



ORANGE WATER AND SEWER AUTHORITY

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

Agenda

Public Hearings and Meeting of the OWASA Board of Directors

Thursday, May 24, 2018, 7:00 P.M.

Chapel Hill Town Hall

In compliance with the "Americans with Disabilities Act," interpreter services are available with five days prior notice. If you need this assistance, please contact the Clerk to the Board at 919-537-4217 or aorbich@owasa.org.

The Board of Directors appreciates and invites the public to attend and observe its meetings. Public comment is invited either by petition upon topics not on the Board's agenda, or by comments upon items appearing on the Board's 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.

Announcements

1. Announcements by the Chair
 - A. 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. The OWASA Board will convene for a Diversity and Inclusion Session with VISIONS, Inc. on Wednesday, May 30, 2018, at 6:00 p.m. in OWASA's Boardroom
2. Announcements by Board Members
3. Announcements by Staff
4. Additional Comments, Suggestions, and Information Items by Board Members (Robert Morgan)

Public Hearings

1. Concurrent Public Hearings on the Preliminary Annual Operating and Capital Improvements Budget and Proposed Rates, Fees and Charges (Todd Taylor/Mary Darr/Stephen Winters)
 - A. Staff Presentation
 - B. Public Comments
 - C. Motion to Close Public Hearings
 - D. Board Discussion

Petitions and Requests

2.
 - A. Public - Walter and Betsy Bennett
 - B. Board
 - C. Staff

Consent Agenda

Information and Reports

3. 12 Month Board Meeting Schedule (Robert Morgan/Ed Kerwin)

Action

4. Budget Amendment for Fiscal Year 2018 Capital Improvements Program (Vishnu Gangadharan/Stephen Winters)
5. Minutes of the April 26, 2018 Meeting of the Board of Directors (Andrea Orbich)

Summary of Board Meeting Action Items

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

Agenda Item

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

Background

- On March 22, 2018, the Board of Directors adopted resolutions setting May 24, 2018 as the date for concurrent public hearings on OWASA's proposed budget and rates for Fiscal Year (FY) 2019.
- The Board of Directors is considering a two percent increase in monthly water and sewer charges for FY 2019.
- Rates for system development fees (for new service connections) have been adjusted based on an update of system costs and an analysis of customers' average daily water use and meets terms of a new NC statute passed in July 2017 (NC House Bill 436/Session Law 2017-138).
- Certain other fees are proposed to be adjusted based on changes in the costs of providing the services.

Action Needed

- Receive and discuss input provided by the public at, or prior to the May 24, 2018 concurrent public hearings.
- If necessary, provide direction to staff regarding the preliminary FY 2019 Budget and the Schedule of Rates, Fees and Charges that will be considered for adoption by the Board at its June 14, 2018 meeting.

May 24, 2018



ORANGE WATER AND SEWER AUTHORITY

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

MEMORANDUM

TO: Board of Directors

THROUGH: Ed Kerwin *EJK*

FROM: Stephen Winters, CPA

DATE: May 18, 2018

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

Purpose

On March 22, 2018, the Board of Directors adopted resolutions setting May 24, 2018 as the date for concurrent public hearings on OWASA's preliminary budget and rates for Fiscal Year (FY) 2019. This memorandum and attachments are provided to the Board of Directors as a basis for discussing the proposed Annual Operating and Capital Improvements Budget and Schedule of Rates, Fees and Charges for Fiscal Year (FY) 2019.

Background

The Board of Directors has previously discussed the FY 2019 Budget and is considering a two percent increase in monthly water and sewer rates; reductions to system development fees; and adjustments to charges for miscellaneous services. All proposed rate adjustments are based on the costs to provide the services.

Rationale for a Rate Increase

OWASA is committed to providing high-quality, safe, and reliable water and wastewater services, and our rates reflect the true cost of providing these services. We are a non-profit, community-owned water and wastewater utility and our investments in water and wastewater infrastructure are not supported by taxes nor federal grants. We reinvest the rates and fees paid by our customers directly into the treatment plants, pipes, and people that will serve our community for years to come.

The investments we make in our infrastructure help prevent water main breaks and sewer overflows. They allow us to maintain, replace and upgrade the equipment, facilities and resources we need to make sure that water is available, safe, and good-tasting and that recycled treated wastewater is safe for the environment. They allow us to provide our employees a fair and competitive wage.

Our capital improvements program is a necessary investment in the long-term sustainability of our community. Delivering safe drinking water and recycling clean wastewater is very capital intensive. Each year we take a long-term look at what is needed to sustain the essential services we provide and we prioritize those projects based on their criticality.

We also take a long-term approach to operating expenses and invest in projects like the Agua Vista Metering Initiative and Energy Management Program that will provide the community financial returns in years to come.

The five-year capital improvements program projects nearly \$100 million of capital spending needed to maintain nearly 800 miles of underground pipe; invest in the renewal or replacement of existing equipment at our treatment plants, pump stations, and reservoirs; and mitigate operational expenses in future years. This year, about three-quarters of our capital improvements budget will be spent on repairing and rehabilitating existing infrastructure. No individual project is driving the need for a rate increase; rather it is attributable to an increase in the true costs to provide high-quality, safe, and reliable water and wastewater services, so as not to short-change future generations.

We appreciate our customers for their partnership. Beyond paying their OWASA bill every month, the cost and commitment borne by our community to use water wisely and protect the wastewater system pays dividends, ecologically and economically. A modest increase in rates later this year will help mitigate the need for larger rate increases in future years and helps to maintain our strong credit rating.

OWASA's residential customers average about 4,000 gallons of water use per month and the cost for that level of use is \$70.66. OWASA's rates remain competitive in our state and region. The median monthly bill of other area water utilities for 4,000 gallons of water use is \$65.60; the highest is \$114.23.

The Board is considering a rate increase for FY 2019 of two percent. A two percent rate increase would increase the average OWASA family's bill by \$1.41 per month. The majority of water and wastewater utilities in the state increased their rates within the last two years. The median rate increase for these utilities was four percent.

Preliminary Budget Information

The following summarizes the draft FY 2019 Budget and assumes a rate increase of two percent (numbers shown in thousands):

	FY 2019 Draft Budget
Water and Sewer Revenue	\$35,944
Rents, Royalties, Other	954
System Development Fees	1,194
Total Revenue	38,092
Operating Expenses	(22,524)
Net Income	15,568
Debt Service	(7,156)
Net income less debt service	\$8,412

Budget assumptions and highlights

- The budget is designed so that our Financial Management Policy objectives will be met.

- 2.5% vacancy allowance – the personnel compensation budget has been reduced by about \$200,000, to account for position vacancies.
- A 7.4% decrease in health insurance.
- A 5% increase in the rate we are charged for electricity.
- Price increases for certain chemicals based on information provided by vendors.
- A 4% merit and cost of labor (combined) increase is included. The Board is scheduled to make a decision on employee wage increases on June 14, 2018.
- Application of the new approach to measuring and compensating employee performance that the Board approved on December 14, 2017.
- 140 Board authorized positions with 135 funded.
- Use of the proposed new calculation method for system development fees (previously referred to as service availability fees), which was approved by the Board on January 25, 2018. The new calculation method, required as a result of HB 436, results in lower fees.
- Drinking water and reclaimed water sales are not expected to increase or decrease significantly.
- The draft operating budget includes funds for consulting assistance to continue our work to implement our diversity and inclusion program.
- Wastewater treatment nutrient removal requirements in the Jordan Lake Rules have been delayed by the NC General Assembly until 2024.
- Costs related to the planned OSHA Consultation Services Audit and Crisis Management projects to be managed by the new Safety and Risk Manager.
- Equipment that will allow us to analyze water for taste and odor compounds and a vehicle for use in controlling sediment during water main breaks.
- The draft operating budget includes funding for a new Lab Analyst position to help meet increased demands on the Water Treatment Plant’s lab operation, including the new equipment for analyzing taste and odor compounds.

Capital Improvements Program

CIP needs are identified by our Asset Management Program which includes hydraulic and risk/prioritization models, OWASA’s Energy Management Program, master planning studies, condition assessments, staff observations, regulatory or contractual requirements, repair and maintenance work-order evaluation, community feedback, and strategic planning. After CIP projects are identified, a staff team prioritizes projects using a weighted criteria model. In addition to the results of this project prioritization, staff accounts for project interrelationships, coordination with other entities (Towns, Department of Transportation, etc.), project urgency, implementation considerations, and other external schedule constraints.

