



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 23, 2019, 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. OWASA Annual Update to the Carrboro Board of Aldermen will be rescheduled for September 2019
2. Announcements by Board Members
3. Announcements by Staff
 - A. Forest Management Community Meeting on Thursday, June 20, 2019 at 6:00 PM at the Maple View Agricultural Education Center (Mary Darr)
4. Additional Comments, Suggestions, and Information Items by Board Members (Yinka Ayankoya)

Petitions and Requests

- A. Public
- B. Board
- C. Staff

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

Consent Agenda

Information and Reports

2. 12 Month Board Meeting Schedule (Yinka Ayankoya/Ed Kerwin)

Action

3. Award the Mason Farm Wastewater Treatment Plant Secondary Clarifier Rehabilitation Construction Contract (Simon Lobdell)
4. Minutes of the April 11, 2019 Meeting of Board of Directors (Andrea Orbich)

Regular Agenda

Discussion

5. Employee Merit Pay for Fiscal Year 2020 (Stephanie Glasgow)
6. Report of Board Members Eligible for Nominations to Election as Board Officers (Yinka Ayankoya)

Summary of Board Meeting Action Items

7. 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 28, 2019, the Board of Directors adopted resolutions setting May 23, 2019 as the date for concurrent public hearings on OWASA's proposed budget and rates for Fiscal Year (FY) 2020.
- The Board of Directors is considering a five percent increase in monthly water and sewer charges for FY 2020. The proposed rate increase is necessary for providing the funding required to meet the community's water and wastewater needs.
 - As the community's provider of drinking water and wastewater management services, funding the programs needed to efficiently provide high-quality and reliable services around the clock is essential.
 - About \$20 million per year, roughly half of the fees customers pay for services, is invested in renewing and replacing the pipes, equipment and facilities necessary for delivering services.
 - The costs of construction projects and the chemicals and materials needed for our services are increasing at a rate greater than inflation.
 - Our only source of funding is the fees paid by customers for services, so our rates reflect the full and true cost of water.
- Certain other fees are proposed to be adjusted based on changes in the costs of providing the services.
- No changes are proposed for system development fees (for new service connections).

Action Needed

- Receive and discuss input provided by the public at, or prior to the May 23, 2019 concurrent public hearings.
- Provide direction to staff regarding the preliminary FY 2020 Budget and the Schedule of Rates, Fees and Charges that will be considered for adoption by the Board at its June 13, 2019 meeting.

May 23, 2019



ORANGE WATER AND SEWER AUTHORITY

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MEMORANDUM

TO: Board of Directors

THROUGH: Ed Kerwin *EK*

FROM: Stephen Winters, CPA

DATE: May 17, 2019

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

Purpose

On March 28, 2019, the Board of Directors adopted resolutions setting May 23, 2019 as the date for concurrent public hearings on OWASA's preliminary budget and rates for Fiscal Year (FY) 2020. 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 FY 2020.

Background

The Board of Directors has previously discussed the preliminary FY 2020 Budget and is considering a five percent increase in monthly water and sewer rates. Adjustments to charges for miscellaneous services are also proposed; the proposed adjustments are based on the costs to provide the services. No changes are proposed for system development fees (for new service connections).

The Need for a Rate Increase

The proposed rate increase is necessary for providing the funding required to meet the community's water and wastewater needs.

- As the community's provider of drinking water and wastewater management services, funding the programs needed to efficiently provide high-quality and reliable services around the clock is essential.
- About \$20 million per year, roughly half of the fees customers pay for services, is invested in renewing and replacing the pipes, equipment and facilities necessary for delivering services.
- The costs of construction projects and the chemicals and materials needed for our services are increasing at a rate greater than inflation.
- Our only source of funding is the fees paid by customers for services, so our rates reflect the full and true cost of water.

OWASA is a non-profit, community-owned water and wastewater utility. Our investments in water and wastewater infrastructure are not supported by taxes nor federal grants: only rates and fees paid by customers for services. 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. We strive to balance the need to invest in the community's water and wastewater infrastructure and to maintain affordable rates.

The preliminary budget described in this memo represents the true costs of providing high-quality, safe and reliable water and wastewater services. The rates projected cover the cost of funding the capital and operating budgets and meeting our financial measurement goals.

We appreciate our customers for their partnership. Beyond paying their OWASA bill each month, the cost and commitment borne by our community to use water wisely and protect the wastewater system pays dividends ecologically and economically. Additionally, we thank the nearly 1,000 customers that voluntarily contribute every month on their monthly OWASA bill to Care to Share, a fund that provides water bill assistance to those in our community that need it most.

We are projecting annual increases of 5% each year for FY 2020-2024. Drivers for increased investments in our operating and capital budgets include supporting our commitment to the community to improve the reliability and resiliency of our services and rising construction costs.

- In FY 2019, two hurricanes, a large water main break, and a break in a critical pressurized sewer main exposed risks and opportunities for enhanced resiliency. These events also highlighted the importance of a reliable water and wastewater system for essential services in our community (e.g. hospital/education/businesses). We are planning for greater investment in risk reduction and resiliency improvement (both in the operating and capital budgets). This includes activities that the Board agreed to jumpstart in FY 2019, such as:
 - A more aggressive valve maintenance program,
 - The replacement of piping and valves at the water treatment plant,
 - The replacement of pressurized sewer piping and installation of bypass infrastructure near and under Highway 54 (downstream of the Rogerson Drive pump station),
 - The addition of a utilities engineer position for accelerated execution of capital projects, and
 - Resources needed for enhanced emergency communications.
- We are accounting for increases in maintenance and chemical costs, as well as continued escalation in construction costs due to material prices and a less competitive bidding environment. For example, proposals recently received for a project at the wastewater treatment plant came in 21% higher (\$1.1 million higher) than the engineering firm's estimate.
- We are taking a more thoughtful and strategic approach to inform and engage the community. In implementing the Communications and Community Engagement Plan approved by the Board earlier this year, we strive to better inform our customers as to how their rates and fees are used and the value of the services OWASA provides.
- We continue to strive to improve the way we do business. As an organization, we are committed to investing time and energy into increasing diversity and creating a more inclusive environment. And with the Agua Vista web portal, we are providing our community with more tools and resources to manage water use and bills.
- At the same time, we are identifying and investing in ways to save and manage costs. Last year, we took advantage of about \$14 million in low-interest loans provided by the state for water and wastewater projects, saving our customers in interest costs. The Board recently granted the authority to pursue an additional \$8.4 million in low-interest loans from the state. We completed the investment in Agua Vista which will provide the community financial returns in years to

come. And we realized over \$400,000 of avoided costs as a result of our investment in energy efficiency and conservation.

The five-year capital improvements program projects nearly \$113 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.

The average family in our service area uses about 4,000 gallons of water and sewer services per month. The five percent increase the Board is considering would increase the average OWASA family's bill by \$3.60 per month.

Projected Rate Increases

The Board of Directors makes rate adjustment decisions each year. Staff maintains a 15-year financial plan that projects future years' operating expenses, capital improvements program (CIP) expenditures, borrowing levels, and rate adjustments. Based on this long-term planning, rate increases projected for the next five years are:

FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
5%	5%	5%	5%	5%

Rate adjustments projected for Fiscal Years 2021 and beyond will be re-evaluated each year.

These projected increases match the information presented at the Board's April 25, 2019 meeting except for FY 2024, which was originally projected to be four percent. The change in the FY 2024 projection results from updates to our projections for CIP expenditures; these updates are described below.

Preliminary Budget Information

The following summarizes the preliminary FY 2020 operating budget and assumes a rate increase of five percent (numbers shown in thousands):

	FY 2020 Preliminary Operating Budget
Water and Sewer Revenue	\$37,761
Rents, Royalties, Other	957
System Development Fees	1,449
Total Revenue	40,167
Operating Expenses	(23,559)
Net Income	16,608
Debt Service	(8,128)
Net income less debt service	\$8,480

Budget assumptions and highlights

- The budget is designed to meet our Financial Management Policy performance objectives approved by the Board to achieve long-term, sustainable system investment.
- 3% vacancy allowance – the personnel compensation budget has been reduced by about \$244,000, to account for position vacancies.
- A decrease in health insurance costs of 18.1%.
- Price changes for certain chemicals based on information provided by vendors.
- A placeholder for a 4% merit and cost of labor (combined) increase. The Board is scheduled to decide on employee wage increases on June 13, 2019.
- 141 Board authorized positions with 135 funded for FY 2020. This includes:
 - Funding for an additional Administrative Assistant position in the Executive Director’s department to assist with a variety of tasks including support of our communication activities.
 - Funding for an additional (fourth) Utilities Engineer position approved by the Board in FY 2019.
 - No funding for two previously funded and currently vacant Utility Mechanic positions (made possible through savings from implementing Agua Vista).
- The preliminary operating budget includes \$50,000 for consulting assistance to continue our work to implement our diversity and inclusion program.
- \$185,000 for consulting services to help us comply with provisions of the American Water Infrastructure Act of 2018 including \$85,000 to conduct a security assessment and remediation of issues of our supervisory control and data acquisition (SCADA) system.
- \$100,000 to support communication plan activities.
- \$53,000 for recurring operational costs for the Agua Vista system’s customer portal, a powerful, individualized tool for OWASA customers to use in managing their water use and bills.

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 (workload, operational impacts), and other external schedule constraints.

The proposed CIP budget includes funding of \$26.4 million for FY 2020 and a total of \$112.7 million for the five-year period FY 2020-2024. Attachment 2, Table 1 lists the CIP projects funded for FY 2020 along with brief project descriptions. Attachment 2, Table 2 lists the CIP projects planned for FY 2020 through FY 2024. Projects which are already underway are highlighted in blue and comprise over 97% of the proposed FY 2020 CIP budget.

Where applicable, the project’s CIP Number links to the previous project description as published last summer in the FY 2019-2023 CIP book. (Note that some project scope, timing, and funding details have changed since then.)

The proposed CIP budget has been modified from the prior recommended version ([Option 1 from the April 11, 2019 work session](#)) to account for:

- the emergency repair of the Rogerson Drive Force Main;
- that repair's considerable impact on other ongoing CIP projects in terms of both staff and contractor workload;
- a significant cost increase on the Jones Ferry Road Water Main Replacements to reflect ongoing scoping discussions;
- updates (both cost increases and decreases) to several water main replacement projects based on recent bids and engineering estimates; and
- the assumption that CIP will be fully staffed by Fall 2019

With the modifications above, the current draft CIP funds \$3.3 million less in FY 2020 than the prior version. The revised total of the five-year FY 2020-2024 CIP plus the current FY 2019 projection is about \$1.1 million greater than the same six-year total from the prior version.

Proposed Schedule of Rates, Fees and Charges

Attachment 3 is a draft of the Schedule of Rates, Fees and Charges. Proposed fee changes would be effective on October 1, 2019. The draft reflects how monthly water and sewer rates will change if a five 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.

Key Elements in the Schedule

- The bill for a single-family individually-metered customer using the community-average 4,000 gallons per month will increase by \$3.60 to \$75.67.
- 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 13, 2019.



