seek assistance in recruitment and to communicate OWASA's commitment as an employer that values diversity and inclusion.	HR Director (May be a collaborative effort with local governments)	August 2017 Ongoing to keep current	Number of agencies/ organizations participating Diversity of applicants increases	Since March 2017 OWASA staff attended seven career fairs. <i>Approximately 96 outreach letters went to area agencies describing our interest and commitment to strengthening our diversity. As a result, we met with three agencies to discuss possible employment programs. With one additional group, we advertised in</i>

Strategies	Task #	Tasks	Resources to Complete Task	Target Completion Date	Outcomes & Measures of Success	Status as of June 2, 2017
						<i>their brochure that OWASA seeks a diverse workforce. Director of HR & Safety will speak at StepUp Durham event in the fall.</i>
	1.1c	Solicit assistance from OWASA employees for employment referrals and suggestions to improve diversity recruitment. Consider adding this scope to existing Employee Human Resources Team or creating new Employee Diversity and Inclusion Team.	Department Directors	Ongoing	Number of employee referrals Diversity of applicants reflects the diversity of the labor market for that position	<i>Since July 1, 2016 there have been three candidate referrals submitted by employees. (None of the referred candidates were hired.) When recruitments open, an e-mail is sent to all employees reminding them of the program. Diversity and Inclusion Team will be established.</i>
	1.1d	Evaluate the job application process for implicit and explicit biases.	Consultant	July-October 2017	Use industry best practices Increase yield of a diverse applicant pool at each stage of the application/ selection process	<i>VISIONS suggested this task be completed after the organizational assessment.</i>

Strategies	Task #	Tasks	Resources to Complete Task	Target Completion Date	Outcomes & Measures of Success	Status as of June 2, 2017
	1.1e	Implement NeoGov (on-demand HR software for the public sector) for applicant tracking and management reporting to provide greater functionality for applicants and provide statistical data for Team evaluation.	HR Director	May 2017	Software implemented Staff trained	Software implemented and training takes place with each recruitment. An overview/ training session will be provided at the June 8th Managers meeting.
Prepare a recruitment plan for each job vacancy to ensure continuing efforts to build a diverse workforce.	1.1f	Develop process for preparing recruitment plans for each job vacancy.	Consultant	August-October 2017	Standard process for preparing recruitment plans completed Staff trained Applicant pools are diverse	VISIONS suggested this task be completed after the organizational assessment.
	1.1g	Using local census data, develop applicant targets for under-represented groups for each job category.	HR Director	August 2017	Targets for each job category established and incorporated into recruitment plans	Ongoing

Objective 1.2 Employment decisions are made based on merit and job-related ability.						
Strategies	Task #	Tasks	Resources to Complete Task	Target Completion Date	Outcomes & Measures of Success	Status as of June 2, 2017
Conduct training for supervisors on recognizing and understanding explicit and implicit bias and how to effectively conduct screening and selection interviews.	1.2a	Provide mandatory training program for all supervisors. (Offer voluntary training to non-supervisors.)	Consultant	August 2017 <u>March 2018</u>	Training program developed All supervisors successfully complete training and demonstrate competency Employment decisions based on an established and creditable merit system	<i>VISIONS suggested this task be completed after the organizational assessment.</i>
	1.2b	Evaluate “train-the-trainer” to sustain the training program moving forward.	Consultant Department Directors	TBD	TBD	<i>We expect to learn more about this task after the supervisory training has been completed.</i>
Use an inclusive process to objectively evaluate candidates for vacant positions to inform employment decisions.	1.2c	Develop standard process for use by an employee interview panel for vacant positions.	Executive Director	March 2017	Standardized process for use of employee evaluation panel completed Staff trained	<i>Completed.</i> <i>Eighty-one (81) employees have been trained. Additional training scheduled for June 2017.</i>
	1.2d	Develop standard process for making employment decisions.	Executive Director	March 2017	Standard process completed Staff trained	<i>Completed.</i> <i>Eighty-one (81) employees have been trained. Additional</i>

<i>Strategies</i>	<i>Task #</i>	<i>Tasks</i>	<i>Resources to Complete Task</i>	<i>Target Completion Date</i>	<i>Outcomes & Measures of Success</i>	<i>Status as of June 2, 2017</i>
					Workforce diversity	<i>training scheduled for June 2017.</i>

Goal 2. Inclusive work environment for everyone that encourages and supports each Team member to contribute to their full ability towards OWASA's mission