The proposed capital improvements program (CIP) budget includes funding of \$22.6 million for FY 2019 and a total of \$97.8 million for the five-year period FY 2019-2023. Attachment 2, Table 1 lists the CIP projects funded for FY 2019 along with brief project descriptions. Attachment 2, Table 2 lists the CIP projects planned for FY 19-23.

Where applicable, the project’s CIP Number links to the previous project description as published last summer in the FY 2018-2022 CIP book. (Note that some project scope, timing, and funding details have changed since then.) Projects which are already underway are highlighted in blue and comprise over 93% of the proposed FY 2019 CIP budget.

Proposed Schedule of Rates, Fees and Charges

Attachment 3 is a draft of the Schedule of Rates, Fees and Charges. All fees other than the new system development fees (see below) would be effective as of October 1, 2018. By statute, the new system development fees will go into effect on July 1, 2018.

The draft reflects how monthly water and sewer rates will change if a two percent increase is implemented. Additionally, several adjustments have been proposed to the fees OWASA charges for miscellaneous services such as meter installations, meter testing, etc. Changes are also proposed for system development fees.

System Development Fees

System development fees are one-time amounts charged for new connections (development) to OWASA's system. They are calculated to recover a portion of the capital costs of providing water and sewer system capacity. System development fees are calculated separately for water and sewer connections.

In July 2017, the North Carolina General Assembly passed a law (NC House Bill 436/Session Law 2017-138) that requires a change to the way water and sewer utilities calculate system development fees. The statute requires that the new fees be effective as of July 1, 2018 and also specifies a process for public notification and input, as well as Board approval.

On January 25, 2018, the Board approved a new method for calculating system development fees, in compliance with the new law. A [report on the new fees](#) was posted on our website and the public was invited to comment. To date, we have not received any comments or questions from the public. An additional requirement of the new statute is to hold a public hearing. The new system development fee calculation method results in a decrease in the amount of the fees as shown in the draft rates schedule.

Key Elements in the Schedule

- The bill for a single-family individually-metered customer using 4,000 gallons per month will increase by \$1.41 to \$72.07.
- Continuation of the block rate structure for individually-metered residential customers, year-round rate for multi-family master-metered customers, and seasonal rates for non-residential customers.
- Conservation water commodity charges under declared water shortages (surcharges) remain in place with no change in the surcharge structure.
- Irrigation accounts remain subject to a year-round uniform charge and monthly service charge for irrigation use that is higher than the peak rate under the seasonal structure.
- No changes in the commodity rate or fixed monthly charge for reclaimed water as current rates are sufficient to cover costs.
- Lake fees are unchanged.

Next Steps

- The Board will consider input received during the public hearings and provide guidance to staff.
- Formal adoption of the Annual Budget and the Schedule of Rates, Fees and Charges is scheduled for June 14, 2018.



Stephen Winters, CPA
Director of Finance and Customer Service

Attachments:

- Summary information about the preliminary Budget for FY 2019 (Attachment 1)
- Information about the proposed Capital Improvements Program Budget (Attachment 2)
- Proposed Schedule of Rates, Fees and Charges (Attachment 3)

Draft FY 2019 CIP

CIP No.	Project	FY2019	Comments
270-04	Jordan Lake Raw Water Supply Allocation	\$ 5,000	Ongoing required payment
270-09	Quarry Reservoir Development	\$ 15,000	Ongoing required payment
270-11	University Lake Pump Station Improvements	\$ 1,500,000	Replacement of aging pumps #1 - #3 with new, more efficient pumps and variable frequency drives (VFD's)
270-28	University Lake Permanganate Facility	\$ 450,000	New chemical storage and feed facility to improve water treatment
272-14	Water Facility Security Upgrades	\$ 38,000	Security improvements at remote sites including Cane Creek Reservoir, University Lake, and booster pump stations; construction commenced in FY 2018
272-37	WTP Belt Filter Press Replacement	\$ 512,000	Replacement of existing, aging dewatering equipment that does not have redundancy; construction to occur in FY 2019 and FY 2020
272-38	WTP Sedimentation Basin Rehabilitation	\$ 1,800,000	Concrete rehabilitation of sedimentation basin walls and channels; construction to occur in FY 2019 and FY 2020
272-40	WTP Filter Media and Backwash Improvements	\$ 100,000	Completion of construction which commenced in FY 2018
275-15	Water Main Upgrades - Road Improvement Projects	\$ 181,000	Water main upgrades undertaken as part of North Carolina Department of Transportation roadway projects; FY 2019 funds are for payment for prior work along Smith Level Road
275-20	Brandywine Road Water Main Replacement	\$ 862,000	Completion of construction expected to commence in FY 2018
275-20	Fordham Service Road Water Main Replacement	\$ 250,000	Construction along service road south of Fordham Boulevard; being coordinated with adjacent development
275-21	High Priority Water Main Replacement	\$ 2,341,000	FY 2019 funds are primarily for construction of Pritchard Avenue Water Main, and the start of construction for Manning Drive Water Main and Country Club Road Water Main
275-46	Dobbins Drive Water Main Replacement	\$ 288,000	Completion of design and start of construction; coordinated with Dobbins Drive Sewer Main project
275-52	West Cameron Avenue Water Main	\$ 25,000	Planning, design, and construction; majority of construction to occur in summer of calendar year 2020
275-76	Advanced Metering Infrastructure (AMI) System	\$ 1,225,000	Completion of deployment of AMI System
275-77	Galvanized Water Main Replacements	\$ 1,100,000	Start of construction to replace or abandon 1.6 miles of galvanized water mains
276-18	Sanitary Sewer Rehabilitation	\$ 2,091,000	Near-term identified needs for rehabilitation of collection system
276-45	Bolinwood Drive Interceptor	\$ 100,000	Capacity improvements as identified by 2010 Collection System Master Plan; FY 2019 funding is for design
276-48	Dobbins Drive Interceptor Upgrades	\$ 315,000	Completion of design and start of construction to increase collection system capacity; coordinated with Dobbins Drive Water Main project
276-53	Creek Crossing Access Improvements	\$ 20,000	Sitework to improve vehicular access as needed to maintain facilities (primarily aerial sewer crossings at creeks); FY 2019 funding is for stakeholder engagement and planning
276-57	Sanitary Sewer Hydraulic Model	\$ 334,000	Updated capacity analysis and master planning for the collection system; flow monitoring is ongoing as of March 2018
277-31B	Rogerson Drive Pump Station Rehabilitation Phase 2	\$ 2,025,000	FY 2019 funds are for Phase 2 construction including electrical, HVAC, and odor control upgrades to improve reliability and odor control at the second largest wastewater pump station
278-46	Comprehensive Coatings Program	\$ 150,000	Continuation of programmatic coating of priority equipment and structures to protect assets and extend their useful life
278-51	WWTP Solids Thickening Improvements	\$ 1,200,000	Replace aging gravity belt thickeners with new rotary drum thickeners; construction to occur in FY 2019 and FY 2020
278-54	WWTP Intermediate Pump Station (IPS) Rehabilitation	\$ 400,000	Completion of construction in FY 2019 for electrical, HVAC, and VFD's
278-58	WWTP Non-potable Water Pump Replacements	\$ 50,000	Completion of construction work commencing in FY 2018 to replace aging pumps
278-68	Roofing / Building Envelope Rehabilitation	\$ 34,000	FY 2019 includes design funds for roof replacements as prioritized and scoped from a FY 2017 assessment
278-72A	WWTP Secondary Clarifier (SC) Rehabilitation	\$ 750,000	Funding is for rehabilitation of concrete and aging equipment in SC #2 and #3
278-72B	WWTP Secondary Clarifier Pumping Improvements	\$ 100,000	Improvements to the return activated pumping system for the secondary clarifiers to improve clarifier performance
278-73	Wastewater Treatment Plant (WWTP) SCADA System Upgrade	\$ 60,000	Completion of improvements to the WWTP's control system which commenced in FY 2018 to improve functionality and operator awareness
278-78A	WWTP Fermenter Tank and Pumps Rehabilitation	\$ 100,000	Funds are for cleaning, draining, inspection and recommendations for fermenter tank rehabilitation; improvements to be included with Solids Thickening construction
278-80A	Primary Sludge Pump Station Rehabilitation and Old Lab Building Demolition	\$ 25,000	Funding for near-term work that may be identified by FY 2018 study
278-80B	WWTP Chemical Building and Bulk Tank Piping Rehabilitation	\$ 100,000	Completion of design and construction as recommended by ongoing FY 2018 study to improve chemical feed and storage facilities
278-80B	WWTP Spray Water System	\$ 100,000	Completion of design and construction as recommended by ongoing FY 2018 study to improve operational efficiency
278-82	WWTP Headworks Concrete Rehabilitation	\$ 1,700,000	Completion of design and construction on fast-tracked project to rehabilitate a critical WWTP structure; construction to occur in FY 2019 and FY 2020
280-06	Administration Building HVAC System Upgrade	\$ 820,000	Completion of construction which commenced in FY 2018
270-new	University Lake Dam Flashboard Replacement	\$ 325,000	Flashboard (part of the dam used to increase the depth of the impoundment) replacement as recommended by recent inspection
271-05	Cane Creek Raw Water Transmission Main Capacity Study	\$ 40,000	Condition assessment of raw water main
272-42	WTP Finished Water Pump (FWP) Improvements	\$ 25,000	Improvements to FWP #5 VFD and electrical, and FWPs #4 and #6 pumps/motors
272-46A	WTP Chemical Feed Upgrades	\$ 75,000	Upgrades to several chemical feed systems as identified by risk evaluation and other needs to improve reliability and treatment
272-new	WTP Supervisory Control and Data Acquisition (SCADA) Equipment Replacement	\$ 15,000	FY 2019 funds are for design to replace critical process control equipment which will not be supported by manufacturer after 2023
272-new	Heating, Ventilation, and Air Conditioning (HVAC) Replacement Program	\$ 45,000	Age, condition, and energy efficiency-based equipment replacement based on Advanced Energy audit
273-09	Barbee Chapel Road Booster Pump Station (BPS) Study	\$ 75,000	Study to re-evaluate BPS location, needed improvements, timing, and cost estimate.
275-53	Water Distribution System Hydraulic Model	\$ 30,000	Placeholder funding for on-call modeling, plus FY 2020-2021 update of full hydraulic model