Stephen Winters, CPA
Director of Finance and Customer Service

Attachments:

- Summary information about the preliminary Budget for FY 2020 (Attachment 1)
- Information about the proposed Capital Improvements Program Budget (Attachment 2)
- Proposed Schedule of Rates, Fees and Charges (Attachment 3)

**ORANGE WATER AND SEWER AUTHORITY
PROPOSED FISCAL YEAR 2020 OPERATING BUDGET**

Operating Revenue		
Water	\$19,144,421	
Sewer	18,157,612	
Reclaimed Water	458,820	
Service Initiation Fee	153,928	
Other	969,168	
Refunds and Adjustments	<u>(212,573)</u>	
Total Operating Revenue		\$38,671,376
Operating Expense		
General and Administrative	8,055,734	
Operations	<u>15,503,228</u>	
Total Operating Expense		<u>23,558,962</u>
Net Operating Income		15,112,414
Non-operating Revenue		
Customer Fees		1,448,887
Interest		<u>46,403</u>
Total Net Income		<u><u>\$16,607,704</u></u>
Debt Service		
Existing		\$7,472,158
New		<u>656,214</u>
Total Debt Service		<u>8,128,372</u>
Net Income Less Debt Service		<u><u>\$8,479,332</u></u>

Table 1: FY 2020 CIP

CIP No.	Project	FY 2020	Notes
270-04	Jordan Lake Raw Water Supply Allocation	\$ 10,000	Ongoing required payment
270-09	Quarry Reservoir Development	\$ 15,000	Ongoing required payment
270-11	University Lake Pump Station Improvements	\$ 981,000	Replacement of aging pumps #1 - #3 with new, more efficient pumps and variable frequency drives (VFD's)
270-28	University Lake Permanganate Facility	\$ 200,000	New chemical storage and feed facility to improve water treatment (taste and odor)
271-05	Cane Creek Raw Water Transmission Main Study	\$ 30,000	Condition assessment of raw water main
272-37	WTP Belt Filter Press Replacement	\$ 350,000	Replacement of aging dewatering equipment that does not have redundancy
272-38	WTP Sedimentation Basin Rehabilitation	\$ 1,527,000	Completion of the concrete rehabilitation of sedimentation basin walls and channels
272-39	Concrete Condition Assessment	\$ 100,000	Continuation of prioritized assessment of concrete deterioration at various water and wastewater facilities, including assessment of WTP clearwell
272-42	WTP Finished Water Pump Improvements	\$ 250,000	Improvements to FVWP #3 VFD and electrical, and FVWPS #4 and #6 pumps/motors
272-46	WTP Chemical Facility Improvements	\$ 555,000	Upgrades to several chemical feed systems as identified by WTP/WWTP risk evaluation and other needs to improve reliability and treatment
272-51	HVAC Replacement Program	\$ 150,000	Age, condition, and energy efficiency-based equipment replacement based on Advanced Energy audit
273-09	Barbee Chapel Road Booster Pump Station	\$ 75,000	Study to re-evaluate location, scope, timing, and cost estimate for replacing the Durham interconnection at Highway 54
275-15	Reimbursement for Distribution System Improvements	\$ 70,000	Reimbursements for water main upgrades constructed as part of external projects
275-20	Fordham Service Road Water Main Replacement	\$ 864,000	Completion of construction along service road south of Fordham Boulevard.
275-21	High Priority Water Main Replacement Program	\$ 4,800,000	FY 2020 funds are primarily for construction of Manning Drive Water Main and Country Club Road Water Main Replacements
275-46	Dobbins Drive Water Main Replacement	\$ 600,000	Completion of construction, coordinated with Dobbins Drive Interceptor Replacement
275-52	West Cameron Avenue Water Main Replacement	\$ 150,000	Design and construction; construction to commence in summer 2020
275-53	Distribution System Hydraulic Model	\$ 100,000	Placeholder funding for on-call modeling, plus FY 2020-2021 update of full hydraulic model
275-77	Galvanized Water Main Replacement Program	\$ 75,000	Funding for ongoing program to replace or abandon 1.6 miles of galvanized water mains
275-88	Kensington Drive Water Main Replacement	\$ 1,130,000	Construction of approximately 3500 feet of water main
275-89	Distribution System Prioritization Model	\$ 345,000	Completion of study to reprioritize water main capital projects, determine appropriate investment levels, and develop risk mitigation plans.
275-90	Distribution System Sampling Stations	\$ 60,000	Installation of additional 41 sampling sites throughout the system
275-92	Jones Ferry Rd Water Main Replacements	\$ 500,000	Project to replace aging assets and provide additional resilience for the complex pipe network adjacent to WTP
276-18	Gravity Sewer Rehabilitation Program	\$ 2,981,000	Near-term identified needs for rehabilitation of collection system
276-45	Bolinwood Drive Interceptor Replacement	\$ 100,000	Capacity improvements as identified by 2010 Collection System Master Plan
276-48	Dobbins Drive Interceptor Replacement	\$ 800,000	Completion of construction to increase collection system capacity; coordinated with Dobbins Drive Water Main project
276-53	Creek Crossing Access Improvements	\$ 50,000	Sitework to improve vehicular access as needed to maintain facilities (primarily aerial sewer crossings at creeks and streams)
276-57	Gravity Sewer Hydraulic Model	\$ 510,000	Updated capacity analysis and master planning for the collection system
277-29	Rogerson Drive Force Main - Program Services	\$ 150,000	Planning, hydraulic evaluation, and condition assessment of force main
277-31	Rogerson Drive Pump Station Rehabilitation Phase 2	\$ 858,000	Completion of construction including electrical, HVAC, and odor control upgrades to improve reliability and odor control at the second largest wastewater pump station
277-40	Pump Station Operational and Needs Assessments	\$ 35,000	Field assessments on select pumping stations to identify potential efficiency improvements
277-42	Rogerson Drive Force Main 2019 Emergency Repair and Rehabilitation	\$ 750,000	Completion of work required to address emergency condition related to rupture of the force main
278-11	Near-term Funding for Wastewater Facilities Rehab	\$ 475,000	Funding for minor rehabilitation at WWTP including Switchgear Electrical study; Rotary Press rehab, effluent flow meter, grit removal improvements, Filter Building controls upgrade; bridge surveillance; contingency funds for unplanned needs
278-46	Comprehensive Coatings Program	\$ 75,000	Continuation of programmatic coating of priority equipment and structures to protect assets and extend their useful life
278-51	WWTP Solids Thickening Improvements	\$ 3,282,000	Replace aging gravity belt thickeners with new rotary drum thickeners
278-54	WWTP Intermediate Pump Station Rehabilitation	\$ 113,000	Completion of construction of electrical and HVAC upgrades and VFD installation
278-68	Water and Wastewater Facilities Building Envelope Rehabilitation	\$ 75,000	Roof replacements as prioritized and scoped from a comprehensive assessment
278-72	WWTP Secondary Clarifier Rehabilitation	\$ 844,000	Funding is for rehabilitation of concrete and aging equipment in SC #2 and #3
278-78	WWTP Fermenter Improvements	\$ 112,000	Replacement of mechanical equipment recommended following FY 2019 tank inspection
278-80	WWTP Chemical Building and Bulk Tank Piping Rehab	\$ 470,000	Construction of improvements to aging chemical facilities and other improvements
278-82	WWTP Headworks Rehabilitation	\$ 829,000	Rehabilitate concrete in a critical WWTP structure and add redundancy
278-83	WWTP Server Room	\$ 150,000	Completion of construction of new climate controlled server room at WWTP Administration Building
278-84	WWTP Security Improvements	\$ 82,000	Completion of security improvements identified by a FY 2019 study
278-85	WWTP Gas Monitoring Systems	\$ 90,000	Replacement of critical safety monitoring equipment within two plant structures
270-16	Cane Creek Pump Station Improvements	\$ 25,000	Electrical improvements and addition of VFD's
272-49	WTP and WWTP Supervisory Control and Data Acquisition (SCADA) Master Plan	\$ 50,000	Commencement of master planning for control systems at both plants as recommended by WTP/WWTP Risk Evaluation
276-59	High Priority Manhole Installations	\$ 15,000	Design/permitting of manhole installations at four locations
278-50	WWTP Warehouse	\$ 25,000	Planning for future facility to improve operational efficiency

CIP No.	Project	FY 2020	Notes
272-10	Near Term Funding for Water Facility Assets	\$ 70,000	Funding for minor rehab projects at WTP including Trac-Vac system replacement; contingency funds for unplanned needs
272-new	Repair/Rehabilitation of WTP Front Entry	\$ 30,000	Study and preliminary design of structural repairs to front entryway at WTP
272-new	WTP Electrical Distribution Improvements	\$ 50,000	Conversion of remainder of plant distribution system to an updated voltage standard; highest priority/risk identified in the WTP/WWTP Risk Evaluation
275-new	Bolinwood Bridge Water Main Replacement	\$ 50,000	Design and commencement of construction for water main replacement to repair damage from Hurricane Florence
275-new	Westwood Neighborhood Water and Sewer Rehabilitation	\$ 50,000	Planning, including community engagement and alternatives analysis
275-new	Near-term Funding for Water Distribution System - Rehabilitation	\$ 250,000	Large valve repair/replacement projects identified from valve inspections; valve insertions; large vault replacements
278-new	Offsite Biosolids Storage Improvements	\$ 40,000	Evaluation of potential mixing improvements as well as improvements to process monitoring

Subtotals

Projects underway as of May 15, 2019	\$ 25,768,000
Projects not underway, but were in the FY19-23 CIP	\$ 115,000
New projects for FY 20	\$ 540,000
Total FY 2020	\$ 26,423,000