Objective 2.1 Employees are aware of the importance and value of diversity and inclusion

<i>Strategies</i>	<i>Task #</i>	<i>Tasks</i>	<i>Resources to Complete Task</i>	<i>Target Completion Date</i>	<i>Outcomes & Measures of Success</i>	<i>Status as of June 2, 2017</i>
Provide training for all employees on the importance and value of diversity and inclusion and how they contribute to a successful, diverse and dynamic work environment.	2.1a	Provide voluntary training program for all employees.	Consultant	October 2017 <u>March - May 2018</u>	Training program developed Number of employees trained Employee feedback	<i>VISIONS suggested this task be completed after organizational assessment and supervisor training.</i>
	2.1b	Evaluate “train-the-trainer” to sustain the training moving forward.	Consultant Department Directors	TBD	TBD	<i>We expect to learn more about this task after the supervisory training has been completed.</i>
Provide training and coaching for all supervisors on how to lead and manage their area of responsibility in	2.1c	Provide mandatory training for supervisors. (Offer voluntary training to non-supervisors.)	Consultant	October 2017 <u>March 2018</u>	Training program developed All supervisors successfully complete training and	<i>VISIONS suggested this task be completed after the organizational assessment.</i>

Strategies	Task #	Tasks	Resources to Complete Task	Target Completion Date	Outcomes & Measures of Success	Status as of June 2, 2017
a manner that promotes and values the positive aspects of a more diverse workplace.					demonstrate competency Employee feedback	
	2.1d	Evaluate “train-the-trainer” to sustain the training moving forward.	Consultant Department Directors	TBD	TBD	<i>We expect to learn more about this task after the supervisory training has been completed.</i>
Assess the work culture to determine level of success for diversity and inclusion.	2.1e	Develop, administer and evaluate employee survey and recommend options for improvement (combined with 2.3d).	Consultant Executive Director	August <u>October</u> 2017	Survey participation rate Recommendations for continuous improvement	<i>As recommended by VISIONS, the organization assessment will be completed via multiple focus group meetings.</i>
Establish a “welcome team” to help acclimate new employees	2.1f	Develop and train “welcome team.”	HR Director	April 2017	Onboarding process improved	<i>Seven employees volunteered to serve on the “Welcome Team”. A draft outline of activities was developed and we are seeking input from the Team.</i>

Objective 2.2 Provide employees with opportunities to enhance their knowledge and skills to improve their performance and advance their career.						
Strategies	Task #	Tasks	Resources to Complete Task	Target Completion Date	Outcomes & Measures of Success	Status as of June 2, 2017
Provide job skills training.	2.2a	Develop training program(s) for core job skills that benefit all employees and the organization (teamwork, communication, problem-solving, dispute resolution, multi-cultural appreciation, etc.).	Department Directors	TBD (longer-term task)	Training program developed	No activity.
	2.2b	Make core job skills training available for all employees.	Consultant Staff Intergovernmental cooperation (?)	TBD	Employee feedback Employees demonstrate core job competency	No activity.
	2.2c	Provide interested employees a coaching and mentoring program.	Department Directors	Ongoing	Number of mentors and mentees participating Number of employees advancing career	Complete and ongoing. There are currently four formal mentor/mentee relationships through the program.

Objective 2.3 Retain successful employees.						
Strategies	Task #	Tasks	Resources to Complete Task	Target Completion Date	Outcomes & Measures of Success	Status as of June 2, 2017
Provide competitive total compensation (pay and benefits) and reward employees for high performance.	2.3a	Evaluate options to allow employees to advance more quickly through their pay range based on performance.	Board of Directors Executive Director Department Directors	April 2017	TBD	<i>HR Committee will discuss at their June 6, 2017 meeting.</i>
	2.3b	Routine evaluation of total compensation.	Board of Directors Executive Director	Ongoing	Voluntary turnover rate	<i>Staff provided cost of labor and merit pay recommendation at the May 11, 2017 Work Session. The Board increases the FY 2018 budget placeholder to 3.5%. Board decision on FY 2018 compensation expected in the fall 2017.</i>
Routinely assess the diversity and inclusive work culture to identify opportunities to improve.	2.3c	Evaluate process to timely and effectively address employee concerns.	HR Director	May 2017	Number of employee concerns successfully resolved	<i>The Grievance Procedures and Performance Review Appeal process were reviewed. Since July 1, 2016 there have been three grievances successfully resolved. There were no Performance Review appeals.</i>
	2.3d	Develop, administer and evaluate employee survey and recommend	Consultant	August 2017 TBD	Survey participation rate	<i>This task is on hold.</i>