Draft FY 2019 CIP

CIP No.	Project	FY2019	Comments
275-new	Distribution System SCADA integration	\$ 25,000	Upgrades to allow for real-time monitoring of distribution system pressure
275-new	Distribution System Prioritization Model	\$ 75,000	Comprehensive overhaul of prioritization model used to determine distribution system rehabilitation; work is planned to occur in FY 2019 and FY 2020
275-new	Distribution System Sampling Stations	\$ 85,000	Additional sampling sites to improve water quality monitoring capabilities for the distribution system
275-new	Kensington Drive Water Main Replacement	\$ 100,000	Funds for completion of design in FY 2019 and construction in FY 2020
276-46	Willow Drive Interceptor Replacement	\$ 25,000	Capacity improvements as identified by 2010 Collection System Master Plan
276-58	Prince Street common service replacement	\$ 30,000	FY 2019 funds for design of the replacement of a common (shared by more than one property) service lateral that is in poor condition
277-new	Pump Station Operational Assessments	\$ 25,000	Motor and pump efficiency assessments at identified pump stations
277-new	Rogerson Drive Force Main (Highway 54 crossing and northern routing study)	\$ 50,000	Initial funding of routing study for future alignment of Rogerson Drive Force Main, including alternatives analysis for crossing Highway 54
278-77	WWTP Bar Screen Replacement	\$ 150,000	Replacement of two bar screens at plant headworks
278-new	WWTP Server Room	\$ 75,000	Architectural modifications, and installation of equipment and HVAC to support new technology infrastructure
278-new	Fixed Continuous Gas Monitoring Systems	\$ 100,000	Installation of gas monitoring systems in identified WWTP structures to provide continuous air monitoring
278-new	WWTP Security Improvements	\$ 100,000	FY 2019 funding for plant-wide security assessment and initial improvements
Total FY 2019		\$ 22,636,000	

Projects Underway as of 4-4-2018	\$ 21,166,000
---	----------------------

Draft FY 2019 - 2023 CIP

CIP No.	Project	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total FY 2019 - FY 2023
270-04	Jordan Lake Raw Water Supply Allocation	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 25,000
270-09	Quarry Reservoir Development	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 75,000
270-11	University Lake Pump Station Improvements	\$ 1,500,000	\$ 455,000	\$ -	\$ -	\$ -	\$ 1,955,000
270-16	Cane Creek Pump Station Improvements	\$ -	\$ 100,000	\$ 1,200,000	\$ -	\$ -	\$ 1,300,000
270-28	University Lake Permanganate Facility	\$ 450,000	\$ 750,000	\$ -	\$ -	\$ -	\$ 1,200,000
270-29	University Lake Fishing Pier and Boat Launch	\$ -	\$ -	\$ 70,000	\$ -	\$ -	\$ 70,000
270-30	Cane Creek Dam Rehabilitation	\$ -	\$ -	\$ 50,000	\$ 500,000	\$ -	\$ 550,000
270-31	Cane Creek Resurfacing	\$ -	\$ -	\$ -	\$ 70,000	\$ -	\$ 70,000
270-new	Cane Creek Solar Photovoltaic System	\$ -	\$ 25,000	\$ 1,600,000	\$ -	\$ -	\$ 1,625,000
270-new	University Lake Dam Flashboard Replacement	\$ 325,000	\$ 250,000	\$ -	\$ -	\$ -	\$ 575,000
271-05	Cane Creek Raw Water Transmission Main Capacity Study	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 40,000
272-10	Long Term Funding for Water Facility Asset Rehabilitation or Replacement	\$ -	\$ -	\$ -	\$ 2,083,000	\$ 2,714,000	\$ 4,797,000
272-14	Water Facility Security Upgrades	\$ 38,000	\$ -	\$ -	\$ -	\$ -	\$ 38,000
272-35	WTP Flash Mix Basins Isolation Valve Replacement	\$ -	\$ -	\$ -	\$ 70,000	\$ 300,000	\$ 370,000
272-37	WTP Belt Filter Press Replacement	\$ 512,000	\$ 975,000	\$ -	\$ -	\$ -	\$ 1,487,000
272-38	WTP Sedimentation Basin Rehabilitation	\$ 1,800,000	\$ 1,630,000	\$ -	\$ -	\$ -	\$ 3,430,000
272-40	WTP Filter Media and Backwash Improvements	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
272-41	WTP Process, Sedimentation Basin, and Pulsator Turbidimeters	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000
272-42	WTP Finished Water Pump (FWP) Improvements	\$ 25,000	\$ 150,000	\$ 1,200,000	\$ -	\$ -	\$ 1,375,000
272-43	WTP Track Vac System Replacement	\$ -	\$ -	\$ -	\$ 116,000	\$ -	\$ 116,000
272-46A	WTP Chemical Feed Upgrades	\$ 75,000	\$ 500,000	\$ -	\$ -	\$ -	\$ 575,000
272-46B	WTP Chemical Storage Improvements	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000
272-new	WTP Filter Console / Operator Console Replacement	\$ -	\$ -	\$ 25,000	\$ 150,000	\$ -	\$ 175,000
272-new	WTP SCADA Master Plan	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
272-new	WTP Supervisory Control and Data Acquisition (SCADA) Equipment Replacement	\$ 15,000	\$ 200,000	\$ -	\$ -	\$ -	\$ 215,000
272-new	Heating, Ventilation, and Air Conditioning (HVAC) Replacement Program	\$ 45,000	\$ 10,000	\$ 25,000	\$ 125,000	\$ -	\$ 205,000
273-09	Barbee Chapel Road Booster Pump Station (BPS) Study	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000
274-new	Storage Tank Water Quality Monitors	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000
275-15	Water Main Upgrades - Road Improvement Projects	\$ 181,000	\$ -	\$ -	\$ -	\$ -	\$ 181,000
275-20	Long Term Funding for Water Distribution System Asset Rehabilitation or Replacement	\$ -	\$ -	\$ -	\$ 2,259,000	\$ 2,497,000	\$ 4,756,000
275-20	Fordham Service Road Water Main Replacement	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000
275-20	Brandywine Road Water Main Replacement	\$ 862,000	\$ -	\$ -	\$ -	\$ -	\$ 862,000
275-21	High Priority Water Main Replacement	\$ 2,341,000	\$ 5,313,000	\$ 4,278,000	\$ 5,247,000	\$ -	\$ 17,179,000
275-46	Dobbins Drive Water Main Replacement	\$ 288,000	\$ 1,150,000	\$ -	\$ -	\$ -	\$ 1,438,000
275-52	West Cameron Avenue Water Main	\$ 25,000	\$ 298,000	\$ 1,487,000	\$ -	\$ -	\$ 1,810,000
275-53	Water Distribution System Hydraulic Model	\$ 30,000	\$ 250,000	\$ 50,000	\$ 30,000	\$ 30,000	\$ 390,000
275-76	Advanced Metering Infrastructure (AMI) System	\$ 1,225,000	\$ -	\$ -	\$ -	\$ -	\$ 1,225,000
275-77	Galvanized Water Main Replacements	\$ 1,100,000	\$ 600,000	\$ -	\$ -	\$ -	\$ 1,700,000
275-new	MLK Boulevard Water Main Abandonment	\$ -	\$ 100,000	\$ 1,000,000	\$ -	\$ -	\$ 1,100,000
275-new	Distribution System Large Vault Replacement	\$ -	\$ 40,000	\$ 100,000	\$ -	\$ -	\$ 140,000
275-new	Valve Insertion Program	\$ -	\$ 30,000	\$ 30,000	\$ 30,000	\$ -	\$ 90,000
275-new	Porthole Alley Water Main Abandonment	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ 30,000
275-new	Distribution System SCADA integration	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -	\$ 50,000
275-new	Distribution System Prioritization Model	\$ 75,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 175,000
275-new	Distribution System Sampling Stations	\$ 85,000	\$ 85,000	\$ -	\$ -	\$ -	\$ 170,000
275-new	Kensington Drive Water Main Replacement	\$ 100,000	\$ 1,220,000	\$ -	\$ -	\$ -	\$ 1,320,000
276-17	Sanitary Sewer Condition Evaluation	\$ -	\$ 744,000	\$ -	\$ 906,000	\$ -	\$ 1,650,000
276-18	Long Term Funding for Wastewater Collection System Asset Rehabilitation or Replacement	\$ -	\$ -	\$ -	\$ 2,290,000	\$ 2,771,000	\$ 5,061,000
276-18	Sanitary Sewer Rehabilitation	\$ 2,091,000	\$ 2,429,000	\$ 2,730,000	\$ -	\$ -	\$ 7,250,000
276-45	Bolinwood Drive Interceptor	\$ 100,000	\$ 900,000	\$ -	\$ -	\$ -	\$ 1,000,000
276-46	Willow Drive Interceptor Replacement	\$ 25,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 125,000
276-48	Dobbins Drive Interceptor Upgrades	\$ 315,000	\$ 1,259,000	\$ -	\$ -	\$ -	\$ 1,574,000
276-52	Rocky Branch Interceptor Upgrade (Phase 1)	\$ -	\$ 62,000	\$ 706,000	\$ -	\$ -	\$ 768,000

