



ORANGE WATER AND SEWER AUTHORITY

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

October 11, 2017

Dear Piney Mt. Homeowners Association Board of Directors:

Orange Water and Sewer Authority, under a 1994 Agreement with the Piney Mountain Homeowners' Association (PMHOA), operates and maintains the wastewater pump station, force main, and sewer collector lines that provide wastewater service to the individual properties within the Piney Mountain Subdivision.

On an annual basis OWASA provides a summary of the activities and expenditures related to the operation of the Piney Mountain Subdivision wastewater system. This report for Fiscal Year 2017 covers the period July 1, 2016 to June 30, 2017.

Financial Status:

A capital reserve fund was established to fund future renewal and replacement of the wastewater system components. The balance in the capital reserve account at the beginning of this reporting period was \$260,978.09 and the ending balance as of June 30, 2017 was \$171,013.10. Contributions to the capital reserve fund are currently \$50.00 per month per property. The capital reserve contribution will remain at \$50.00 per month per property; there is no proposed increase at this time.

OWASA's approval to operate the wastewater system requires that all direct and indirect cost for operation of the wastewater facilities that serve the Piney Mountain Subdivision must be recovered directly from the users. Any past due charges from properties that are in bankruptcy or foreclosure must be collected which requires any outstanding balance be divided equally among the remaining Piney Mountain customer base. As of the date of this report there are no past due accounts for service fees or capital reserve charges.

For budgetary purposes it appears that the operation and maintenance expenses continue to be in the range of \$40,000 per year. The table below provides a summary of the total cost for system operation over the past five fiscal years, as well as the latest fiscal year (highlighted):

Fiscal Year	Total Charges
2013	\$37,158.17
2014	\$39,743.45
2015	\$36,435.10
2016	\$39,173.80
2017	\$39,335.71
AVG	\$38,369.25

System Operation & Maintenance:

For the period between July 2016 and June 2017 the Piney Mountain Subdivision wastewater system required routine operational checks (currently performed once per week) and episodic after hours response calls. The significant corrosion potential from high hydrogen sulfide levels associated with the STEP system effluent to the pump station continues to provide on-going maintenance challenges. The detailed inspection performed this past year found that the existing pumps and valves continue to be in satisfactory condition; the scheduled replacement for these items will be deferred until necessary. OWASA completed the capital improvement project improvements which consisted of electrical & control systems replacements, inclusive of full functionality of SCADA monitoring and a permanent on-site back-up emergency generator. These improvements were managed through OWASA's Capital Improvement Program; the Piney Mountain HOA was kept well informed throughout this project, from initial inception through final construction. The capital reserve account provided the funds for this capital improvement project; this is reflected in the accompanying spreadsheet. OWASA will continue to evaluate future system improvement needs through our established comprehensive asset management program.

Oil and Grease Issues:

As noted in previous reports, the pump station continues to develop episodic buildup of grease which can result in operational problems and additional maintenance costs. Excess grease in the wastewater system is related to the improper disposal of fats, oils and grease (FOGs) primarily associated with cooking and dishwashing. Fats, oils and grease should not be discharged down the drain but wiped or scraped off cooking equipment and disposed of in the trash.

Pharmaceutical Disposal:

The proper disposal of pharmaceuticals is an area that OWASA continues to stress to its customers. The effect on the environment from pharmaceuticals and personal care products discharged into the wastewater system and eventually into waterways is an increasing concern. Unused pharmaceuticals should not be flushed down the toilet but rather taken to one of the pharmaceutical collection points sponsored by Chapel Hill or Durham. Collection points are typically located at fire departments or local shopping malls. You can check local town and hospital websites to see when and where pharmaceutical collection events are being offered.

Should you have any questions about this report please do not hesitate to give me a call at my office number (919) 537-4352.