<i>Strategies</i>	<i>Task #</i>	<i>Tasks</i>	<i>Resources to Complete Task</i>	<i>Target Completion Date</i>	<i>Outcomes & Measures of Success</i>	<i>Status as of June 2, 2017</i>
		options for improvement (combined with 2.1e).			Recommendations for continuous improvement	



Scope of Services for OWASA

Time Frame: May 2017 to May 2018

Employees: 130 (including 31 Managers/Supervisors)

Goals and Objectives from OWASA Diversity Plan

- 1- Diverse work force: Diverse applicant pool (increase pool/develop recruitment plan); Use merit and job-related decisions (training/standard processes/reduce & eliminate bias)
- 2- Inclusive work environment: Increase Awareness (D&I training/Assess/Welcome Team); Job training (supervisory, diversity and inclusion and core job skills); Retention (core skills development/compensation/on-going climate assessment)

Contracted Services

Project Management (May 2017 – May 2018)

1. Project Management—Planning/coordination/preparation for all consultation and training activities for which planning/coordination is not otherwise specifically provided below; Coordination and interconnection with overall Diversity Plan. Project Management includes up to 14 days of management and consultation services, e.g.
 - the overall management and implementation of the project in person, by phone, email, web or video conference;
 - planning and participation in planning meetings and project communications;
 - consultation to the design of outreach and information materials, to the selection process for the diversity resource committee or other project team and the ongoing development of the project teams;
 - provide evaluation summaries of training sessions and facilitated work sessions;
 - the development of the training program design, materials and the provision of readings and other background informational materials; and
 - debriefing and problem-solving as needed to accomplish the contract objectives.

The material development by VISIONS for training and presentations includes providing the VISIONS content to be used but does not include desktop publishing, graphics, printing or binding.

Setting the Stage for Collaborative Information Sharing and Capacity Building (August 2017)

2. Two Day “Setting the Stage” Consultation with the OWASA leadership and management.
3. Two Day Orientation and Planning Session with the Diversity Resource Committee -- Introduction to VISIONS tools and Organizational Assessment Planning.
4. Up to Four Days Training and Consultation to HR Staff and key hiring managers. These sessions include: Introduction to VISIONS’ basic diversity, inclusion and equity tools; Evaluation of the job application and hiring process for bias risks and recommendations to eliminate, reduce and counteract those risks; and Development of a process for recruitment plans for job vacancies.

Baseline Organizational Assessment (Sept. – Oct. 2017)

5. Organizational Assessment Preparation with OWASA leadership, the Diversity Resource Committee and designated logistical staff; Complete administrative work for setting up the focus group interviews with employees, including demographic and functional area groupings and any consumer advisory groups; Support development of an assessment communications, outreach and implementation plan; Gather and review information to design the final scope of the assessment and jointly develop an Assessment Plan.
6. Conduct up to 24 focus group interviews across the organization and functional areas. (Approximately 2 days. Can include focus group or interviews with board members for assessment purposes.)
7. Review/analyze focus group findings; Prepare report
8. Present Assessment Findings and Recommendations (Narrative, Executive Summary and Power Point Format)
 - a. Presentation to OWASA Leadership and Assessment Participants
 - b. Presentation to OWASA Board
9. Joint Reports (in collaboration with OWASA staff): Recommendations to Increase Applicant Diversity in the Application and Selection Process; Standard Recruitment Process to Increase Applicant Diversity (Aug.-Oct. 2017)

Diversity and Inclusion Training (November 2017– May 2018)

10. Supervisory Training and Coaching Sessions including Leadership Team
(The equivalent of 8, one-day sessions with two consultants/each)

Focus on recognizing and interrupting bias, understanding cultural differences, fairness and equity in screening, selection and management and leading and managing to promote diversity, inclusion and equity