Draft FY 2019 - 2023 CIP

CIP No.	Project	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total FY 2019 - FY 2023
276-53	Creek Crossing Access Improvements	\$ 20,000	\$ 563,000	\$ 263,000	\$ -	\$ -	\$ 846,000
276-57	Sanitary Sewer Hydraulic Model	\$ 334,000	\$ 150,000	\$ -	\$ -	\$ -	\$ 484,000
276-58	Prince Street common service replacement	\$ 30,000	\$ 50,000	\$ -	\$ -	\$ -	\$ 80,000
276-new	Manhole Installations	\$ -	\$ 35,000	\$ 80,000	\$ -	\$ -	\$ 115,000
277-21	Force Main Condition Evaluation	\$ -	\$ -	\$ 50,000	\$ -	\$ 300,000	\$ 350,000
277-31B	Rogerson Drive Pump Station Rehabilitation Phase 2	\$ 2,025,000	\$ -	\$ -	\$ -	\$ -	\$ 2,025,000
277-37	Knolls PS Rehab	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ 15,000
277-39A	North Lakeshore Drive Pump Station	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ 15,000
277-39B	Chapel Hill North Pump Station Rehabilitation	\$ -	\$ 25,000	\$ 75,000	\$ -	\$ -	\$ 100,000
277-39C	Clayton Rd Pump Station Replacement	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ 15,000
277-39-F	Patterson Place Pump Station	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ 15,000
277-new	Rogerson Drive Force Main Gravity Interconnect to Meeting of the Waters Interceptor	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ 25,000
277-new	Pump Station Operational Assessments	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -	\$ 50,000
277-new	Rogerson Drive Force Main (Highway 54 crossing and northern routing study)	\$ 50,000	\$ 200,000	\$ -	\$ -	\$ -	\$ 250,000
278-11	Long Term Funding for Wastewater Facility Asset Rehabilitation or Replacement	\$ -	\$ -	\$ -	\$ 4,608,000	\$ 4,466,000	\$ 9,074,000
278-46	Comprehensive Coatings Program	\$ 150,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 250,000
278-50	WWTP Warehouse	\$ -	\$ 75,000	\$ 600,000	\$ -	\$ -	\$ 675,000
278-51	WWTP Solids Thickening Improvements	\$ 1,200,000	\$ 2,700,000	\$ -	\$ -	\$ -	\$ 3,900,000
278-54	WWTP Intermediate Pump Station (IPS) Rehabilitation	\$ 400,000	\$ -	\$ -	\$ 100,000	\$ 600,000	\$ 1,100,000
278-58	WWTP Non-potable Water Pump Replacements	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
278-61	WWTP Pavement	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ 25,000
278-68	Roofing / Building Envelope Rehabilitation	\$ 34,000	\$ 226,000	\$ 285,000	\$ 184,000	\$ -	\$ 729,000
278-72A	WWTP Secondary Clarifier (SC) Rehabilitation	\$ 750,000	\$ -	\$ -	\$ -	\$ -	\$ 750,000
278-72B	WWTP Secondary Clarifier Pumping Improvements	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
278-73	Wastewater Treatment Plant (WWTP) SCADA System Upgrade	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ 60,000
278-75	WWTP Facilities Planning / Capacity Upgrade	\$ -	\$ 150,000	\$ 150,000	\$ -	\$ -	\$ 300,000
278-77	WWTP Bar Screen Replacement	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000
278-78A	WWTP Fermenter Tank and Pumps Rehabilitation	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
278-80A	Primary Sludge Pump Station Rehabilitation and Old Lab Building Demolition	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000
278-80B	WWTP Chemical Building and Bulk Tank Piping Rehabilitation	\$ 100,000	\$ 350,000	\$ -	\$ -	\$ -	\$ 450,000
278-80B	WWTP Spray Water System	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
278-80C	WWTP Scum Pump Station Rehabilitation	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ 200,000
278-80C	On-Site Biosolids Storage Tanks – Hyperboloid Mixing System	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000
278-82	WWTP Headworks Concrete Rehabilitation	\$ 1,700,000	\$ 500,000	\$ -	\$ -	\$ -	\$ 2,200,000
278-new	Primary Clarifier Rehab	\$ -	\$ 90,000	\$ 500,000	\$ -	\$ -	\$ 590,000
278-new	WWTP Flow Monitoring	\$ -	\$ -	\$ 25,000	\$ 125,000	\$ -	\$ 150,000
278-new	WWTP Server Room	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000
278-new	Fixed Continuous Gas Monitoring Systems	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
278-new	WWTP Security Improvements	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
280-06	Administration Building HVAC System Upgrade	\$ 820,000	\$ -	\$ -	\$ -	\$ -	\$ 820,000
280-13	Admin Building Locker Room Rehabilitation and Improvements	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ 30,000
	Recommended FY 2019 - 2023 CIP	\$ 22,636,000	\$ 25,634,000	\$ 16,844,000	\$ 18,938,000	\$ 13,698,000	\$ 97,750,000

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

APPLICABLE TO ALL BILLINGS AND SERVICES ON AND AFTER OCTOBER 1, 2018

	<u>Page</u>
SECTION I: SCHEDULE OF WATER RATES AND FEES.....	2
SECTION II: SCHEDULE OF SEWER RATES AND FEES	8
SECTION III: SCHEDULE OF RECLAIMED WATER RATES AND FEES	12
SECTION IV: SCHEDULE OF MISCELLANEOUS CHARGES.....	14

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 8, 2017, which became effective on October 1, 2017. All fees other than system development fees, shown on pages 6 and 11, go into effect on October 1, 2018. By statute (NC House Bill 436/Session Law 2017-138), the new system development fees go into effect on July 1, 2018.