Table 2: FY 2020 - 2024 CIP

CIP No.	Project	FY2020	FY2021	FY2022	FY2023	FY2024	Total
270-04	Jordan Lake Raw Water Supply Allocation	\$ 10,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 30,000
270-09	Quarry Reservoir Development	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 75,000
270-11	University Lake Pump Station Improvements	\$ 981,000	\$ 785,000	\$ -	\$ -	\$ -	\$ 1,766,000
270-16	Cane Creek Pump Station Improvements	\$ 25,000	\$ 75,000	\$ 800,000	\$ 1,200,000	\$ -	\$ 2,100,000
270-28	University Lake Permanganate Facility	\$ 200,000	\$ 1,785,000	\$ -	\$ -	\$ -	\$ 1,985,000
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	\$ -	\$ -	\$ 125,000	\$ -	\$ -	\$ 125,000
270-xx	Jordan Lake Western Intake Projects	\$ -	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 600,000
271-05	Cane Creek Raw Water Transmission Main Study	\$ 30,000	\$ 70,000	\$ -	\$ -	\$ -	\$ 100,000
272-10	Near Term Funding for Water Facility Assets	\$ 40,000	\$ 50,000	\$ 150,000	\$ -	\$ -	\$ 240,000
272-10	WTP SCADA Servers FY19 midyear	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000
272-10	Long Term Funding for Water Facility Assets	\$ -	\$ -	\$ -	\$ 2,939,000	\$ 2,514,000	\$ 5,453,000
272-37	WTP Belt Filter Press Replacement	\$ 350,000	\$ 2,000,000	\$ 1,144,000	\$ -	\$ -	\$ 3,494,000
272-38	WTP Sedimentation Basin Rehabilitation	\$ 1,527,000	\$ -	\$ -	\$ -	\$ -	\$ 1,527,000
272-39	Concrete Condition Assessment	\$ 100,000	\$ 50,000	\$ -	\$ -	\$ -	\$ 150,000
272-42	WTP Finished Water Pump Improvements	\$ 250,000	\$ 1,108,000	\$ -	\$ -	\$ -	\$ 1,358,000
272-46	WTP Chemical Facility Improvements	\$ 555,000	\$ 2,970,000	\$ -	\$ -	\$ -	\$ 3,525,000
272-49	WTP and WWTP Supervisory Control and Data Acquisition (SCADA) Master Plan	\$ 50,000	\$ 100,000	\$ 50,000	\$ -	\$ -	\$ 200,000
272-51	HVAC Replacement Program	\$ 150,000	\$ 50,000	\$ 180,000	\$ -	\$ -	\$ 380,000
272-new	Repair/Rehabilitation of WTP Front Entry	\$ 30,000	\$ -	\$ 350,000	\$ -	\$ -	\$ 380,000
272-new	WTP Electrical Distribution Improvements	\$ 50,000	\$ 150,000	\$ 3,500,000	\$ -	\$ -	\$ 3,700,000
273-09	Barbee Chapel Road Booster Pump Station	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000
274-14	Storage Tank Water Quality Monitors	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000
275-15	Reimbursement for Distribution System Improvements	\$ 70,000	\$ 70,000	\$ 85,000	\$ -	\$ -	\$ 225,000
275-20	Fordham Service Road Water Main Replacement	\$ 864,000	\$ -	\$ -	\$ -	\$ -	\$ 864,000
275-20	Long Term Funding for Water Distribution System Assets	\$ -	\$ -	\$ -	\$ 3,327,000	\$ 3,493,000	\$ 6,820,000
275-21	High Priority Water Main Replacement Program	\$ 4,800,000	\$ 1,892,000	\$ 830,000	\$ 2,640,000	\$ 2,640,000	\$ 12,802,000
275-46	Dobbins Drive Water Main Replacement	\$ 600,000	\$ 1,543,000	\$ -	\$ -	\$ -	\$ 2,143,000
275-52	West Cameron Avenue Water Main Replacement	\$ 150,000	\$ 2,925,000	\$ -	\$ -	\$ -	\$ 3,075,000
275-53	Distribution System Hydraulic Model	\$ 100,000	\$ 250,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 440,000
275-77	Galvanized Water Main Replacement Program	\$ 75,000	\$ 150,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 825,000
275-88	Kensington Drive Water Main Replacement	\$ 1,130,000	\$ 300,000	\$ -	\$ -	\$ -	\$ 1,430,000
275-89	Distribution System Prioritization Model	\$ 345,000	\$ -	\$ -	\$ -	\$ -	\$ 345,000
275-90	Distribution System Sampling Stations	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ 60,000
275-91	MLK Boulevard Water Main Abandonment	\$ -	\$ -	\$ 100,000	\$ 600,000	\$ -	\$ 700,000
275-92	Jones Ferry Rd Water Main Replacements	\$ 500,000	\$ 1,600,000	\$ 1,600,000	\$ -	\$ -	\$ 3,700,000
275-new	Bolinwood Bridge Water Main Replacement	\$ 50,000	\$ 250,000	\$ -	\$ -	\$ -	\$ 300,000
275-new	Westwood Neighborhood Water and Sewer Rehabilitation	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ 100,000
275-new	Near-term Funding for Distribution System Rehabilitation	\$ 250,000	\$ 500,000	\$ 750,000	\$ -	\$ -	\$ 1,500,000
276-17	Gravity Sewer Condition Evaluation	\$ -	\$ 400,000	\$ 400,000	\$ -	\$ 490,000	\$ 1,290,000
276-18	Gravity Sewer Rehabilitation Program	\$ 2,981,000	\$ 480,000	\$ 1,230,000	\$ 3,790,000	\$ -	\$ 8,481,000
276-18	Long Term Funding for wastewater Collection System Assets	\$ -	\$ -	\$ -	\$ 808,000	\$ 1,386,000	\$ 2,194,000
276-45	Bolinwood Drive Interceptor Replacement	\$ 100,000	\$ 840,000	\$ -	\$ -	\$ -	\$ 940,000
276-46	Willow Drive Interceptor Replacement	\$ -	\$ -	\$ 125,000	\$ -	\$ -	\$ 125,000
276-48	Dobbins Drive Interceptor Replacement	\$ 800,000	\$ 1,615,000	\$ -	\$ -	\$ -	\$ 2,415,000
276-52	Rocky Branch Interceptor Replacement	\$ -	\$ 62,000	\$ 706,000	\$ -	\$ -	\$ 768,000
276-53	Creek Crossing Access Improvements	\$ 50,000	\$ 600,000	\$ 263,000	\$ -	\$ -	\$ 913,000
276-57	Gravity Sewer Hydraulic Model	\$ 510,000	\$ -	\$ -	\$ -	\$ -	\$ 510,000
276-58	Prince Street Service Replacement	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000
276-59	High Priority Manhole Installations	\$ 15,000	\$ 35,000	\$ 80,000	\$ -	\$ -	\$ 130,000
276-01	Bolin Creek Interceptor - Estes to Pathway	\$ -	\$ -	\$ 390,000	\$ 2,200,000	\$ 2,000,000	\$ 4,590,000
276-01	Bolin Creek Interceptor - Pathway to Homestead	\$ -	\$ -	\$ -	\$ -	\$ 664,000	\$ 664,000
277-21	Force Main Condition Evaluation	\$ -	\$ 50,000	\$ -	\$ 300,000	\$ -	\$ 350,000
277-29	Rogerson Drive Force Main - Program Services	\$ 150,000	\$ 150,000	\$ -	\$ -	\$ -	\$ 300,000
277-31	Rogerson Drive Pump Station Rehabilitation Phase 2	\$ 858,000	\$ -	\$ -	\$ -	\$ -	\$ 858,000
277-37	Knolls Pump Station Rehabilitation/Relocation	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000
277-40	Pump Station Operational and Needs Assessments	\$ 35,000	\$ 60,000	\$ -	\$ -	\$ -	\$ 95,000
277-42	Rogerson Drive Force Main 2019 Emergency Repair and Rehabilitation	\$ 750,000	\$ -	\$ -	\$ -	\$ -	\$ 750,000
278-11	Near-term Funding for Wastewater Facilities Rehab	\$ 475,000	\$ 150,000	\$ -	\$ -	\$ -	\$ 625,000
278-11	Long Term Funding for Wastewater Facilities	\$ -	\$ -	\$ -	\$ 3,666,000	\$ 4,436,000	\$ 8,102,000
278-46	Comprehensive Coatings Program	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000
278-50	WWTP Warehouse	\$ 25,000	\$ 75,000	\$ 600,000	\$ -	\$ -	\$ 700,000
278-51	WWTP Solids Thickening Improvements	\$ 3,282,000	\$ 2,168,000	\$ -	\$ -	\$ -	\$ 5,450,000
278-54	WWTP Intermediate Pump Station Rehabilitation	\$ 113,000	\$ -	\$ -	\$ -	\$ -	\$ 113,000
278-61	WWTP Pavement Improvements	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ 25,000
278-68	Water and Wastewater Facilities Building Envelope Rehabilitation	\$ 75,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ -	\$ 1,275,000
278-72	WWTP Secondary Clarifier Rehabilitation	\$ 844,000	\$ 300,000	\$ -	\$ -	\$ -	\$ 1,144,000
278-75	WWTP Facilities Planning	\$ -	\$ 150,000	\$ 150,000	\$ -	\$ -	\$ 300,000
278-78	WWTP Fermenter Improvements	\$ 112,000	\$ 490,000	\$ -	\$ -	\$ -	\$ 602,000
278-78	WWTP Digester #3 and #4 - condition assessment	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
278-80	WWTP Chemical Building and Bulk Tank Piping Rehab	\$ 470,000	\$ -	\$ -	\$ -	\$ -	\$ 470,000
278-80	WWTP Scum Pump Station Rehabilitation	\$ -	\$ -	\$ 53,000	\$ 177,000	\$ -	\$ 230,000
278-82	WWTP Headworks Rehabilitation	\$ 829,000	\$ 566,000	\$ -	\$ -	\$ -	\$ 1,395,000
278-83	WWTP Server Room	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000
278-84	WWTP Security Improvements	\$ 82,000	\$ 50,000	\$ -	\$ -	\$ -	\$ 132,000
278-85	WWTP Gas Monitoring Systems	\$ 90,000	\$ -	\$ -	\$ -	\$ -	\$ 90,000
278-86	WWTP Primary Clarifier Rehabilitation	\$ -	\$ 50,000	\$ 387,000	\$ 1,490,000	\$ -	\$ 1,927,000
278-87	WWTP Flow Monitoring	\$ -	\$ -	\$ -	\$ 25,000	\$ 125,000	\$ 150,000
278-new	Offsite Biosolids Storage Improvements	\$ 40,000	\$ 40,000	\$ -	\$ -	\$ -	\$ 80,000
278-new	WWTP RAS Pumping Improvements	\$ -	\$ 150,000	\$ 660,000	\$ -	\$ -	\$ 810,000
FY 2020 - 2024 CIP		\$ 26,423,000	\$ 27,939,000	\$ 16,178,000	\$ 23,987,000	\$ 18,148,000	\$ 112,675,000

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

APPLICABLE TO ALL BILLINGS AND SERVICES ON OR AFTER OCTOBER 1, ~~2018~~2019.

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Background and Authorization

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

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

The OWASA Board of Directors has determined that the provisions in this Schedule of Rates, Fees, and Charges are necessary to adequately sustain OWASA's near-term and long-range utility operations. Revenues generated by these rate adjustments will provide OWASA with the financial resources necessary to: (1) fund operating costs; (2) adequately maintain existing water, sewer, and reclaimed water facilities; (3) fully comply with 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.

All fees go into effect on October 1, ~~2018~~2019.

**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	As of Oct. 1, 2018 Monthly Service Charge	Proposed for Oct. 1, 2019
5/8”	\$14.99	\$15.74
3/4" Combination Fire and Domestic Service Meter	\$15.50	\$16.28
1”	\$30.12	\$31.63
1" Combination Fire and Domestic Service Meter	\$30.63	\$32.16
1-1/2”	\$65.14	\$68.39
2”	\$98.31	\$103.22
3”	\$202.18	\$212.29
4”	\$330.05	\$346.55
6”	\$718.75	\$754.69
8”	\$1,022.10	\$1,073.21

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	As of Oct. 1, 2018 Monthly Service Charge	Proposed for Oct. 1, 2019
5/8”	\$24.01	\$25.21
1”	\$47.99	\$50.39
1-1/2”	\$88.84	\$93.28
2”	\$136.64	\$143.47
3”	\$270.45	\$283.98
4”	\$415.16	\$435.92
6”	\$816.68	\$857.52
8”	\$1,298.77	\$1,363.70

**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)	As of Oct. 1, 2018 Commodity Rate per 1,000 Gallons	Proposed for Oct. 1, 2019
Block 1	1,000 to 2,000	\$2.68	\$2.82
Block 2	3,000 to 5,000	\$6.52	\$6.84
Block 3	6,000 to 10,000	\$7.99	\$8.39
Block 4	11,000 to 15,000	\$11.16	\$11.72
Block 5	All use 16,000 and up	\$20.19	\$21.20

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.