JKiviniemi

John Kiviniemi

Wastewater Treatment and Biosolids Recycling Manager

Orange Water & Sewer Authority

**PINEY MOUNTAIN SUBDIVISION WASTEWATER SYSTEM
ANNUAL REPORT - REPORT PERIOD: July, 2016-June, 2017**

CAPITAL RESERVE ACCOUNT:

Previous Balance as of 6/30/2016	\$ 260,978.09
Collected This Period	\$ 34,102.94
Interest This Period	\$ 624.12
Service Charges	\$.00
Expended This Period	\$ 124,692.05
Balance as of 6/30/2017	\$ 171,013.10

BILLING/COLLECTION:

City of Durham	\$ 28,926.05
Piedmont Electric	\$ 2,014.74
Frontier (phone service)	\$ 933.68
Public Service Co. of NC	\$ 213.20
(Taproot Lane generator)	
Administrative	\$ 1,092.22
Maintenance	\$ 6,155.72
TOTAL	\$ 39,335.61
Billing Adjustments	\$.00
Billed to Home Owners	\$ 39,335.61
Total Expenses as of 6/30/17	

MAINTENANCE WORK PERFORMED:

Pump Station: Capital Improvement Project – Electrical & SCADA, plus on-site generator

Collector Lines: No Work Required

Force Main: No Work Required

MAINTENANCE WORK SCHEDULED:

Pump Station: No Work Planned, at this time, beyond standard maintenance

Collector Lines: No Work Planned, at this time, beyond standard maintenance

Force Main: No Work Planned, at this time, however a future force main condition assessment and eventual replacement will be programmed into the future OWASA CIP

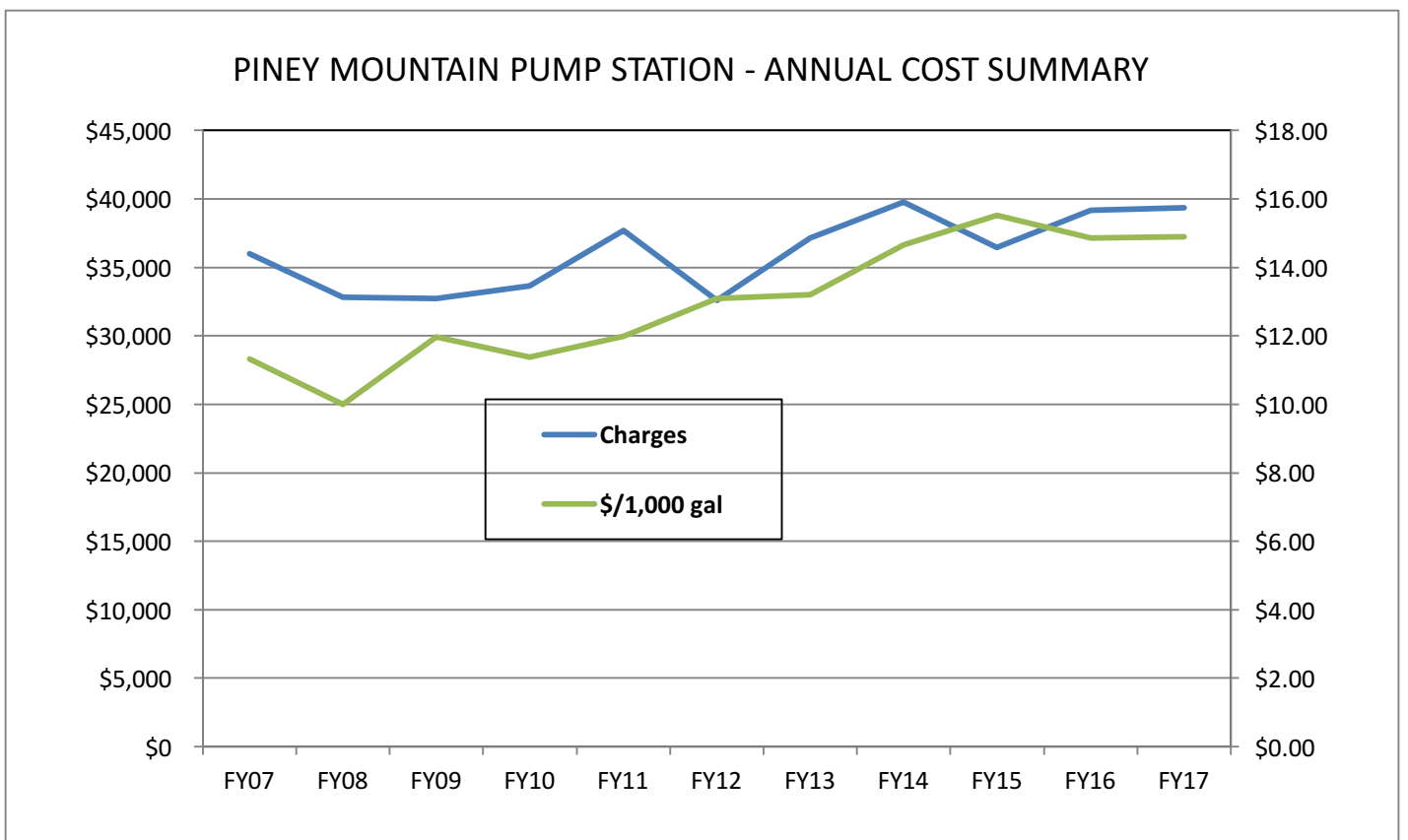
SEWER OVERFLOW:

Event Date: No sewer overflows during the report period

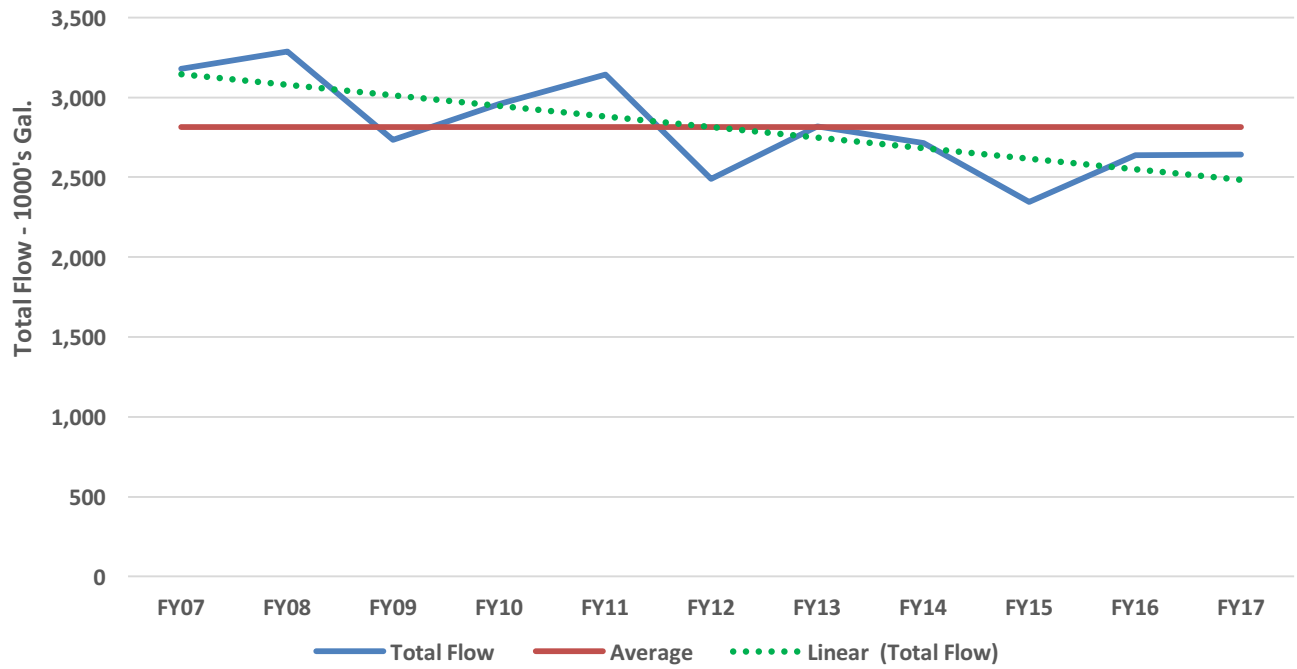
NUMBER OF CONNECTIONS:

Connections as of 6/30/17: 55

2016/2017	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY	JUN.
Total Rainfall (in.)	5.50	7.13	7.59	6.12	0.62	1.75	6.15	0.99	2.99	4.74	6.23	5.85
Total Flow (1,000 gal.)	308	226	221	175	265	199	200	173	187	287	225	175
Average (gal./month/unit)	5,600	4,109	4,018	3,182	4,818	3,618	3,636	3,145	3,400	5,218	4,091	3,182



PINEY MOUNTAIN PUMP STATION



PINEY MOUNTAIN PUMP STATION