The proposed monthly water and sewer rates shown in this schedule reflect an increase of two percent.

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

SECTION I: WATER RATES AND FEES

MONTHLY WATER RATES

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

Water Service Charge

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

Meter Size	Current Monthly Service Charge	Proposed
5/8”	\$14.70	\$14.99
3/4" Combination Fire and Domestic Service Meter	\$15.20	\$15.50
1”	\$29.53	\$30.12
1" Combination Fire and Domestic Service Meter	\$30.03	\$30.63
1-1/2”	\$63.86	\$65.14
2”	\$96.38	\$98.31
3”	\$198.22	\$202.18
4”	\$323.58	\$330.05
6”	\$704.66	\$718.75
8”	\$1,002.06	\$1,022.10

Water Irrigation Service Charge

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

Meter Size	Current Monthly Service Charge	Proposed
5/8”	\$23.54	\$24.01
1”	\$47.05	\$47.99
1-1/2”	\$87.10	\$88.84
2”	\$133.96	\$136.64
3”	\$265.15	\$270.45
4”	\$407.02	\$415.16
6”	\$800.67	\$816.68
8”	\$1,273.30	\$1,298.77

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

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

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

Water Commodity Charge

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

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

Individually Metered Residential Accounts Except Irrigation-only Accounts

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

	Volume of Use (Gallons)	Current Commodity Rate per 1,000 Gallons	Proposed
Block 1	1,000 to 2,000	\$2.63	\$2.68
Block 2	3,000 to 5,000	\$6.39	\$6.52
Block 3	6,000 to 10,000	\$7.83	\$7.99
Block 4	11,000 to 15,000	\$10.94	\$11.16
Block 5	All use 16,000 and up	\$19.79	\$20.19

Multi-family Master-metered Residential Accounts

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

Current – \$5.67 per thousand gallons
Proposed – **\$5.78 per thousand gallons**

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

Non-residential Accounts Except Irrigation Accounts

To achieve demand reduction during peak water use periods, a seasonal conservation rate structure will be applied to all non-residential accounts other than irrigation-only accounts. A reduced water commodity charge is in effect during lower demand months (October through April), and a higher commodity charge is in effect during high demand months (May through September).

	Current	Proposed
Off-peak seasonal rate per 1,000 gallons (October through April)	\$4.16	\$4.24
Peak seasonal rate per 1,000 gallons (May through September)	\$7.91	\$8.07

Irrigation-only Accounts

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

Current charge - \$8.51 per thousand gallons
Proposed - \$8.68 per thousand gallons

WATER COMMODITY SURCHARGES APPLICABLE UNDER WATER SHORTAGE
DECLARATION STAGES (no change)

Conservation Water Commodity Charges Under Mandatory Water Use Restrictions

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

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

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

INTERLOCAL WATER TRANSFER CHARGES (no change)

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 \$320 (~~\$290 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.

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

WATER SYSTEM DEVELOPMENT FEE

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

Property Description	Current Fee	Proposed
5/8" Meter or 3/4" Combination Fire and Domestic Service, Single-family Residential:		
<800 square feet	\$1,033	\$620
801-1300 square feet	\$1,033	\$770
1301-1700 square feet	\$1,207	\$864
1701-2400 square feet	\$1,552	\$1,142
2401-3100 square feet	\$2,470	\$1,767
3101-3800 square feet	\$3,429	\$2,442
>3800 square feet	\$5,406	\$4,295
1" Meter, Single-Family Residential (all square footages)	\$8,143	\$7,338
5/8" Meter or 3/4" Combination Fire and Domestic Service Meter, Multi-family Residential	\$1,112	\$830
1" Meter, Multi-Family Residential (all square footages)	\$8,143	\$7,338
5/8" Meter or 3/4" Combination Fire and Domestic Service Meter, Non-residential*	\$3,255	\$2,933
1" Meter, Non-residential*	\$8,143	\$7,338
1-1/2" Meter, Multi-Family Residential and Non-residential*	\$16,275	\$14,666
2" Meter, Multi-Family Residential and Non-residential*	\$26,040	\$23,466
3" Meter, Multi-Family Residential and Non-residential*	\$52,081	\$46,933
4" Meter, Multi-Family Residential and Non-residential*	\$81,376	\$73,332
6" Meter, Multi-Family Residential and Non-residential*	\$162,752	\$146,664
8" Meter, Multi-Family Residential and Non-residential*	\$260,403	\$234,663

* Same fee for Irrigation-Only accounts.

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

If OWASA determines that a credit is due, the amount of the credit shall be based on the current water system development Fees that would apply to the size of the water meters that are permanently abandoned as a direct result of the project. However, the credit due shall not exceed the amount of the

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

water system development Fees that would otherwise apply to the development or re-development project. System development fee credits are not transferrable to any other project or property.

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

WATER SERVICE AND METER INSTALLATION CHARGE

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

Service Description	Fee	
	Existing	Proposed
Complete Water Service Installation, 5/8” meter	\$3,650	\$4,110
Complete Water Service Installation, 3/4” Combination Fire and Domestic Service Meter	\$3,860	\$4,350
Complete Water Service Installation, 1” meter	\$3,770	\$4,280
Meter Only Installation, 5/8” meter	\$270	\$260
Meter Only Installation, 3/4” Combination Fire and Domestic Service Meter	\$400	\$500
Meter Only Installation, 1” Combination Fire and Domestic Service Meter	\$360	\$540
Meter Only Installation, 1” meter	\$360	\$340
Meter Only Installation, 1-1/2” meter	\$810	\$660
Meter Only Installation, 1-1/2” Combination Fire and Domestic Service Meter	\$840	\$830
Meter Only Installation, 2” meter	\$810	\$890
Meter Only Installation, 2” Combination Fire and Domestic Service Meter	\$740	\$1,000
Remote Read Box with 5/8” Detector Meter	\$420	\$500

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 \$110 (**\$150 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 \$350 (Proposed \$430).

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 (Proposed \$150) will be charged for each additional site visit required to determine if the water main is accessible and all required material and safety measures are in place. The tap will not be performed until any applicable reinspection fees are paid in full.

HYDRAULIC FIRE FLOW TESTING

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

\$300 per test (\$230 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

This charge is calculated to recover the direct and indirect customer service, service and inspection maintenance, and capital costs associated with providing sewer service to the customer's property. Meter readings and service charges for first and final bills are prorated based on days of service. Applicable to all sewer accounts, regardless of whether there is a commodity charge, the monthly service charge is based on the size of the meter where sewer usage is measured as follows:

Meter Size	Current Monthly Service Charge	Proposed
5/8" or 3/4" Combination Fire and Domestic Service	\$12.00	\$12.24
1"	\$20.61	\$21.02
1-1/2"	\$35.53	\$36.24
2"	\$53.72	\$54.79
3"	\$101.58	\$103.61
4"	\$155.28	\$158.39
6"	\$284.70	\$290.39
8"	\$485.82	\$495.54

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

Sewer Commodity Charge

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

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

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

Attachment 3

Current – \$6.48 per thousand gallons
Proposed – \$6.61 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 (no change)

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 (\$6.61 proposed) 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 4,000 gallons per month.

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

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

SEWER SYSTEM DEVELOPMENT FEE

The purpose of this fee is to recover a portion of the capital costs of providing sewer system facility capacity. The system development fee is applicable to each new connection to a sewer main, regardless of who may have paid for the installation of the main to which the connection is to be made.