As of Oct. 1, 2018 - \$5.78 per thousand gallons
Proposed for Oct. 1, 2019 - **\$6.07**

**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).

	As of Oct. 1, 2018 Rate	Proposed for Oct. 1, 2019
Off-peak seasonal rate per 1,000 gallons (October through April)	\$4.24	\$4.46
Peak seasonal rate per 1,000 gallons (May through September)	\$8.07	\$8.47

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.

As of Oct. 1, 2018 - \$8.68 per thousand gallons
Proposed for Oct. 1, 2019 - **\$9.11**

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

WATER COMMODITY SURCHARGES APPLICABLE UNDER WATER SHORTAGE
DECLARATION STAGES – No changes proposed for this section

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.

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 changes proposed for this section

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 service charge, payable in advance, shall be collected for setting and removing the meter.

As of Oct. 1, 2018 - Service Charge \$290
Proposed as of Oct. 1, 2019 - **\$320**

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

In addition, a security deposit shall be required.

Temporary Hydrant Meter Security Deposit
\$1,000

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

WATER SYSTEM DEVELOPMENT FEE – No changes proposed for this section

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	Fee
5/8" Meter or 3/4" Combination Fire and Domestic Service, Single-family Residential:	
<800 square feet	\$620
801-1300 square feet	\$770
1301-1700 square feet	\$864
1701-2400 square feet	\$1,142
2401-3100 square feet	\$1,767
3101-3800 square feet	\$2,442
>3800 square feet	\$4,295
1" Meter, Single-Family Residential (all square footages)	\$7,338
5/8" Meter or 3/4" Combination Fire and Domestic Service Meter, Multi-family Residential	\$830
1" Meter, Multi-Family Residential (all square footages)	\$7,338
5/8" Meter or 3/4" Combination Fire and Domestic Service Meter, Non-residential*	\$2,933
1" Meter, Non-residential*	\$7,338
1-1/2" Meter, Multi-Family Residential and Non-residential*	\$14,666
2" Meter, Multi-Family Residential and Non-residential*	\$23,466
3" Meter, Multi-Family Residential and Non-residential*	\$46,933
4" Meter, Multi-Family Residential and Non-residential*	\$73,332
6" Meter, Multi-Family Residential and Non-residential*	\$146,664
8" Meter, Multi-Family Residential and Non-residential*	\$234,663

* Same fee for Irrigation-Only accounts.

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

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 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	As of Oct. 1, 2018 Fee	Proposed for Oct. 1, 2019
Complete Water Service Installation, 5/8” meter	\$4,110	\$4,600
Complete Water Service Installation, 3/4” Combination Fire and Domestic Service Meter	\$4,350	\$4,840
Complete Water Service Installation, 1” meter	\$4,280	\$4,850
Meter Only Installation, 5/8” meter	\$260	No change
Meter Only Installation, 3/4” Combination Fire and Domestic Service Meter	\$500	No change
Meter Only Installation, 1” Combination Fire and Domestic Service Meter	\$540	No change
Meter Only Installation, 1” meter	\$340	No change
Meter Only Installation, 1-1/2” meter	\$660	\$650
Meter Only Installation, 1-1/2” Combination Fire and Domestic Service Meter	\$830	No change
Meter Only Installation, 2” meter	\$890	\$1,320
Meter Only Installation, 2” Combination Fire and Domestic Service Meter	\$1,000	No change
Remote Read Box with 5/8” Detector Meter	\$500	No change

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%.

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

Deliver fee for 3-inch and large meters:

As of Oct. 1, 2018 Delivery Fee \$150
Proposed for Oct. 1, 2019 - **\$160**

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 – **No changes proposed for this section**

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, subject to minimum amount.

Minimum Charge \$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 reinspection fee 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.

Tap Reinspection Fee - \$150

HYDRAULIC FIRE FLOW TESTING – **No changes proposed for this section**

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.

\$230 per test

**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	As of Oct. 1, 2018 Monthly Service Charge	Proposed for Oct. 1, 2019
5/8" or 3/4" Combination Fire and Domestic Service	\$12.24	\$12.85
1"	\$21.02	\$22.07
1-1/2"	\$36.24	\$38.05
2"	\$54.79	\$57.53
3"	\$103.61	\$108.79
4"	\$158.39	\$166.30
6"	\$290.39	\$304.91
8"	\$495.54	\$520.31

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**

As of Oct. 1, 2018 - \$6.61 per thousand gallons
Proposed for Oct. 1, 2019 - **\$6.94**

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 changes proposed for this section**

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 per 1,000 gallons of 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.

As of Oct. 1, 2018 - \$6.61 per 1,000 gallons
Proposed for Oct. 1, 2019 - **\$6.94** per 1,000 gallons

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 – **No changes proposed for this section**

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

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

who may have paid for the installation of the main to which the connection is to be made. 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	Fee
5/8" Meter or 3/4" Combination Fire and Domestic Service, Single-family Residential:	
<800 square feet	\$1,632
801-1300 square feet	\$2,207
1301-1700 square feet	\$2,251
1701-2400 square feet	\$2,391
2401-3100 square feet	\$2,652
3101-3800 square feet	\$2,912
>3800 square feet	\$3,466
1" Meter, Single-Family Residential (all square footages)	\$11,329
5/8" Meter or 3/4" Combination Fire and Domestic Service, Multi-family Residential	\$2,196
1" Meter, Multi-Family Residential (all square footages)	\$11,329
5/8" Meter or 3/4" Combination Fire and Domestic Service, Nonresidential	\$5,673
1" Meter, Nonresidential	\$14,192
1-1/2" Meter, Multi-family Residential and Nonresidential	\$28,366
2" Meter, Multi-family Residential and Nonresidential	\$45,386
3" Meter, Multi-family Residential and Nonresidential	\$90,773
4" Meter, Multi-family Residential and Nonresidential	\$141,832
6" Meter, Multi-family Residential and Nonresidential	\$283,664
8" Meter, Multi-family Residential and Nonresidential	\$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
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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 – No changes proposed for this section

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, subject to a minimum.

Minimum charge \$520.

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 reinspection fee 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.

Tap Reinspection Fee - \$150

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:

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As of Oct. 1, 2018	
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 NH ₃ -N in excess of 25 mg/l
Phosphorus (P)	\$12.51 per pound for all P excess of 6.5 mg/l

Proposed for Oct. 1, 2019	
Carbonaceous Biochemical Oxygen Demand (CBOD)	\$0.46 per pound for all CBOD in excess of 205 mg/l
Suspended Solids (SS)	\$0.56 per pound for all SS in excess of 235 mg/l
Ammonia Nitrogen (NH ₃ -N)	\$3.26 per pound for all NH ₃ -N in excess of 25 mg/l
Phosphorus (P)	\$13.13 per pound for all P excess of 6.5 mg/l

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SECTION III: RECLAIMED WATER RATES AND CHARGES

No changes proposed for Section III

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 consumption due

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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 changes proposed for this section

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 changes proposed for this section

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 changes proposed for this section

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 changes proposed for this section

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.

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

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

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

CHARGE FOR MANUALLY READING WATER METERS – new section

To measure and bill for customers' water use, OWASA utilizes meters that record hourly water use readings and transmits them to OWASA's administrative office electronically. The system provides customers with valuable information about their water use: information that can be used to detect and limit the impact (cost and property damage) of leaks in the customer's plumbing system.

At the time the metering system was installed, a few customers objected to the installation of an electronic meter at their locations. In response, OWASA's Board of Directors adopted a policy that allowed then-existing customers the option of continuing to be served by a non-electronic meter. Doing so requires that an OWASA staff member travel to the customer's location once per month to read the meter. For manually read meters, the following conditions apply:

- Customers choosing a manual read option shall not be eligible for leak notifications or emergency water loss adjustments.
- A monthly fee of \$45 will be charged to cover the cost of reading the meter manually.

LATE PAYMENT FEE – No changes proposed for this section

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 changes proposed for this section

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.

**ORANGE WATER AND SEWER AUTHORITY
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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.

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:

As of Oct. 1, 2018	
Administrative Charge	\$30 per trip, plus
Volume Charge and High Strength Surcharge	\$142.80 per thousand gallons
Proposed for Oct. 1, 2019	
Administrative Charge	\$30 per trip, plus
Volume Charge and High Strength Surcharge	\$149.94 per 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 per trip, plus Volume and High Strength Surcharge calculated as follows:

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As of Oct. 1, 2018
A + B + C + D + E = Calculated Dollars per Thousand Gallons, where:
A = pounds of NH ₃ -N per thousand gallons in waste x \$3.10 per pound
B = pounds of CBOD per thousand gallons in waste x \$0.44 per pound
C = pounds of TSS per thousand gallons in waste x \$0.53 per pound
D = \$6.61 per 1,000 gallons Sewer Commodity Charge
E = pounds of P per thousand gallons in waste x \$12.51 per pound
Waste concentrations shall be determined by OWASA

Proposed for Oct. 1, 2019
A + B + C + D + E = Calculated Dollars per Thousand Gallons, where:
A = pounds of NH ₃ -N per thousand gallons in waste x \$3.26 per pound
B = pounds of CBOD per thousand gallons in waste x \$0.46 per pound
C = pounds of TSS per thousand gallons in waste x \$0.56 per pound
D = \$6.94 per 1,000 gallons Sewer Commodity Charge
E = pounds of P per thousand gallons in waste x \$13.13 per pound
Waste concentrations shall be determined by OWASA

TANK SALES OR BULK WATER SALES

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

As of Oct. 1, 2018	
Administrative Charge	\$25 per trip, plus
Commodity Charge	\$6.14 per thousand gallons or portion thereof

Proposed for Oct. 1, 2019	
Administrative Charge	\$25 per trip, plus
Commodity Charge	\$6.45 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 changes proposed for this section

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%.

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BOAT RENTAL AND LAKE USE FEES – No changes proposed for this section

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

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

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

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

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

**ORANGE WATER AND SEWER AUTHORITY
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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:

As of Oct. 1, 2018 - Meter test \$90
Proposed for Oct. 1, 2019 - Meter test **\$100**

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:

As of Oct. 1, 2018 - Shop meter test \$200
Proposed for Oct. 1, 2019 - Shop meter test **\$220**

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.

As of Oct. 1, 2018 - Minimum charge \$170
Proposed for Oct. 1, 2019 - Minimum charge **\$190**

**ORANGE WATER AND SEWER AUTHORITY
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REINSPECTION FEE – No changes proposed for this section

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 fee will apply to each reinspection.