11. All Employee Training Sessions
(4 sessions for up to 25 participants/session for the equivalent of 2 days each)

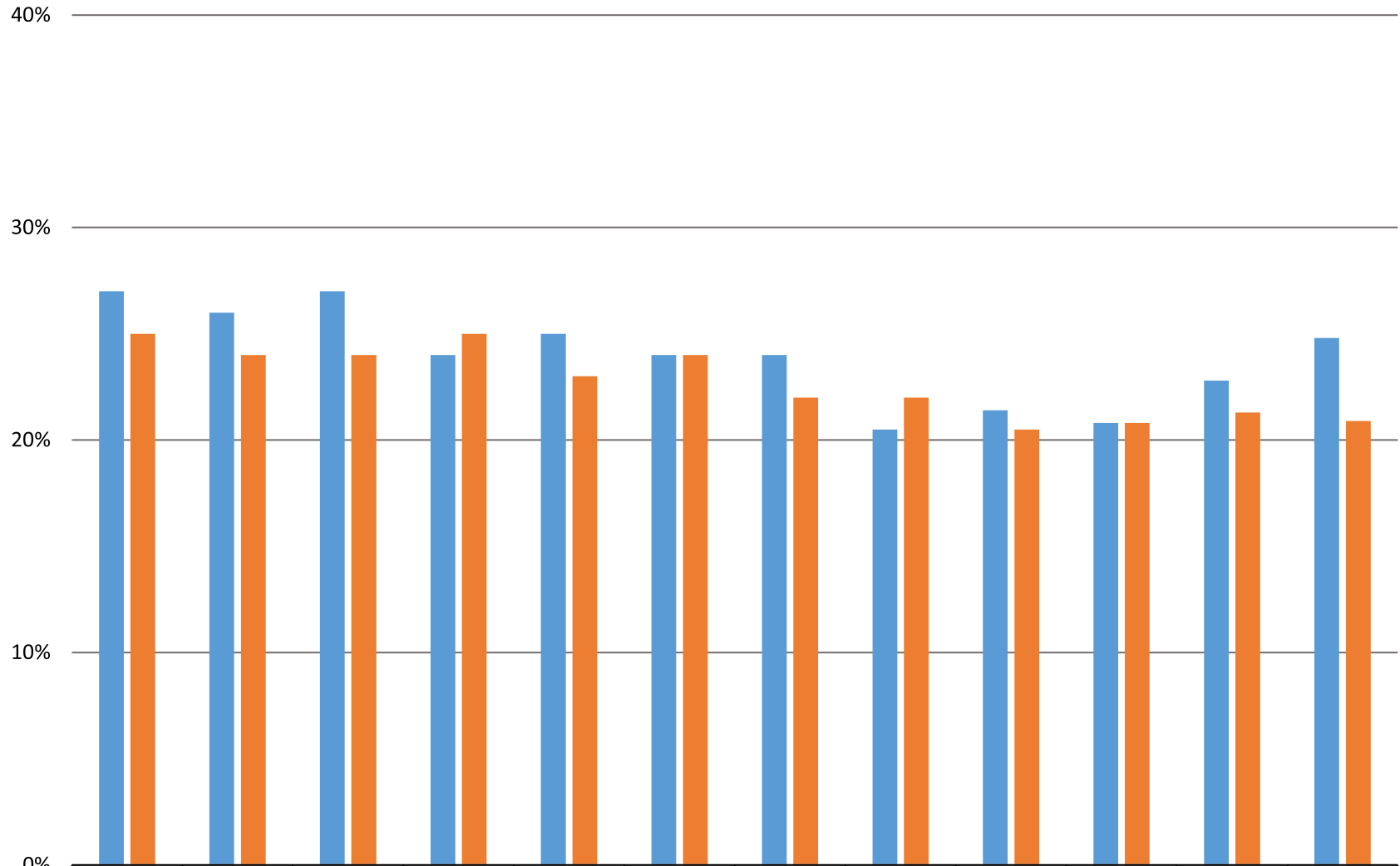
Optional Additional Services (May 2017 – May 2018)

OWASA may determine that additional VISIONS services are desired as the work proceeds. For planning purposes, OWASA may authorize the following:

- a) Follow-up Training and Coaching with Diversity Resource Committee
(The equivalent of five, one-day sessions)
- b) Additional all employee training and follow up sessions
(The equivalent of four, one-day sessions)
- c) Orientation with and Consultation and/or Updates to Board (and Legal Counsel)

Note: Annual to Biennial Organizational Assessment plus expenses. VISIONS recommends two annual follow-up organizational assessments and then biennial assessments thereafter. The Assessments will indicate whether additional training and consulting services are indicated. An annual diversity and inclusion training plan for new hires and refreshers for volunteers or other key designated staff would probably help sustain an inclusive environment over time.