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

Attachment 3

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

Property Description	Current Fee	Proposed
5/8" Meter or 3/4" Combination Fire and Domestic Service, Single-family Residential:		
<800 square feet	\$2,829	\$1,632
801-1300 square feet	\$2,829	\$2,207
1301-1700 square feet	\$3,270	\$2,251
1701-2400 square feet	\$3,384	\$2,391
2401-3100 square feet	\$3,859	\$2,652
3101-3800 square feet	\$4,256	\$2,912
>3800 square feet	\$4,541	\$3,466
1" Meter, Single-Family Residential (all square footages)	\$13,088	\$11,329
5/8" Meter or 3/4" Combination Fire and Domestic Service, Multi-family Residential	\$3,064	\$2,196
1" Meter, Multi-Family Residential (all square footages)	\$13,088	\$11,329
5/8" Meter or 3/4" Combination Fire and Domestic Service, Nonresidential	\$6,553	\$5,673
1" Meter, Nonresidential	\$16,392	\$14,192
1-1/2" Meter, Multi-family Residential and Nonresidential	\$32,763	\$28,366
2" Meter, Multi-family Residential and Nonresidential	\$52,421	\$45,386
3" Meter, Multi-family Residential and Nonresidential	\$104,842	\$90,773
4" Meter, Multi-family Residential and Nonresidential	\$163,816	\$141,832
6" Meter, Multi-family Residential and Nonresidential	\$327,632	\$283,664
8" Meter, Multi-family Residential and Nonresidential	\$524,211	\$453,863

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

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

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

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

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

SEWER TAP CHARGE

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

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

The charge shall be for time and equipment plus an allowance for overhead, but not less than \$340 (**\$520 proposed**).

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 (**\$150 proposed**) will be charged for each additional site visit required to determine if the sewer main is accessible and all required material and safety measures are in place. The tap will not be performed until any applicable reinspection fees are paid in full.

HIGH STRENGTH WASTE SURCHARGE

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

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:

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

Attachment 3

Current	
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

Proposed	
Carbonaceous Biochemical Oxygen Demand (CBOD)	\$0.44 per pound for all CBOD in excess of 205 mg/l
Suspended Solids (SS)	\$0.53 per pound for all SS in excess of 235 mg/l
Ammonia Nitrogen (NH ₃ -N)	\$3.10 per pound for all NH₃-N in excess of 25 mg/l
Phosphorus (P)	\$12.51 per pound for all P excess of 6.5 mg/l

SECTION III: RECLAIMED WATER RATES AND CHARGES (no change)

MONTHLY RECLAIMED WATER RATES

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

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

Reclaimed Water Service Charge

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

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

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

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

Reclaimed Water Commodity Charge

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

When a billing period includes a change in commodity rates, the charges are prorated based on the ratio of days in the billing period at the old and new rates. Metered monthly consumption will be billed in thousand-gallon increments rounded down to the nearest thousand gallons. Unbilled

**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 SYSTEM DEVELOPMENT AND CONNECTION FEES

Reclaimed Water System Development Fees

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

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

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

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

Reclaimed Water Service Connection Fees

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

**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**

Attachment 3

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

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	Current – \$140/ thousand gallons Proposed - \$142.80/ 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:

Current
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

Proposed
A + B + C + D + E = Calculated Dollars per Thousand Gallons, where:
A = pounds of NH₃-N/thousand gallons in waste x \$3.10/pound
B = pounds of CBOD/thousand gallons in waste x \$0.44/pound
C = pounds of TSS/thousand gallons in waste x \$0.53/pound
D = \$6.61/per 1,000 gallons Sewer Commodity Charge
E = pounds of P/thousand gallons in waste x \$12.51/pound
Waste concentrations shall be determined by OWASA

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

TANK SALES OR BULK WATER SALES

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

Administrative Charge	\$25 per trip, plus
Commodity Charge	Current – \$6.02 per thousand gallons or portion thereof Proposed - \$6.14 per thousand gallons or portion thereof

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

DIRECT SALES OF SUPPLIES (no change)

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

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

Attachment 3

BOAT RENTAL AND LAKE USE FEES (no 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

FIELD TEST OF 5/8" METER OR 3/4" COMBINATION FIRE AND DOMESTIC SERVICE METER

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 (**\$90 proposed**) for the meter test.

SHOP TESTING OF METER

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 (**\$200 proposed**) for the shop meter test.

FIELD TEST OF LARGE METERS

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

If, however, the meter has been tested within the past five years and the results of the meter test indicate proper or under-registering, the customer will be charged a meter test fee based on the actual time and equipment required to complete the field test. This charge shall not be less than \$260 (**\$170 proposed**).

REINSPECTION FEE

OWASA will initially inspect grease traps, cross connections and water and sewer taps at no cost to the customer. Should a subsequent reinspection be required for any of these fixtures, a \$125 (**\$150 proposed**) 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

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

extensions, but in no case, shall the fee be less than \$100.

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

CHARGES FOR MISCELLANEOUS SERVICES (no change)

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

TRANSFER OF CHARGES (no change)

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.

From: Walter Bennett
To: [Andy Orbich](#); [Ed Kerwin](#)
Subject: Request to speak at May 24 Board Meeting
Date: Wednesday, May 16, 2018 6:50:44 PM

We would like to be heard at the next Board Meeting on May 24, on the subject of public, recreational access at Universty Lake and Cane Creek Reservoir. Specifically, we would like to address the following:

1. Increasing days of operation at both places to allow more oppportunity to use these valuable recreational resources.
2. Allowing fishermen/women at Cane Creek to bring their own boats on trailers and launch them at the provided boat-launch ramps, subject to limitations on size and speed of boats.

Thank you.

Walter Bennett
Betsy Bennett

[REDACTED]

--

[REDACTED]

OWASA Board of Directors – 12 Month Board Meeting Schedule (May 18, 2018)

Month	Board Meetings		Committee & Other Meetings and Reports
	Work Session	Business Meeting	
May 2018	Approve Employee Health, Dental, Life, Dependent Life, Accidental Death and Dismemberment and Long-Term Disability Insurance Renewal (C) Discuss Employee Merit Pay for FY 2019 (C) <i>Discuss Draft Approach for Forestry Management and Community Engagement</i> 5/10/2018	Public Hearings – FY 19 Budget and Rates Budget Amendment for FY 2018 CIP (C) 5/24/2018	Chapel Hill OWASA Board Members meet with TOCH OWASA Committee (5/7/2018) NRTS Committee Meeting to discuss Source Water Protection (5/8/2018) Human Resources Committee Meeting (5/9/2018) 4 th Board Session with VISIONS, Inc. (5/30/2018)
June 2018	Approve FY 19 Budget and Rates, including merit pay decision (C) Resolution to approve Sole Sourcing the Gas Chromatograph-Mass Spectrometer Review Draft WTP & WWTP Reliability and Risk Assessment Report Award the WWTP Intermediate Pump Stations Rehabilitation Contract (Tentative) Approve Local Water Supply Plan and Water Shortage Response Plan (Tentative) NCDOT right-of-way acquisition for Orange Grove Road Election of Officers (C) 6/14/2018	TBD 6/28/2018	Human Resources Committee Meeting (TBD)
July 2018	Welcome and Swear in New Board Member(s) <i>(Tentative) Discuss LRWSP – Demands & Yield</i> Award the Pritchard Avenue Water Main Construction Contract Assigning weights to Banking RFP Criteria 7/12/2018	TBD 7/26/2018	
August 2018	TBD	Award the WWTP Solids Thickening Construction Contract Award the Galvanized Water Main Replacement Contract Preliminary 12 Month Financial Report (C) CIP Semiannual Report (C) Discuss AMI Policies (other than manual read) CS – General Counsel Review (C) 8/9/2018	NRTS Committee Meeting to continue discussion of source water protection(TBD)
September 2018	EEO/Affirmative Action Report (C) Annual Report on Disposal of Surplus Personal Property (C)	Annual Report and Financial Audit (C) Approve General Counsel Engagement (C) Strategic Trends Report and Strategic Plan Update (C)	Finance Committee Meeting to discuss longer-term approach/strategy

OWASA Board of Directors – 12 Month Board Meeting Schedule (May 18, 2018)