Tap Reinspection Fee - \$150

PLAN REVIEW AND CONSTRUCTION OBSERVATION FEES – Propose to include a minimum fee

The purpose of this charge is to recover the operating cost for providing review of construction plans for the extension of water, sewer and non-UNC reclaimed water 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 any project which includes extensions of the public water, sewer or non-UNC reclaimed water systems; new services; backflow prevention; or a grease interceptor (or grease trap), regardless of the party which may be undertaking the improvements. The plan review and construction observation fees are applied separately to water, sewer and non-UNC reclaimed water main extensions with a minimum of \$100 each, as shown in the table below.

Service	Plan Review	Construction Observation
Water	\$3.63/lf, minimum \$100	\$3.69/lf, minimum \$100
Sewer	\$3.63/lf, minimum \$100	\$3.69/lf, minimum \$100
Reclaimed Water	\$3.63/lf, minimum \$100	\$3.69/lf, minimum \$100

Fees for Plan Review are due when the sealed plans are submitted for review. Fees for Construction Observation are collected upon final plan approval. Additional fees for projects which increase in scope (e.g. the number of feet of mains is lengthened after initial fee payment) shall be collected prior to receiving a permission to proceed from OWASA. No refunds will be granted for projects which decrease in scope after fee payment.

CHARGES FOR MISCELLANEOUS SERVICES – No changes proposed for this section

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.

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

TRANSFER OF CHARGES – No changes proposed for this section

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.

OWASA Board of Directors – 12 Month Board Meeting Schedule (May 17, 2019)

Month	Board Meetings		Committee & Other Meetings
	Work Session	Business Meeting	
December 2019	TBD 12/12/2019	<i>Holiday – no meeting</i>	
January 2020	Appoint Audit Firm (C) Employee Health and Dental Insurance (C) Update for FY 21 Affordability Outreach Program Update (Tentative) LRWSP – Final Evaluation of Water Supply and Demand Management Alternatives 1/9/2020	Annual Lakes Recreation Report (C) CIP Semiannual Report (C) Q2 Financial Report (C) FY 21 Budget Calendar and Assumptions (C) 1/23/2020	
February 2020	CS – Prepare for General Counsel Interim Review (C) 2/13/2020	CS – General Counsel Interim Review (C) 2/27/2020	<i>(Tentative) OC Appointees to the OWASA Board meet with Members of Orange County BOCC (TBD)</i>
March 2020	FY 21 Draft Budget & Rates (C) CS – Prepare for ED Interim Review (C) 3/12/2020	Set date for Public Hearings – FY 21 Budget & Rates (C) Annual Update of the Energy Management Plan (C) FY 21 Draft Budget & Rates and Proposed Staff Rate Adjustment Recommendation (C) CS – ED Interim Review (C) 3/26/2020	
April 2020	Review Employee Health and Dental Insurance Renewals (C) FY 21 Draft Budget and Rate Adjustment Information (C) 4/9/2020	Q3 Financial Report (C) 4/23/2020	

Note: Additional Board Meetings will include matters related to improving reliability and resiliency on OWASA’s services.

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

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

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

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

- Development of a plan and policy framework for OWASA lands is considered a longer-term priority. The NRTS Committee discussed this issue in September 2017 and determined it was lower priority than Forest Management.
- Water Conservation Plan will be prepared concurrent with update of the Long-Range Water Supply Plan.

OWASA Board of Directors – 12 Month Board Meeting Schedule (May 17, 2019)

- Update of Strategic Plan. On November 15, 2018, the Board and staff agreed to defer update of the Strategic Plan to a date to be determined.

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.

Abbreviations Used in Draft Schedule:

<p>(C) Recurring agenda item (generally these are “required” items)</p> <p>AV/AMI Agua Vista/Advanced Metering Infrastructure</p> <p>BOCC Board of County Commissioners</p> <p>CBOA Carrboro Board of Aldermen</p> <p>CE Community Engagement</p> <p>CEP Community Engagement Plan</p> <p>CHTC Chapel Hill Town Council</p> <p>CIP Capital Improvements Program</p> <p>COLA Cost of Labor Adjustment</p> <p>CS Closed Session of the Board</p> <p>CY Calendar Year</p> <p>D&I Diversity and Inclusion</p> <p>ED Executive Director</p> <p>EEO Equal Employment Opportunity</p> <p>FY Fiscal Year</p> <p>HR Human Resources</p>	<p>JLP Jordan Lake Partnership</p> <p>KPI Key Performance Indicator</p> <p>LRWSP Long-Range Water Supply Plan</p> <p>MOA Memorandum of Agreement</p> <p>MST Mountains-to-Sea Trail</p> <p>MFMM Multi-Family Master Meter</p> <p>NCDOT North Carolina Department of Transportation</p> <p>NRTS Natural Resources and Technical Services</p> <p>OC Orange County</p> <p>Q Quarter</p> <p>RFP Request for Proposals</p> <p>SRF State Revolving Fund</p> <p>SOW Scope of Work</p> <p>TBD To Be Determined</p> <p>WTP Water Treatment Plant</p> <p>WWTP Wastewater Treatment Plant</p>
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Agenda Item

- Award the Mason Farm Wastewater Treatment Plant Secondary Clarifier Rehabilitation Construction Contract

Purpose

- To request the Board's approval to award a construction contract for the Mason Farm Wastewater Treatment Plant Secondary Clarifier Rehabilitation.

Background

- The Project consists of replacement of all metal components of secondary clarifiers 2 and 3.
- Plans and specifications for the construction of this project were prepared by Hazen and Sawyer PC.
- Prospective bidders for the construction contract were screened through a prequalification process. Minority outreach was performed for the prequalification process in accordance with standard practice. Six bidders were prequalified.
- Bids from two prequalified contractors were received on April 4, 2019 and returned unopened.
- Bids from three prequalified contractors were received on April 16, 2019. The apparent low bidder was Turner Murphy Company, Inc. at \$1,046,079.00. The Engineer's estimate for the project was \$616,000.00. This estimate was based on budgetary costs from a prime vendor and did not represent the full scope of work as bid.
- The Engineer evaluated bids and recommended award of the construction contract to Turner Murphy Company, Inc.

Staff Recommendation

- Staff recommends that the Board of Directors adopt the Resolution Awarding the Construction Contract for the Mason Farm Wastewater Treatment Secondary Clarifier Rehabilitation Project to Turner Murphy Company, Inc., in the amount of \$1,046,079.00.

May 23, 2019



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 *SKL*

FROM: Simon Lobdell, P. E.

DATE: May 15, 2019

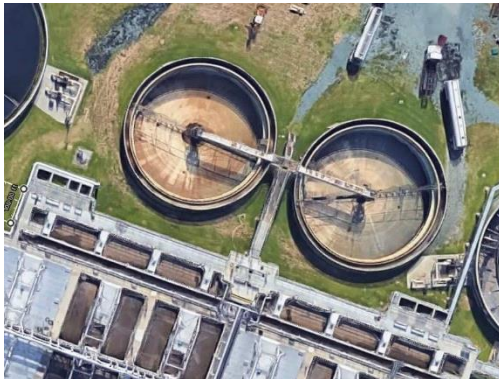
SUBJECT: Award the Mason Farm Wastewater Treatment Plant Secondary Clarifier Rehabilitation Construction Contract

Purpose

This memorandum recommends that OWASA award a construction contract to Turner Murphy Company, Inc. (“Turner Murphy”) for the construction of the Wastewater Treatment Plant Secondary Clarifier Rehabilitation.

Background

The Mason Farm Wastewater Treatment Plant (WWTP) has five secondary clarifiers of varying capacities and ages. Secondary clarifiers (SC) are large concrete tanks which accumulate the biological solids which are then reused within the aeration process. The two smallest clarifiers, SC #2 and #3, were originally constructed in 1984 and are in need of significant mechanical rehabilitation as well as replacement of all metallic components. At least one of these two clarifiers is normally used during storm events and both are often put in service during large storms.



**Overhead view of SC #2 and #3
(each tank is roughly 90 feet in diameter)**



SC #2

OWASA selected an engineering consultant, Hazen and Sawyer (Hazen), to provide design, bidding and construction-related engineering services for the Secondary Clarifier Rehabilitation project. Before committing to rehabilitation of the clarifiers, OWASA staff and Hazen evaluated alternatives to rehabilitation that included building a new clarifier. The team also looked at future scenario planning of new pumping stations and improvements to other components that could improve clarifier performance. An alternative design of using carbon steel components was considered as well. This matches the existing clarifiers. However, this option requires re-coating the entire structure every 10 years or less to prevent corrosion. Although it may represent a less expensive immediate capital cost, it is likely to be more expensive on a life cycle basis.

After evaluation of the options, rehabilitation of the existing clarifiers with stainless steel components was determined to be the best option. The project will replace all metal components with corrosion resistant stainless steel and will provide a long life for the restored clarifiers. The cost estimate for the project was based on a budgetary estimate of like for like replacement provided by the original clarifier manufacturer (Evoqua). Hazen developed simplified designs based on a replacement of the clarifier mechanism with an updated unit from this same vendor. The contract documents allowed other clarifier manufacturers to provide similar equipment if they were able to show experience with replacing Evoqua clarifier systems with their own; this requirement was put in place to ensure that OWASA would not be required to perform excessive redesign work to accept alternative vendors. The contract documents also require the contractor to complete all work on one clarifier at a time to limit the impact on the plant from reduced clarifier capacity.

Advertising and Bidding

Prospective bidders were screened through a prequalification process, which involved having interested contractors submit a package outlining their qualifications including past performance on similar projects, credentials of their management team, safety record, etc. Only those firms that clearly demonstrated the capability to adequately perform the project work were invited to submit bids. The Request for Qualifications (RFQ) was posted in November 2018. After review, six contractors were prequalified to bid on the project.

Hazen completed the design drawings and specifications for the improvements and on March 7, 2019, the invitation for bids was issued to the prequalified contractors and publicly advertised. Only two bids were received on the initial bid date of April 4, 2019 and, being fewer than the minimum of three required for bid opening on a formal contract, were returned unopened to the bidders. Per North Carolina General Statute, the contract was re-advertised, the project was rebid and three bids were received on April 16, 2019 and opened publicly. Turner Murphy was the low, responsible bidder. A copy of the certified bid tabulation is attached with the Engineer's recommendation to award (Attachment 1), and the results are summarized below:

BID SUMMARY

HAREN CONSTRUCTION COMPANY	\$1,076,000.00
JS HAREN COMPANY	\$1,167,000.00
TURNER MURPHY COMPANY, INC.	\$1,046,079.00
<i>ENGINEER'S ESTIMATE</i>	\$ 616,000.00*

*Note discussion of Engineer's estimate below in bid analysis.

OWASA and Hazen reviewed Turner Murphy's bid and are satisfied that the bid is fully responsive.

Minority and Women Business Enterprise (MWBE) Participation

OWASA's Minority Business Participation Outreach Plan and Guidelines include all of the statutory requirements from the State of North Carolina, and specify a 10% goal for participation by minority businesses. In keeping with standard practice, OWASA staff took several actions to solicit minority participation in this contract, including advertising the Request for Qualifications in the Greater Diversity News, the North Carolina Institute of Minority Economic Development, OWASA's website, and plan rooms, and requiring bidders to follow "good faith" efforts to solicit participation by minority subcontractors.