OWASA Workforce Race and Gender Distribution



■ Minority	27.0%	26.0%	27.0%	24.0%	25.0%	24.0%	24.0%	20.5%	21.4%	20.8%	22.8%	24.8%
■ Female	25.0%	24.0%	24.0%	25.0%	23.0%	24.0%	22.0%	22.0%	20.5%	20.8%	21.3%	20.9%

Agenda Item 5:

Resolution Honoring the Service of Terri Buckner to the Chapel Hill-Carrboro-Orange County Community as a Member of the Orange Water and Sewer Authority's Board of Directors

Background:

Since inception of Orange Water and Sewer Authority, the Board of Directors has adopted Resolutions of Appreciation for the service of a retiring member of the Board.

The adopted resolution would be specially printed for presentation to Terri Buckner.

Staff Recommendation:

Adopt the Resolution Honoring the Service of Terri Buckner to the Chapel Hill-Carrboro-Orange County Community as a Member of the Orange Water and Sewer Authority's Board of Directors.

June 8, 2017

Resolution Honoring The Service Of Terri Buckner To The Chapel Hill-Carrboro-Orange County Community As A Member Of The Orange Water And Sewer Authority's Board Of Directors

Whereas, on August 23, 2011, the Orange County Board of County Commissioners appointed Terri Buckner to serve on the Board of Directors of the Orange Water and Sewer Authority (OWASA); and

Whereas, Ms. Buckner served on the OWASA Board from August 25, 2011, to June 30, 2017, in addition to having served on the OWASA Board from June 2005 to September 2006 as a Carrboro appointee; and

Whereas, Ms. Buckner served on the Board's Community Engagement, Finance, Human Resources and Natural Resources and Technical Services Committees during her service and Chaired the Natural Resources and Technical Services Committee from July 2012 to September 2015; and

Whereas, Ms. Buckner brought to OWASA extraordinary energy and passion voicing the concerns and desires of the community as well as effectively representing OWASA employees; and

Whereas, Ms. Buckner gave freely of her time, energy, and talent in serving the community and OWASA customers with unselfish dedication and compassionate concern:

Now, Therefore, Be It Resolved by the Orange Water and Sewer Authority Board of Directors:

- 1. That the Board of Directors expresses to Terri Buckner the Board's sincere appreciation and deep gratitude for her outstanding service, leadership and stewardship as a Member of the OWASA Board; and the Board wishes for her much happiness in the years ahead.
- 2. That this resolution be recorded in the minutes of the OWASA Board of Directors and be part of the permanent records of OWASA, and that a copy of this resolution be transmitted to the Orange County Board of County Commissioners.

Adopted and presented this 8th day of June, 2017.

John A. Young, Chair

ATTEST:

Barbara M. Foushee, Secretary

Agenda Item 6:

Resolution Honoring the Service of Dr. David H. Moreau to the Chapel Hill-Carrboro-Orange County Community as a Member of the Orange Water and Sewer Authority's Board of Directors

Background:

Since inception of Orange Water and Sewer Authority, the Board of Directors has adopted Resolutions of Appreciation for the service of a retiring member of the Board.

The adopted resolution would be specially printed for presentation to Dr. David H. Moreau.

Staff Recommendation:

Adopt the Resolution Honoring the Service of Dr. David H. Moreau to the Chapel Hill-Carrboro-Orange County Community as a Member of the Orange Water and Sewer Authority's Board of Directors.

June 8, 2017

Resolution Honoring The Service Of Dr. David H. Moreau To The Chapel Hill-Carrboro-Orange County Community As A Member Of The Orange Water And Sewer Authority's Board Of Directors

Whereas, on June 23, 2014, the Chapel Hill Town Council most recently appointed Dr. David Moreau to serve on the Board of Directors of the Orange Water and Sewer Authority (OWASA); and

Whereas, Dr. Moreau has served on the OWASA Board for a total of more than 13 years, from April 1978 to June 1985, and July 1990 to June 1993, including three terms as Chair of the Board from October 1980 to September 1981, and September 1983 to June 1985; and

Whereas, Dr. Moreau served on the Finance and Natural Resources and Technical Services Committees during his service and Chaired the Natural Resources and Technical Services Committee from September 2015 to July 2016; and

Whereas, Dr. Moreau gave freely of his time, energy, and talent in serving the community and OWASA customers with unselfish dedication and compassionate concern; and

Whereas, Dr. Moreau brought to OWASA an extraordinary wealth of training, experience and expertise pertinent to water resource issues on the local, state and national levels; and