Month	Board Meetings		Committee & Other Meetings and Reports
	Work Session	Business Meeting	
	Review Updated Implementation Plan for D&I Program Discuss Action Plan from WTP/WWTP Reliability and Risk Assessment Project Discuss KPI Deep Dive on Water Loss and Non-Revenue Water (Tentative) MOA for Triangle Water Supply Partnership CS – General Counsel Review (C) 9/13/2018	CS – ED Review (C) 9/27/2018	<i>for cost management (TBD)</i> <i>NRTS Committee Meeting to discuss overall approach for managing forested watershed lands (TBD)</i>
October 2018	Discuss Recreational Fees for Out-of-County Visitors CS – ED Review (C) 10/11/2018	Q1 Financial Report (C) 10/25/2018	<i>Chapel Hill Peoples Academy – OWASA Session (10/20/2018)</i> <i>NRTS Committee Meeting to continue discussing Drought Response Operating Protocol (TBD)</i>
November 2018	TBD 11/8/2018	<i>Holiday - no meeting</i>	
December 2018	TBD 12/13/2018	<i>Holiday - no meeting</i>	
January 2019	Employee Health and Dental Insurance Update (C) Appoint Audit Firm (C) Affordability Outreach Program Plan Update 1/10/2019	Annual Lakes Recreation Report (C) CIP Semiannual Report (C) Q2 Financial Report (C) FY 20 Budget Calendar and Assumptions (C) 1/24/2019	
February 2019	CS - General Counsel Interim Review (C) 2/14/2019	CS - General Counsel Interim Review (C) 2/28/2019	
March 2019	FY 20 Draft Budget & Rates (C) CS - ED Interim Review (C) 3/14/2019	Annual Update of the Energy Management Plan (C) FY 20 Draft Budget & Rates and Proposed Staff Rate Adjustment Recommendation (C) Set date for Public Hearings – FY 20 Budget & Rates (C) CS – ED Interim Review (C) 3/28/2019	
April 2019	Review Employee Health and Dental Insurance Renewals (C) FY 19 Draft Budget and Rate Adjustment Information (C) Appointment of the Nominating Committee (C) 4/11/2019	Q3 Financial Report (C) FY 19 Budget and Rates Discussion and Authorize Staff to Publish Proposed Rates (C) 4/25/2019	

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

OWASA Board of Directors – 12 Month Board Meeting Schedule (May 18, 2018)

may consider in a work session or business meeting. It also does not reflect meetings at which the Board will discuss and act on the update of the Strategic Plan.

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

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

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

- Development of a plan and policy framework for OWASA lands is considered a longer-term priority. The NRTS Committee discussed this issue in September 2017 and determined it was lower priority than Forestry Management. Staff presented an overall approach for Forestry Management to the Board in May 2018, and this was referred to the NRTS Committee for further discussion.
- 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 (May 18, 2018)

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 D&I Diversity and Inclusion 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 and 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	May-18	June-18	July-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19
AMI	6	Taylor	[Shaded Row]											
			[Green Row]											
LRWSP	1	Rouse			Demand & Yield									
Energy Plan	5	Tiger	[Shaded Row]											

Stages	Committee Discussion	Feasibility Study	Board Review	Community Engagement	Action	Procurement	Implementation
--------	----------------------	-------------------	--------------	----------------------	--------	-------------	----------------

Agenda Item

- Budget Amendment for Fiscal Year (FY) 2018 Capital Improvements Program

Purpose

- Due to changes in the timing, scope, and estimated costs of certain projects, capital improvements program (CIP) expenditures are projected to be approximately \$4.5 million over budget for FY 2018
- The original CIP budget for FY 2018 was \$15,085,000. CIP expenditures for FY 2018 are now projected to be approximately \$19,579,000.
- Staff proposes to amend the FY 2018 budget to reallocate \$5,000,000 from reserves to the CIP budget. Any amount reallocated by this budget amendment that is not spent in FY 2018 will flow back into reserves.

Action Requested

- Approve the resolution to amend the FY 2018 budget for CIP expenditures.

May 24, 2018



ORANGE WATER AND SEWER AUTHORITY

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

MEMORANDUM

TO: Board of Directors

THROUGH: Ed Kerwin *EKL*

FROM: Stephen Winters, CPA

DATE: May 18, 2018

SUBJECT: Budget Amendment for Fiscal Year (FY) 2018 Capital Improvements Program

Background

As we have reported several times throughout this fiscal year, capital improvements program (CIP) expenditures are projected to be approximately \$4.5 million over budget for FY 2018. The projected budget variance consists of the following:

Variance Explanation	Approximate Variance Amount Over (Under) Budget
Work completed in FY 2018 that was initially projected to be completed in other fiscal years, such as Agua Vista and Administration Building HVAC Replacement	\$2,678,000
Project scope changes on Little Creek Interceptor Replacement, Hillsborough Street Water Main Replacement, and Water Treatment Plant Filter Media and Backwash Improvements	\$1,602,000
Higher than expected construction bids	\$214,000
Total	\$4,494,000

Budget Amendment

The original CIP budget for FY 2018 was \$15,085,000. CIP expenditures for FY 2018 are now projected to be approximately \$19,579,000. Staff proposes to amend the FY 2018 budget to reallocate \$5,000,000 from reserves to the CIP budget. Any amount reallocated by this budget amendment that is not spent in FY 2018 will flow back into reserves.

Except as otherwise restricted by law, the Board of Directors may amend the budget at any time after adoption in any manner as long as the budget, as amended, remains in balance (G.S. 159-15.).

Action Requested

Approve the attached resolution to amend the FY 2018 budget for CIP expenditures.



Stephen Winters, CPA
Director of Finance and Customer Service

**RESOLUTION AMENDING THE FISCAL YEAR (FY) 2018 ANNUAL BUDGET FOR
CAPITAL IMPROVEMENTS PROGRAM EXPENDITURES**

WHEREAS, the Board of Directors adopted the FY 2018 Annual Budget of Orange Water and Sewer Authority; and

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

WHEREAS, staff has identified a need for capital improvements program (CIP) expenditures that were not included in the FY 2018 Annual Budget; and

WHEREAS, funds exist in reserves sufficient to cover the additional expenditures.

NOW, THEREFORE, BE IT RESOLVED:

1. That pursuant to the provisions of North Carolina G.S. 159-15, the Official Budget of Orange Water and Sewer Authority for the FY 2018 is amended as set forth in Attachment A.
2. That \$5,000,000 in reserves be transferred to capital improvements program expenditures as set forth in Attachment A.
3. That the Executive Director is authorized and instructed to implement the revised budget as herein set forth.

Adopted this 24th day of May 2018.

Robert Morgan, Chair

ATTEST:

Yinka Ayankoya, Secretary

**ORANGE WATER AND SEWER AUTHORITY
FISCAL YEAR 2018 ANNUAL BUDGET
STATEMENT OF INCOME, EXPENSE AND DEBT SERVICE**

	FY 2018 Annual Budget	Amendment	FY 2018 Amended Budget
Operating Revenue			
Water	\$ 17,824,170		\$ 17,824,170
Sewer	16,734,274		16,734,274
Reclaimed Water	450,060		450,060
Service Initiation Fee	165,650		165,650
Other	963,227		963,227
Refunds and Adjustments	(246,089)		(246,089)
Total Operating Revenue	<u>35,891,292</u>		<u>35,891,292</u>
Operating Expense			
General and Administrative	7,177,860		7,177,860
Operations	<u>14,742,617</u>		<u>14,742,617</u>
Total Operating Expense	<u>21,920,477</u>		<u>21,920,477</u>
Net Operating Income	13,970,815		13,970,815
Non-operating Revenue			
Customer Fees	1,416,657		1,416,657
Interest	<u>38,441</u>		<u>38,441</u>
Total Net Income	15,425,913		15,425,913
Debt Service			
Existing	6,949,537		6,949,537
New	<u>0</u>		<u>0</u>
Total Debt Service	<u>6,949,537</u>		<u>6,949,537</u>
Net Income Less Debt Service	<u>8,476,376</u>		<u>8,476,376</u>
General Fund			
Resources			
Transfer From Revenue	8,476,376		8,476,376
Transfer from Construction Fund (loan proceeds)	2,700,000		2,700,000
Grants and Contributions	<u>0</u>		<u>0</u>
Annual Income Available for Capital	11,176,376		11,176,376
Capital Expenditures			
Project Ordinances			
General Fund Contribution	12,385,000	5,000,000	17,385,000
Funded by Bond Proceeds	<u>2,700,000</u>		<u>2,700,000</u>
Total Project Resolutions	15,085,000		20,085,000
Capital Equipment	<u>1,231,100</u>		<u>1,231,100</u>
Total Capital Outlay	<u>16,316,100</u>		<u>21,316,100</u>
Annual General Fund Balance	(5,139,724)		(10,139,724)
General Fund Beginning Balance	<u>26,661,000</u>		<u>26,661,000</u>
General Fund Ending Balance	21,521,276		16,521,276
Project Funding	4,566,276		4,566,276
Reserves	<u>16,955,000</u>	(5,000,000)	<u>11,955,000</u>
Unallocated General Fund Balance	<u>-</u>		<u>-</u>

Orange Water and Sewer Authority
Meeting of the Board of Directors
April 26, 2018

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a regular meeting on Thursday, April 26, 2018, at 7:00 p.m. in Chapel Hill Town Hall Council Chamber.