The apparent low bidder (Turner Murphy) identified no minority participation as they intend to self-perform all tasks. Given the nature of the contract, there are no necessary subcontracting opportunities. The project was strictly limited to general mechanical construction to simplify and expedite construction. OWASA is self-performing or hiring an electrical contractor for less than \$20,000 for minor electrical work on the clarifier and all other tasks will be completed by the General Contractor or the vendor of the clarifier replacement equipment.

Bid Analysis and Recommendation

The project bidding was in accordance with state statute for a publicly bid contract. One unique element to the bidding was the pre-qualification of the prime vendor (Evoqua) as a general contractor as they had indicated their interest to perform the work with their own construction crews. After the bid was published however, they decided to act only as a vendor and did not bid the work directly as a general contractor. The engineer's estimate of construction cost was based on Evoqua's estimate to self-perform the work of \$616,000. Because the work did not satisfy the criteria for a sole source procurement, OWASA completed a limited engineering design that would allow competitors to provide pricing although none of the contractors chose to submit bid alternates with other vendors. In addition, tasks were specified during the design that were not in the original estimate. These included increasing steel thickness on several components, a plan for staging the construction work, and a clarification on the responsibility of the contractor to perform typical demolition and site restoration work.

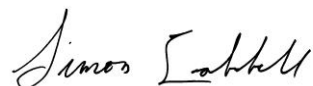
The staging plan, improvements in the materials specified and the impacts of steel pricing appear to have resulted in costs exceeding our original basis. It is especially noteworthy that all bidders were within 7% of the average bid price. Also, it should be noted that the original engineer's estimate before Evoqua's budgetary proposal was \$1,290,000.00 and was reduced only based on Evoqua's confidence in having a simplified replacement for our clarifiers that would reduce construction and fabrication costs.

OWASA and Hazen reached out to Evoqua to determine if significant savings were available by accepting a less corrosion resistant but still reliable form of stainless steel (i.e. substitution of 304 SS in lieu of 316 SS). After discussion with the vendor, the modifications would reduce the cost of the project by approximately 3%, or \$30,000. In the opinion of our engineering consultant and OWASA staff, this did not represent enough savings to offset the potential risk of reduced life span and was not pursued further.

Turner Murphy's ability to complete this project successfully was evaluated thoroughly during the prequalification process, and they have demonstrated sufficient qualifications in past project performance (including the Rogerson Drive Pump Station Phase 1 and 2 Improvements and the Mason Farm WWTP Intermediate Pump Station), personnel qualifications/experience, reference checks, and all other rated categories.

Hazen's recommendation that the construction contract for this project be awarded to Turner Murphy is attached along with the certified bid tabulation (Attachment 1). OWASA staff concurs with this recommendation and requests the Board's adoption of the attached resolution (Attachment 2) awarding the construction contract to Turner Murphy.

Please let me know if you have any questions or need additional information. I can be reached at 537-4247 or smlobdell@owasa.org. Thank you.



Simon Lobdell P.E.
Utilities Engineer

Attachment 1 – Engineer's Recommendation for Award and Certified Bid Tabulation
Attachment 2 – Resolution



Hazen and Sawyer
4011 Westchase Boulevard, Suite 500
Raleigh, NC 27607 • 919.833.7152

April 22, 2019

Mr. Simon Lobdell, P.E.
Utilities Engineer
Orange Water and Sewer Authority
400 Jones Ferry Road
Carrboro, NC 27510

**Re: Recommendation for Award
Mason Farm WWTP – Secondary Clarifier Rehabilitation
OWASA CIP No. 278-72
Hazen # 32258-011**

Dear Mr. Lobdell:

We have evaluated the bids received for the Mason Farm WWTP Secondary Clarifier Rehabilitation project. This project initially advertised on March 7, 2019 and two sealed bids were received on April 4, 2019. These bids were returned to the contractors, and the project was re-advertised via addendum on April 5, 2019. Three sealed bids were received on April 16, 2019, and are summarized below. A copy of the certified bid tabulation is also attached.

Contractor	Total Bid Price
Turner Murphy Co, Inc.	\$1,046,079.00
Haren Construction Company, Inc.	\$1,076,000.00
J.S. Haren Company	\$1,167,000.00

All three bidders had no bids for the deductive alternate bid item No. 1. We recommend awarding the contract to the low bidder, Turner Murphy Co, Inc. We will process formal notification of award documentation at your direction. Should you have any questions or require additional information do not hesitate to contact me.

Very truly yours,

Lamya King, P.E.
Associate

Enclosure

cc: Patricia Drummey
Francis Buser

**BID TABULATION
OWASA MASON FARM WWTP SECONDARY CLARIFIER REHABILITATION
SINGLE PRIME CONTRACT**

BID DATE - TUESDAY APRIL 16, 2019 @ 3:00 P.M.

CONTRACTOR	NC LICENSE NO.	BID SECURITY	RECEIPT OF ADDENDUM # 1	RECEIPT OF ADDENDUM # 2	TOTAL LUMP SUM PRIME BASE BID PRICE	DEDUCTIVE ALTERNATE NO. 1 - FINAL CLARIFIER EQUIPMENT
Turner Murphy Company	9072	Yes	Yes	Yes	\$1,046,079.00	No Bid
Haren Construction Company, Inc.	7770	Yes	Yes	Yes	\$1,076,000.00	No Bid
J.S. Haren Company	29925	Yes	Yes	Yes	\$1,167,000.00	No Bid

CERTIFICATION

The Bids tabulated herein were opened and read aloud at 3:00 p.m. on the 16th day of April 2019 at the City of Durham Department of Water Management at the OWASA Administration Offices, 400 Jones Ferry Road, Carrboro, North Carolina. The tabulation is correct in that it contains the Bid prices as presented on the original Bid Form of each Bidder based upon the Bidder's sum of the extended amounts for each Lump Sum Bid Item as required by Section 00300.



Hazen

Hazen and Sawyer
4011 WestChase Blvd.
Raleigh, NC 27607
919-833-7152
Lamya King P.E.

Resolution Awarding a Construction Contract for the Mason Farm Wastewater Treatment Plant Secondary Clarifier Rehabilitation Project

Whereas, there is a need to rehabilitate secondary clarifiers 2 and 3 at the Mason Farm Wastewater Treatment plant due to their age and condition; and

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

Whereas, contractor qualifications were published for advertisement on the websites of the North Carolina Institute of Minority Economic Development and the North Carolina Department of Administration, and on OWASA's website on November 16, 2018, and six contractors were pre-qualified to bid; and

Whereas, on March 7, 2019, the prequalified contractors were formally invited to submit construction bids for the project, and two bids were received on April 4, 2019; and

Whereas, being less than the required number of bidders, the project was re-advertised on April 5, 2019; and

Whereas, on April 16, 2019 three bids were received and opened publicly; and

Whereas, Turner Murphy Company, Inc. of Rock Hill, South Carolina has been determined to be the low responsive, responsible bidder for the project; and

Whereas, on June 14, 2018 the Board of Directors approved a resolution authorizing funds for the Capital Improvements Program, including funds for this project;

Now, Therefore, Be It Resolved:

1. That the Orange Water and Sewer Authority Board of Directors awards the construction contract to Turner Murphy Company, Inc., the low responsive, responsible bidder for the Mason Farm Wastewater Treatment Plant Secondary Clarifier Rehabilitation Project, in accordance with the approved plans and specifications, in the amount of \$1,046,079.00, subject to such change orders as may apply.

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

Resolution Awarding a Construction Contract for the Mason Farm WWTP Secondary Clarifier
Rehabilitation Project
May 23, 2019
Page 2

Adopted this 23rd day of May, 2019.

Yinka Ayankoya, Chair

ATTEST:

Raymond E. DuBose, Secretary

Orange Water and Sewer Authority

Meeting of the Board of Directors

April 11, 2019

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in a work session on Thursday, April 11, 2019, at 6:00 p.m. in OWASA's Community Room, 400 Jones Ferry Road, Carrboro.

Board Members present: Yinka Ayankoya (Chair), Ruchir Vora (Vice Chair), Ray DuBose (Secretary), Bruce Boehm, Robert Morgan and John N. Morris. Board Members absent: Jody Eimers and John A. Young.

OWASA staff present: Mary Darr, Patrick Davis, Monica Dodson, Robert Epting, Esq., (Epting and Hackney), Vishnu Gangadharan, Stephanie Glasgow, Tyrus Johnson, Ed Kerwin, Kenneth Loflin, Andrea Orbich, Dan Przybyl, Allison Spinelli, Ruth Rouse, Todd Taylor, Mary Tiger, Stephen Winters and Richard Wyatt.

Others present: Terri Buckner, Meg Holton (UNC Water Resources Manager) and Ben Poulson (UNC Associate Director of Energy Services).

Motions

1. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Honoring Frederick Lewis Battle and Expressing Deepest Sympathies to his Family. (Motion by Robert Morgan, second by John Morris and unanimously approved.)
2. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Awarding a Construction Contract for the Manning Drive and Country Club Road Water Main Replacement Project. (Motion by Robert Morgan, second by Ruchir Vora and unanimously approved.)
3. Robert Morgan made a motion to approve the Minutes of the March 14, 2019 Meeting of the Board of Directors; second by Ruchir Vora and unanimously approved.
4. Robert Morgan made a motion to approve the Minutes of the March 28, 2019 Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter; second by Ruchir Vora and unanimously approved.
5. Ray DuBose made a motion to amend the Board of Directors' Bylaws, Article X. Advisory Committees to: "The full Board of Directors shall serve on the Nominating Committee, and to that end, shall receive nominations for election to each office of the Board, at a Board meeting prior to the meeting in which the election of Board officers is to be held. Any Board Member may nominate or self-nominate, such nominations, and those nominated shall constitute the slate of eligible candidates for election to each office." Second by Bruce Boehm and unanimously approved.

6. Robert Morgan made a motion that the Board approve the list of potential water supply and demand management strategies agreed to on April 11, 2019, as those planned to be evaluated in detail for the Long-Range Water Supply Plan (LRWSP) Update, and authorize staff to put forward the initial list of options for public review and comment in accordance with the Board-approved community engagement plan for the LRWSP Update project; second by Bruce Boehm and unanimously approved.

* * * * *

Announcements

Yinka Ayankoya asked any Board Member knowing of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight to disclose the same at this time; none were disclosed.

Ms. Ayankoya announced the passing of Frederick Battle on April 1, 2019; Mr. Battle was a former OWASA Board Member. Ms. Ayankoya read aloud the Resolution Honoring Frederick Lewis Battle and Expressing Deepest Sympathies to his Family. Robert Morgan made a motion to approve the resolution; second by John Morris and unanimously approved. Please see Motion 1 above.

Ray DuBose said members of the Orange County Board of Commissioners and Orange County Appointees to the OWASA Board will meet on Thursday, April 25, 2019 at 8:00 a.m. in the OWASA Boardroom to receive a demonstration of and outreach for Agua Vista Web Portal, an update on water resiliency improvements, and community engagement on forest management.