Whereas, Dr. Moreau was especially effective in leading OWASA's application for permits necessary to construct the Cane Creek Reservoir, our community's primary water supply; and

Whereas, Dr. Moreau's outstanding, extensive record of public service has included chairing the North Carolina Environmental Management Commission, directing the University of North Carolina's Water Resources Research Institute, chairing the University of North Carolina at Chapel Hill's Department of City and Regional Planning and Curriculum for the Environment and Ecology, and serving on the National Research Council's Board of Water Science and Technology in addition to numerous other national and international roles:

Now, Therefore, Be It Resolved by the Orange Water and Sewer Authority Board of Directors:

1. That the Board of Directors expresses to Dr. David H. Moreau the Board's sincere appreciation and deep gratitude for his outstanding service, leadership and stewardship as a Member of the OWASA Board; and the Board wishes for him much happiness in the years ahead.

2. That this resolution be recorded in the minutes of the OWASA Board of Directors and be part of the permanent records of OWASA, and that a copy of this resolution be transmitted to the Chapel Hill Town Council.

Orange Water and Sewer Authority

June 8, 2017

Page 2

Adopted and presented this 8th day of June 2017.

John A. Young, Chair

ATTEST:

Barbara M. Foushee, Secretary

Agenda Item 7:

Review Board Work Schedule

Purpose:

- a) Request(s) by Board Committees, Board Members and Staff
- b) Review and update the 12 Month Board Meeting Schedule
 - When does the Board wish to discuss the Financial Reserves Policy?
 - Does the Board agree to cancel the June 22, July 13 and July 27, 2017 Board meetings?
- c) Review Pending Key Staff Action Items

Information:

- 12 Month Board Meeting Schedule
- Pending Key Staff Action Items from Board Meetings

June 8, 2017

OWASA Board of Directors – 12 Month Board Meeting Schedule (June 2, 2017)

Month	Board Meetings		Committee & Other Meetings and Reports
	Work Session	Business Meeting	
June 2017	Diversity and Inclusion Progress Report with staff and VISIONS, Inc. Approve FY 18 Budget and Rates (C) Award the Hillsborough Street Water Main Replacement Contract Election of Officers (C) Propose Date for Financial Reserves Discussion Approve minor changes to Water and Sewer Management, Planning and Boundary Agreement <i>6/8/2017</i>	TBD <i>6/22/2017</i>	<i>HR Committee Meeting on Employee Compensation (6-6-2017)</i>
July 2017	TBD <i>7/13/2017</i>	TBD <i>7/27/2017</i>	
August 2017	Preliminary 12 Month Financial Report (C) CIP Semiannual Report (C) Award the Brandywine Drive Water Main Replacement Contract Discuss RFP process for Auditing Services CS – General Counsel Review (C) <i>8/10/2017</i>	TBD <i>8/24/2017</i>	
September 2017	<i>Discuss LRWSP – Demands & Yield</i> Diversity and Inclusion Progress Report EEO/Affirmative Action Report (C) Award the Administration Building HVAC Replacement Contract Discuss KPI Trends (C) (Tentative) Discuss Employee Merit Pay for FY 2018 CS – General Counsel Review (C) <i>9/14/2017</i>	Annual Report and Financial Audit (C) Approve General Counsel Engagement (C) CS – ED Review (C) <i>9/28/2016</i>	<i>NRTS Committee Meeting on Biogas-to-Energy and Land Disposition (TBD)</i>
October 2017	<i>Discuss AMI Policies</i> Discussion of impact on MFMM rate change (Tentative) Approve Employee Merit Pay for FY 2018 Discuss Televising Board Meetings CS – ED Review (C) <i>10/12/2017</i>	<i>Approve AMI Policies</i> Q1 Financial Report (C) Strategic Trends Report (C) <i>10/26/2017</i>	
November 2017	Status of Action Items on Communications during Emergencies <i>11/9/2017</i>	<i>Holiday - no meeting</i>	
December 2017	Appoint Audit Firm (C) Affordability Outreach Program Update <i>12/14/2017</i>	<i>Holiday - no meeting</i>	
January 2018	FY 19 Budget Calendar and Assumptions (C) Employee Health and Dental Insurance Update (C) CY 17 Biosolids Report <i>1/11/2018</i>	Annual Lakes Recreation Report (regular agenda) (C) Q2 Financial Report (C) CIP Semiannual Report (C) <i>1/25/2018</i>	
February 2018	Energy Management Plan Update CS - General Counsel Interim Review (C) <i>2/8/2018</i>	CS - General Counsel Interim Review (C) <i>2/22/2018</i>	
March 2018	FY 19 Draft Budget & Rates (C) Set date for Public Hearings – FY 19 Budget & Rates (C) Discuss KPI Trends CS - ED Interim Review (C) <i>3/8/2018</i>	FY 19 Draft Budget & Rates (C) CS – ED Interim Review (C) <i>3/22/2018</i>	