Board Members present: Heather Payne (Vice Chair), Yinka Ayankoya (Secretary), Ray DuBose, Barbara Foushee, John N. Morris, Ruchir Vora and John A. Young. Board Members absent: Robert Morgan (Chair) and Jeff Danner.

OWASA staff present: Justin Andrews, Denise Battle, Ryan Byres, Mary Darr, Robert Epting Esq. (Epting and Hackney), Vishnu Gangadharan, Robin Jacobs (Epting and Hackney), Ed Kerwin, Simon Lobdell, Terry Mossow, Andrea Orbich, Dan Przybyl, Nick Rogers, Kelly Satterfield, Todd Taylor, Mary Tiger and Stephen Winters.

Others present: Linda Low, Terry Battle, Margaret Holton (University of North Carolina Water Resources Manager) and Ben Poulson (UNC Associate Director of Energy Services).

Motions

1. Ruchir Vora made a motion to approve the Minutes March 8, 2018 Work Session of the Board of Directors; second by Barbara Foushee and unanimously approved.
2. Ruchir Vora made a motion to approve the Minutes March 22, 2018 Meeting of the Board of Directors; second by Barbara Foushee and unanimously approved.
3. BE IT RESOLVED THAT the Board of Directors adopts the Resolution of Orange Water and Sewer Authority Awarding a Construction Contract for the Rogerson Drive Pump Station Rehabilitation Project – Phase 2. (Motion by Ray DuBose, second by John Young and unanimously approved.)
4. Ray DuBose made a motion that in advance of the scheduled May 24, 2018 Public Hearings, the Board of Directors hereby authorizes staff of the Orange Water and Sewer Authority to publish information about the proposed Fiscal Year 2019 Budget and Schedule of Rates, Fees and Charges which includes an increase of 2% in monthly water and sewer rates; second by Barbara Foushee and unanimously approved.

* * * * *

Announcements

In the absence of the Chair, Vice Chair Heather Payne presided, and asked that if any Board Member knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight to please disclose the same at this time; none were disclosed.

Ms. Payne said that the Finance Committee met on April 18, 2018 to review and discuss the draft Fiscal Year (FY) 2019 budget and rate adjustment information. The Committee agreed that information for tonight's discussion about budgets and rates include: the staff proposed FY 2019 operating and capital improvement budgets; four rate adjustment options from no increase up to a 2.75% increase in monthly water and sewer rates; and a schedule of rates, fees and charges for FY 2019 based on a 2% increase in monthly water and sewer rates, proposed changes to system development fees, and adjustments to other miscellaneous service fees based on the cost to provide those services. Other items discussed by the Committee included: exploring a long-term strategy for cost management for operating expenses and capital improvement investments; analyzing the cost/benefit of our arrangement with our employee insurance consultants; getting additional explanations for the changes/additions to the CIP budget; focusing on compensating staff so that well-performing employees reach their salary midpoint in seven to nine years; and tracking savings realized from the Agua Vista project on the monthly status report.

Ms. Payne announced that the Chapel Hill Town Council OWASA Committee and Chapel Hill Appointees to the OWASA Board of Directors will meet on Monday, May 7, 2018 at 8:30 a.m. in the OWASA Boardroom to discuss items of mutual interest.

Ms. Payne announced that the OWASA Board will convene for a Diversity and Inclusion Session with VISIONS, Inc. on Wednesday, May 30, 2018 at 6:00 p.m. in the OWASA Boardroom.

John Young announced a Natural Resources and Technical Services Committee meeting on Tuesday, May 8, 2018 at 4:30 p.m. in the OWASA Boardroom to discuss source water protection.

Mr. Young announced that the Chatham-Orange Task Force will meet on Thursday, May 10, 2018 at 12:00 p.m. at Central Carolina Community College in Pittsboro, NC.

Barbara Foushee announced a Human Resources Committee will meet on Wednesday, May 9, 2018 at 5:30 p.m. in the OWASA Boardroom to discuss retiree health benefits for new hires and 457 deferred compensation.

Ed Kerwin introduced Linda Low, OWASA's new Communications and Community Relations Officer, who is expected to work in early June 2018.

Petitions and Requests

Heather Payne asked for petitions and requests from the public, Board and staff; there were none.

Item One: 12 Month Board Meeting Schedule

The Board received this as an information item.

Item Two: Minutes

Ruchir Vora made a motion to approve the Minutes March 8, 2018 Work Session of the Board of Directors; second by Barbara Foushee and unanimously approved. Please see Motion 1 above.

Item Three: Minutes

Ruchir Vora made a motion to approve the Minutes March 22, 2018 Meeting of the Board of Directors; second by Barbara Foushee and unanimously approved. Please see Motion 2 above.

Item Four: Presentation on Agua Vista (Advanced Metering Infrastructure) Initiative

The Board received a staff presentation on OWASA's Agua Vista metering initiative including network infrastructure, customer deployment plan, meter upgrades, customer service, and public communications. The Agua Vista customer web portal will be made available once approximately 75% of meters in the service area are upgraded. Installation work is expected to be completed by June 2019.

The Board requested that staff explore ways to make it easier for customers to update their phone number and contact information through OWASA's online billing portal.

Item Five: Resolution Awarding a Construction Contract for the Rogerson Drive Pump Station Rehabilitation – Phase 2

Ray DuBose made a motion to approve the resolution; second by John Young and unanimously approved. Please see Motion No. 3 above.

Item Six: Review Fiscal Year (FY) 2019 Draft Budget and Rate Adjustment and Authorize Staff to Publish Proposed Budget and Rates Information

John Young asked if information was available on the potential roundup impact to the Care-to-Share Customer Assistance Program should a rate change be implemented. He also requested information on rate information for the reclaimed water system, including an outlook for future capital investment.

Mr. Young suggested that in the fall of 2018 the Board discuss non-Orange County resident lake use fees for the 2019 recreation season; the Board agreed.

Ray DuBose made a motion that in advance of the scheduled May 24, 2018 Public Hearings, the Board of Directors hereby authorizes staff of the Orange Water and Sewer Authority to publish information about the proposed Fiscal Year 2019 Budget and Schedule of Rates, Fees and Charges which includes an increase of 2% in monthly water and sewer rates; second by Barbara Foushee and unanimously approved. Please see Motion No. 4 above.

Item Seven: Criteria for Request for Proposals (RFP) for Banking Services

Ruchir Vora supported the social responsibility criteria proposed by staff to be included in a RFP for banking services. He requested that along with Chapel Hill-Carrboro, Orange County be included in the request for information about prospective service providers' commitment to the local community.

John Young inquired whether the environmental sustainability criteria relating to the bank as an investor in fossil fuel companies includes fossil fuel infrastructure companies such as pipelines. He requested that if it does not, that the criteria be reworded to include such companies.

John Morris expressed concern that including social responsibility and environmental sustainability criteria in the RFP process might be burdensome to the staff.

Stephen Winters affirmed that staff supports moving forward with the RFP and will keep the Board updated as the process moves forward.

The Board concurred and agreed to remove the agenda item from the Board's May 24, 2018 meeting.

Item Eight: Financial Report for the Nine-Month Period Ended March 31, 2018

The Board received this as an information item.

Item Nine: Summary of Board Meeting Action Items

Ed Kerwin noted the following items for staff follow-up:

- Explore ways to make it easier for customers to update their phone number and contact information through OWASA's online billing portal.
- As information only, provide the Board via email Care-to-Share roundup impact of possible rate changes.
- Discuss out-of-County fees for lake use for the next recreation season in the fall of 2018.
- May 10, 2018 Board Work Session agenda will include:
 - o Discuss draft approach for forestry management and community engagement; and
 - o Discuss employee merit pay for Fiscal Year 2019.

The Board meeting was adjourned at 8:40 p.m.

Respectfully submitted by:

Andrea Orbich
Executive Assistant/Clerk to the Board

Attachment