Stephanie Glasgow, Director of Human Resources and Safety, introduced Tyrus Johnson, OWASA's new Safety and Risk Manager.

Item One: Quarterly Report on Board and Committee Meetings

The Board received this as an information item.

Item Two: Award the Manning Drive and Country Club Road Water Main Replacement Project Construction Contract

Robert Morgan made a motion to adopt the Resolution Awarding a Construction Contract for the Manning Drive and Country Club Road Water Main Replacement Project; second by Ruchir Vora and unanimously approved. Please see Motion 2 above.

Item Three: Minutes

Robert Morgan made a motion to approve the Minutes of the March 14, 2019 Meeting of the Board of Directors; second by Ruchir Vora and unanimously approved. Please see Motion 3 above.

Item Four: Minutes

Robert Morgan made a motion to approve the Minutes of the March 28, 2019 Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter; second by Ruchir Vora and unanimously approved. Please see Motion 4 above.

Item Five: Review Employee Health and Dental Insurance

The Board received an update on discussions with Blue Cross Blue Shield of North Carolina regarding renewal of employee health insurance; the proposed renewal offers a 15.1% decrease in premiums. Final dental renewal costs are incomplete and will be provided at the May 9, 2019 meeting.

The Board requested a comparison of detailed health insurance costs for OWASA and employees under the current plans, and the proposed plan involving the 15.1% decrease.

The Board agreed not to market OWASA's health and dental insurance plans and to continue negotiating with Blue Cross and Blue Shield of North Carolina.

Item Six: Review Fiscal Year 2020 Budget and Rate Adjustment Options

The Board reviewed the draft budget and rate adjustment options for Fiscal Year (FY) 2020 and agreed to schedule two Finance Committee meetings in April to continue discussions.

On April 25, 2019, the Board is scheduled to review draft FY 2020 budget and rate adjustment information as well as authorize staff to publish proposed budget and rate information in advance of the May 23, 2019 public hearings.

Item Seven: Long-Range Water Supply Plan: Supply and Demand Management Alternatives

The Board received a presentation on the water supply and demand management strategies to be evaluated for updating the Long-Range Water Supply Plan.

Robert Morgan made a motion the Board approved the list of potential water supply and demand management strategies agreed to on April 11, 2019, as those planned to be evaluated in detail for the Long-Range Water Supply Plan (LRWSP) Update and authorized staff to put forward the initial list of options for public review and comment in accordance with the Board-approved community engagement plan for the LRWSP Update project; second by Bruce Boehm and unanimously approved. Please see Motion 5 above.

Item Eight: Draft Community Engagement Plan for Forest Management

The Board approved the Community Engagement Plan for Forest Management with minor revisions. The updated Plan will be emailed to the Board for comments and then implemented.

Item Nine: Discussion of Election Procedures and Bylaws

The Board agreed to continue the practice of eliminating successive terms for the offices of Chair, Vice Chair and Secretary.

Ray DuBose made a motion to amend the Board of Directors' Bylaws, Article X. Advisory Committees to: "The full Board of Directors shall serve on the Nominating Committee, and to that end, shall receive nominations for election to each office of the Board, at a Board meeting prior to the meeting in which the election of Board officers is to be held. Any Board Member may nominate or self-nominate, such nominations, and those nominated shall constitute the slate of eligible candidates for election to each office." Second by Bruce Boehm and unanimously approved. Please see Motion 6 above.

Item Ten: Review Board Work Schedule

The Board agreed to add the discussion item, Update on the Water/Wastewater Public Enterprise Reform Bill, to the April 25, 2019 agenda.

The Board agreed to tentatively add a budget and rates discussion item to the May 9, 2019 agenda.

The Board agreed to include an update of unregulated compounds in water resources including per-fluorinated substances as a discussion item to the June 13, 2019 agenda.

Staff will populate the 12 Month Board Meeting Schedule with quarterly meetings (Orange County Appointees to the OWASA Board with Members of the Orange County Board of Commissioners and Chapel Hill Appointees to the OWASA Board with Chapel Hill Town Council OWASA Committee).

Item Eleven: Executive Director's Summary of Key Staff Action Items from the Work Session

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

- Provide detail on what OWASA pays and the employee pays currently for health insurance compared to what each will pay under the proposed plan with the 15.1% decrease next Fiscal Year (FY).
- Schedule two Finance Committee meetings to discuss draft budgets and rates for FY 2020.
- Amend the Forest Management Community Engagement Plan with comments received, invite Board feedback and implement.

The Board meeting was adjourned at 8:35 p.m.

Respectfully submitted by:

Andrea Orbich
Executive Assistant/Clerk to the Board

Attachments

Agenda Item

- Employee Merit Pay for Fiscal Year (FY) 2020

Purpose

- To provide the Board information on Employee Cost of Labor/Merit Pay Increases for FY 2020.

Background

- On December 14, 2017 the Board adopted a resolution updating the Pay Administration Guidelines. It was the Board's desire for employees meeting expectations to move from the entry point to the mid-point of their pay range in approximately seven to nine years. Merit pay increases are illustrated below.

Rating	Cost of Labor (COLA) Increase	Merit Increase
Exceptional	1x	2x
Exceeds Expectations	1x	1.5x
Meets Expectations	1x	1x
Below Expectations	No Increase	No Increase

- Up to 40% of the high-performing employees may be rated as Exceptional or Exceeds Expectations with no more than 15% in the Exceptional category.
- The Board approves implementation of COLA and merit increases annually. Information is provided in this item to assist the Board in its decision as part of the annual budget development process. The Board is currently scheduled to determine employee pay increases no later than June 13, 2019.

Action Requested

- Board's discussion and guidance on employee pay adjustments for FY 2020 and recommended action on June 13, 2019.

May 23, 2019



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: Stephanie S. Glasgow
DATE: May 17, 2019
SUBJECT: Merit Pay for Fiscal Year 2020

Purpose:

To provide the Board information on Employee Cost of Labor/Merit Pay Increases for FY 2020.

Background:

On December 14, 2017 the Board adopted a resolution updating the Pay Administration Guidelines establishing:

- Four rating categories for employees: Exceptional, Exceeds Expectations, Meets Expectations, and Below Expectations.
- A salary increase will be provided to the top three categories.
- Employees rated as Exceeds Expectations or Exceptional earn a higher salary increase than employees rated as Meets Expectations.
- Merit increase percentages are provided based on the performance rating received. Unless otherwise determined by the Board, Meets Expectations are eligible for one times (1x) the Board approved merit increase, Exceeds Expectations are eligible for 1.5 times (1.5x) the merit increase amount, and Exceptional are eligible for two times (2x) the merit increase amount.
- Up to 40% of the high-performing employees may be rated as Exceptional or Exceeds Expectations with no more than 15% in the Exceptional category.
- It is the Board's desire for employees meeting the expectations of their position to move from the entry point to the mid-point of their pay range in approximately seven to nine years. To accomplish this, annual merit increases for ratings of Meets Expectations and above should be no less than 2.9 percentage points greater than the annual cost of labor adjustment (COLA).
- The Schedule of Classification and Compensation pay ranges shall increase by the same percentage as the COLA.
- The Board will approve implementation of the COLA and merit increases, annually. It may modify the Pay Administration Guidelines for any reason, including if it deems that available resources and labor market conditions do not support implementation as prescribed by the Policy.

The merit pay increases are illustrated below.

Rating	COLA Increase	Merit Increase
Exceptional	1x	2x
Exceeds Expectations	1x	1.5x
Meets Expectations	1x	1x
Below Expectations	No Increase	No Increase

Schedule:

Staff has prepared information to assist the Board in its decision on employee compensation adjustments as part of the annual budget development process. The Board is currently scheduled to make a decision about employee pay no later than June 13, 2019 (draft Resolution provided). If approved, pay range adjustments and pay increases normally go into effect the first pay period in November.

Market Analysis:

The table below displays planned employee compensation increases for local entities.

Entity	Merit	Cost of Labor/Living	Example Increase for an Employee with a Salary of \$40,000	Example Increase for an Employee with a Salary of \$80,000
City of Durham	Non-Exempt = 4% Exempt = 4-6%	N/A	Non-Exempt = \$1,600 Exempt = \$1,600 – \$2,400	Non-Exempt = \$3,200 Exempt = \$3,200 - \$4,800
Town of Cary	No information to share at this time	No information to share at this time	No information to share at this time	No information to share at this time
Town of Hillsborough	-0-	4% Across the Board Compression and Market adjustments will be given as needed Implement \$15 minimum wage	\$1,600	\$3,200
Cape Fear Public Utility	Up to 2.5%	1.5% Market Adjustment	\$1,600	\$3,200
Town of Chapel Hill	-0-	3% of Market	\$1,200	\$2,400
Town of Carrboro	2.8% Across the Board	1.2%	\$1,600	\$3,200
Orange County	\$500, \$750 or \$1,000	Proposed 2%	\$1,300 - \$1,800	\$2,100 - \$2,600

Based on the most recent World at Work survey data for 2019, Cost of Labor increases are projected to be from 1.3% to 3.0% and Merit Pay increases are projected to be from 2.4% to 3.1%. Total Pay increases are projected to be 2.3% to 3.8%. See the following World at Work data.

WORLD AT WORK SALARY SURVEY DATA

	2018				2019 projected			
	COLA	Merit	Other	Total ⁴	COLA	Merit	Other	Total ⁴
	(Percent)				(Percent)			
1-499 Employees, \$30M-\$100M revenue								
All Industries								
National	1.5	3.0	0.9	3.3	1.9	3.1	0.9	3.4
Southern ¹	1.8	2.9	1.3	3.2	3.0	3.1	1.2	3.3
NC	*	2.9	0.3	3.1	-	3.0	-	3.0
Public Administration ²								
National	*	2.1	*	4.1	*	2.4	*	3.4
Southern ¹	*	2.1	*	4.8	*	2.5	*	3.8
NC	-	-	-	-	-	-	-	-
Utilities ³								
National	*	3.6	*	4.0	-	*	-	*
Southern ¹	*	*	*	*	-	-	-	-
NC	*	*	*	*	-	-	-	-
All Size Employees, All Size Revenue								
All Industries								
National	1.5	2.8	0.8	3.1	1.8	2.9	0.9	3.2
Southern ¹	1.4	2.8	0.8	3.1	1.6	2.9	0.8	3.1
NC	1.3	2.8	0.6	3.0	1.3	2.8	0.7	3.1
Public Administration ²								
National	1.6	2.3	1.1	2.7	1.9	2.7	1.1	3.0
Southern ¹	1.6	2.6	1.6	3.1	1.9	2.7	1.4	3.0
NC	*	2.9	-	2.6	*	2.9	-	2.3
Utilities ³								
National	2.1	2.9	0.8	3.2	2.4	2.9	1.0	3.2
Southern ¹	1.1	2.8	0.9	3.1	1.5	2.8	1.2	3.1
NC	1.3	2.7	0.4	3.0	2.0	2.7	0.6	3.1

(-) Fewer than 5 responses

(*) This data may represent a small sample size of less than 30 response

¹ Southern includes these states: AL, AR, FL, GA, LA, MS, NC, OK, SC, TN, TX

² Public Administration includes cities, states, port authorities, retirement systems, airport authorities, etc.