OWASA Board of Directors – 12 Month Board Meeting Schedule (June 2, 2017)

April 2018	Review Employee Health and Dental Insurance Renewal FY 19 Draft Budget and Rates Authorize staff to publish proposed rates Appointment of the Nominating Committee <i>4/12/2018</i>	Q3 Financial Report <i>4/26/2018</i>	
May 2018	Discuss Employee Health and Dental Insurance Renewal Discuss Employee Merit Pay for FY 19 <i>5/10/2018</i>	Public Hearings – FY 19 Budget and Rates <i>5/24/2018</i>	

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

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

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

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

- Development of a plan and policy framework for OWASA lands is considered a longer-term priority.
- Improve effectiveness as a learning organization is considered a longer-term priority.
- Water Conservation Plan will be prepared concurrent with update of the Long-Range Water Supply Plan.

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

OWASA Board of Directors – 12 Month Board Meeting Schedule (June 2, 2017)

Abbreviations Used in Draft Schedule:

- | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> ☐ Recurring agenda item (generally these are “required” items) AMI Advanced Metering Infrastructure CE Community Engagement CEP Community Engagement Plan CIP Capital Improvements Program COLA Cost of Labor Adjustment CS Closed Session of the Board CY Calendar Year ED Executive Director FY Fiscal Year | <ul style="list-style-type: none"> JLP Jordan Lake Partnership LRWSP Long-Range Water Supply Plan MST Mountains-to-Sea Trail MFMM Multi-Family Master Meter NRTS Natural Resources/Technical Services Q Quarter SOW Scope of Work TBD To Be Determined WTP Water Treatment Plant WWTP Wastewater Treatment Plant |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Current and Pending Key Projects and Stages

Project	Strategic Initiative	Project Lead	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18
AMI	6	Taylor												
Total Compensation Study		Glasgow		<i>Schedule To Be Determined</i>										
LRWSP	1	Rouse				Demand & Yield								
Energy Plan	5	Tiger												
							Biogas-to-Energy							

Stages	Committee Discussion	Feasibility Study	Board Review	Community Engagement	Action	Procurement	Implementation
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Pending Key Staff Action Items from Board Meetings

Date	Action Item	Target Board Meeting Date	Person(s) Responsible	Status
5-25-2017	Evaluate option(s) to provide live broadcast of OWASA Board meetings at Chapel Hill Town Hall to Carrboro residents. Also determine if Mac users can view live-streaming of OWASA Board meetings. Board discussion of the trial web-based broadcast of the 6-8-2017 Board meeting.	Fall 2018	Orbich	
5-25-2017	Prepare a plan for solar PV on OWASA land.	June 2018	Tiger	
5-25-2017	Prepare a Community Engagement Plan for Forestry Management.	June 2018	Rouse	
5-25-2017	Schedule a NRTS Committee meeting in the fall of 2017 to discuss staff's recommendation on the long-term use of OWASA land and determine what analysis, if any, is recommended to inform future decision making. NRTS Committee recommendation will be made at a future Board meeting.	September 2018	Rouse	Will plan to schedule in conjunction with Biogas-to-Energy NRTS Committee meeting in September.
5-25-2017	Provide information on the fluoride section of our website on where fluoride-free water can be obtained.	NA	Feller	
5-11-2017	Collect data from employees to find out if their spouse has access to health insurance elsewhere.	NA	Glasgow	
4-13-2017	Remind new Board to make appointment to Intergovernmental Parks Work Group.	TBD	Orbich	After July 1, 2017
3-23-2017	Staff to evaluate a document Dave Moreau will prepare regarding a potential request of the State (possibly in coordination with others) seeking guidance/criteria/support from the State on drinking water supply matters during various water emergencies (currently, the State's focus is enforcement of drinking water quality).	TBD	Kerwin Taylor Loflin	
1-26-2017	For the next CIP report, consider adding multi-year budget information. Provide an explanation of significant budget impacts or delays for key projects in the report narrative.	8-24-2017	Gangadharan	

Pending Key Staff Action Items from Board Meetings

Date	Action Item	Target Board Meeting Date	Person(s) Responsible	Status
12-8-2016	Implement improvements to the Key Performance Indicators as discussed with the Board on 12-8-2016.	NA	Tiger All Dept. Directors	Many improvements made to the November KPI Report; others are in-development

Agenda Item 8:

Report of the Nominating Committee for Election of Officers

Background:

The Bylaws of Orange and Sewer Authority state that officers shall be elected annually at the Board's first regular meeting in June and shall hold office for one year or until their successors are elected and qualified.

At the March 9, 2017 meeting, the Board agreed that as a practice for the next Election of Officers of the Board, the full Board of Directors would serve on the Nominating Committee, and that each Board Member will be considered for nomination for each office, except those who specifically indicate (for each office) before the election that he or she is unwilling or unable to serve. Yinka Ayankoya agreed to Chair the Nominating Committee.

For the current year, the Board also agreed to observe one-year term limits, such that none of the persons currently serving in the offices of Chair, Vice Chair and Secretary, would be eligible for election to succeed himself or herself. The Board agreed not to amend the Bylaws to provide for these changes, but rather, agreed that these procedures would be followed as current practice for this year's election of officers.

The Chair of the Nominating Committee has received information from those Board Members who are available for election to office, and from any who wish not to be elected to office. In accordance with this information, and the current practice not to allow succession of officers, Board Members were advised on May 11, 2017, via e-mail from the Chair of the Nominating Committee, that the persons eligible for election as Chair are:

- Yinka Ayankoya
- Jeff Danner
- Barbara Foushee
- Robert Morgan
- Heather Payne

And that those eligible for election as Vice Chair are:

- Yinka Ayankoya
- Barbara M. Foushee
- Heather Payne

And that those eligible for election as Secretary are:

- Yinka Ayankoya
- Jeff Danner
- Robert Morgan

June 8, 2017

Board Members are reminded that ballots will be prepared, distributed, and counted by the Clerk to the Board with assistance from General Counsel. Voting will proceed in rounds, until a candidate receives five votes. In each subsequent round, the person(s) receiving the fewest votes in the preceding round will be dropped from the next ballot. Proxy ballots will only be counted in the first round and any subsequent round in which the person named on the proxy ballot is still eligible for election. Each Board Member will place his or her initials on each ballot he or she marks during the election. The ballots are preserved as public records of OWASA.

In order to accommodate Board Members who must be absent at the June 8, 2017 meeting, the Board is reminded that the Bylaws do permit proxy voting in the Election of Officers, provided the vote is in writing and submitted to the Board Chair prior to the meeting. The Board Chair has delegated to the Clerk to the Board the receipt of proxy ballots, upon the forms attached. These must be received by the Clerk before the meeting in order to be counted in the election of officers.

Action Needed:

Election of Officers by the Board of Directors.

Information:

- 2017 Proxy Ballot

PROXY BALLOT

To: Andrea Orbich, Clerk to the Board, for John A. Young, Chair of the Board

I have to be absent from the June 8, 2017 OWASA Board of Directors' meeting to which Election of Officers of the Board of Directors is scheduled.

Please consider this my vote by proxy for _____ to serve as Chair of the Board of Directors.

Please see that this proxy ballot is delivered to John A. Young prior to the Board meeting.

Signed: _____

Dated: _____

PROXY BALLOT

To: Andrea Orbich, Clerk to the Board, for John A. Young, Chair of the Board

I have to be absent from the June 8, 2017 OWASA Board of Directors' meeting to which Election of Officers of the Board of Directors is scheduled.

Please consider this my vote by proxy for _____ to serve as Vice Chair of the Board of Directors.

Please see that this proxy ballot is delivered to John A. Young prior to the Board meeting.

Signed: _____

Dated: _____

PROXY BALLOT

To: Andrea Orbich, Clerk to the Board, for John A. Young, Chair of the Board

I have to be absent from the June 8, 2017 OWASA Board of Directors' meeting to which Election of Officers of the Board of Directors is scheduled.

Please consider this my vote by proxy for _____ to serve as Secretary of the Board of Directors.

Please see that this proxy ballot is delivered to John A. Young prior to the Board meeting.

Signed: _____

Dated: _____