³ Utilities include organizations such as Alliant Energy, Black Hills Corp, City Utilities of Springfield, MO, Entergy, NY Power Authority, TN Valley Authority, Westinghouse Electric

⁴ "General Increase/COLA," "Merit" and "Other" do not add to the "Total Increase" because not every organization provides all three types of increase.

Options for Consideration:

At the May 9, 2019 meeting, staff put forth three pay-increase options for consideration. Calculations are based on current employee wage rates and assume no more than 40% of the workforce will receive a rating of Exceptional or Exceeds Expectations with no more than 15% in the Exceptional category.

At the meeting, the Board requested:

- That the weighted-average of the merit and total pay increase be added to the table for each option.
- A fourth option that would result in a weighted-average merit increase of 2.9 percent across the three performance ratings eligible for merit and cost of labor adjustments.
- The past five years of Board-approved increases and the projected and actual World at Work adjustments for those years (see Attachment 1).

Option 1						
	Components of Employee Pay Adjustments	World at Work	Weighted Avg. of Option 1 Increase	Meets Expectations Rating	Exceeds Expectations Rating	Exceptional Rating
	Cost of Labor	1.3 – 3.0%		1.0%	1.0%	1.0%
+	Merit Pay	2.4 - 3.1%	3.8%	3.0%	4.5%	6.0%
=	Total Pay Increase	2.3 – 3.8%	4.8%	4.0%	5.5%	7.0%
Approximate Budget Impact including payroll taxes			\$376,500			
Amount in draft FY 2020 Budget			\$376,500			
Amount equal to draft Budget			0			

Observations about Option 1:

- Meets Board-approved compensation strategies for Merit Pay.
- Cost of Labor is slightly below World at Work market data.

Option 2						
	Components of Employee Pay Adjustments	World at Work	Weighted Avg. of Option 2 Increase	Meets Expectations Rating	Exceeds Expectations Rating	Exceptional Rating
	Cost of Labor	1.3 – 3.0%		1.3%	1.3%	1.3%
+	Merit Pay	2.4 - 3.1%	3.1%	2.4%	3.6%	4.8%
=	Total Pay Increase	2.3 – 3.8%	4.4%	3.7%	4.9%	6.1%
Approximate Budget Impact including payroll taxes			\$350,000			
Amount in draft FY 2020 Budget			\$376,500			
Amount less than draft Budget			(\$26,500)			

Observations about Option 2:

- Does not meet Board-approved compensation strategy that annual merit increases for ratings of Meets Expectations and above should be no less than 2.9 percentage points greater than the annual cost of labor adjustment.
- Cost of Labor at the low end of the World at Work range.

Option 3						
	Components of Employee Pay Adjustments	World at Work	Weighted Avg. of Option 3 Increase	Meets Expectations Rating	Exceeds Expectations Rating	Exceptional Rating
	Cost of Labor	1.3 – 3.0%		1.3%	1.3%	1.3%
+	Merit Pay	2.4 - 3.1%	3.8%	3.0%	4.5%	6.0%
=	Total Pay Increase	2.3 – 3.8%	5.1%	4.3%	5.8%	7.2%
Approximate Budget Impact including payroll taxes			\$405,000			
Amount in draft FY 2020 Budget			\$376,500			
Amount greater than draft Budget			\$28,500			

Observations about Option 3:

- Meets Board-approved compensation strategies for Merit Pay.
- Cost of Labor at the low end of the World at Work range.

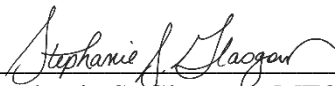
Option 4						
	Components of Employee Pay Adjustments	World at Work	Weighted Avg. of Option 4 Increase	Meets Expectations Rating	Exceeds Expectations Rating	Exceptional Rating
	Cost of Labor	1.3 – 3.0%		1.3%	1.3%	1.3%
+	Merit Pay	2.4 - 3.1%	2.9%	2.3%	3.45%	4.6%
=	Total Pay Increase	2.3 – 3.8%	4.2%	3.6%	4.8%	5.9%
Approximate Budget Impact including payroll taxes			\$340,000			
Amount in draft FY 2020 Budget			\$376,500			
Amount less than draft Budget			(\$36,500)			

Observations about Option 4:

- Does not meet Board-approved compensation strategy that annual merit increases for ratings of Meets Expectations and above should be no less than 2.9 percentage points greater than the annual cost of labor adjustment.
- Cost of Labor at the low end of the World at Work range.

Action Requested:

Staff seeks the Board’s discussion and guidance on employee pay adjustments for FY 2020. Board action recommended at the June 13, 2019 meeting.



Stephanie S. Glasgow, MESH, MPM, PHR, SHRM-CP
 Director of Human Resources and Safety

Attachments:

1. Board Approved Increases and World at Work data for the past five years
2. Draft Resolution Updating the Schedule of Employee Classification and Authorized Compensation; Adjusting Affected Employees’ Compensation to the Minimum of the Pay Range; and Authorizing Cost of Labor and Merit Pay Increases for Eligible Employees

**Board Approved Pay Increases and World at Work Data
For the Past Five Years**

OWASA's Fiscal Year (FY)	Cost of Labor Implemented by OWASA	Total Pay Increase Implemented by OWASA	World at Work Cost of Labor (Projected)	World at Work Cost of Labor (Actual)
FY2020	To Be Determined	To Be Determined	1.3% - 3.0%	N/A
FY2019	1%	COLA – 1% (Meets Expectations, Exceeds Expectations or Exceptional) Merit – 3% (Meets Expectations), 4.5% (Exceeds Expectations) and 6% (Exceptional)	0.6% - 2.2%	1.1% - 2.1%
FY2018	1%	COLA – 1% (Successful or Exceptional) Merit – 3% (Successful) and 6% (Exceptional)	1.1% - 2.5%	0.9% - 2.1%
FY2017	1.5%	COLA – 1.5% (Successful or Exceptional) Merit – 1.5% (Successful) and 3% (Exceptional)	0.8% - 2.7%	1.2% - 2.3%
FY2016	-0-	Merit – 3% (Successful) and 6% (Exceptional)	1.5% - 2.2%	0.5% - 2.0%
FY2015	-0-	Merit – 2% (Successful) and 3% (Exceptional)	Unknown	1.1% - 2.2%

Resolution Updating the Schedule of Employee Classification and Authorized Compensation; Adjusting Affected Employees' Compensation to the Minimum of the Pay Range; and Authorizing Cost of Labor and Merit Pay Increases for Eligible Employees

Whereas, the Orange Water and Sewer Authority maintains a Schedule of Employee Classification and Authorized Compensation which provides the appropriate number of properly classified and compensated employees to efficiently and effectively fulfill the organization's duties and responsibilities; and

Whereas, the Board of Directors has determined that it is reasonable and prudent in achieving and maintaining competitiveness in the market to increase the pay ranges in the Schedule of Employee Classification and Authorized Compensation; and

Whereas, the Board of Directors has determined that it is reasonable and prudent to provide Merit Increases to provide fair and equitable compensation so that qualified employees may be retained to do the work necessary for the operation of the OWASA service system:

Now Therefore, Be It Resolved:

1. That the Board of Directors hereby approves a _____% Cost of Labor increase for eligible employees who have earned a Meets Expectations, Exceeds Expectations or Exceptional Performance review during the October 2019 annual review process and the Executive Director is directed to adjust and implement the same percentage increase in salary ranges in the Schedule of Employee Classification and Authorized Compensation.
2. That the Board of Directors hereby approves a Merit increase to eligible employees earning a performance review rating of Meets Expectations during the October 2019 annual review process by increasing base pay _____%.
3. That the Board of Directors hereby approves a Merit increase to eligible employees earning a performance review rating of Exceeds Expectations during the October 2019 annual review process by increasing base pay _____%.
4. That the Board of Directors hereby approves a Merit increase to eligible employees earning a performance review rating of Exceptional during the October 2019 annual review process by increasing base pay _____%.
5. That employees whose salaries fall below the minimum amount of the new pay ranges shall be brought up to the minimum of the respective pay range regardless of the performance rating earned.
6. That the pay adjustments will be effective October 28, 2019.

Adopted this 23rd day of May, 2019.

Yinka Ayankoya, Chair

ATTEST:

Raymond E. DuBose, Secretary

DRAFT

Agenda Item

- Report of Board Members Eligible for Nominations to Election as Board Officers

Purpose

- To facilitate the nomination of Board Members interested and eligible for election to the Offices of Chair, Vice Chair, and Secretary of the OWASA Board of Directors for Fiscal Year 2020.

Background

- The Board of Directors has previously directed that the full Board shall serve as the Nominating Committee, and to that end, shall receive nominations for election to each office of the Board, at a Board meeting prior to the meeting in which the election of Board Officers is to be held.
- At the May 23rd meeting, any Board Member may nominate or self-nominate, and if seconded, those nominated shall constitute the slate of eligible candidates for election to each office.
- The Chair, Vice Chair and Secretary are to be elected annually at the Board’s first regular meeting in June, and shall hold office for one year or until their successors are elected and qualified.
- Every Board Member is considered as eligible for election, except those who have indicated their wish not to serve as Officers or in a particular office.
- In accordance with the foregoing directions, the Clerk to the Board of Directors has received information from Board members and determined that the following is a list of those interested and eligible for nomination and election to each office for the year beginning July 1, 2019:

<u>Chair</u>	<u>Vice Chair</u>	<u>Secretary</u>
Yinka Ayankoya	Yinka Ayankoya	Yinka Ayankoya
Ray DuBose	Ray DuBose	Bruce Boehm
Jody Eimers	Bruce Boehm	Ray DuBose
Robert Morgan	Jody Eimers	Jody Eimers
Ruchir Vora	Robert Morgan	Robert Morgan
	Ruchir Vora	Ruchir Vora

- From this list, Board Members will nominate candidates for election to each office on May 23, 2019. The ballot shall consist of those persons nominated, and whose nominations were seconded, in this process. The election of Officers will be conducted at the June 13, 2019 meeting. For the Election of Officers at the June 13th Board meeting, ballots will be prepared for each Office, with each ballot containing the names of all those so nominated for election

May 23, 2019

to that Office. The election will take place by written ballot, and will continue in successive rounds until an Officer is elected by five votes. In each successive round, the eligible candidates shall be the two who received the greater number of votes in the previous round. All of the written ballots are preserved as public records, in accordance with law.

- A member who must be absent from the June 13, 2019 meeting may vote by proxy in the Election of Officers by submitting a written, dated and signed statement of his or her vote for each office, to the Clerk to the Board prior to beginning of the Board meeting in which such election is to be conducted. Proxy votes will be counted so long as the person named on the proxy ballot remains in the running through successive rounds of voting.

Action Needed

- Finalize the nominations for the Officers of Chair, Vice Chair and Secretary for the OWASA Board of Directors for Fiscal Year 2020 so that ballots can be prepared for the June 13, 2019 meeting.