



ORANGE WATER AND SEWER AUTHORITY

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

AGENDA **MEETING OF THE OWASA BOARD OF DIRECTORS** **THURSDAY, FEBRUARY 25, 2010, 7:00 P.M.** **CHAPEL HILL TOWN COUNCIL**

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

7:00 PM

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.
2. Announcements by Board Members
 - A. Update on the Natural Resources Technical System Committee meeting held on Monday, February 8, 2010 (Alan Rimer)
3. Announcements by Staff
 - A. Annual chlorine disinfection of drinking water will occur during the month of March (John Greene)

Petitions and Requests

1. Public
2. Board
3. Staff

7:10 PM

CONSENT AGENDA

Information and Reports

1. 2009 Annual Recreation Report for University Lake and Cane Creek Reservoir (John Greene)
2. Semiannual Performance Measurement Report through Fiscal Years 2006-2010 (Ed Kerwin)

Action

3. Approval of the Minutes of the January 14, 2010 Board of Directors' Meeting (Andrea Orbich)
4. Approval of the Minutes of the January 28, 2010 Board of Directors' Meeting (Andrea Orbich)

REGULAR AGENDA

Discussion and Action

7:15 PM

5. Discussion of Request by NC Wildlife Resources Commission to Modify Hunting Schedule on OWASA Mitigation Property (John Greene)

Information and Reports

- 7:30 PM 6. Report by the Finance Committee regarding the Fiscal Year 2011 Budget Process (Gordon Merklein)
- 7:45 PM 7. Verbal Update on the Forestry Community meeting held on Wednesday, February 24, 2010 (Patrick Davis)

Discussion

- 8:00 PM 8. Board Discussion of a Paperless Agenda and other Board Documents (Randy Kabrick)




ORANGE WATER AND SEWER AUTHORITY

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MEMORANDUM

TO: Board of Directors

THROUGH: Ed Kerwin 

FROM: Kenneth Loflin

DATE: February 16, 2010

SUBJECT: 2009 Annual Recreation Report for University Lake and Cane Creek Reservoir

Opening Day

Continuing the tradition from previous years, opening day of the 2009 season, March 21, 2009, was once again proclaimed Lightning Brown Day at the Lakes. Lightning Brown Day at the Lakes was created by the OWASA Board of Directors in 1995 to honor Mr. Lightning Brown, a former member of the OWASA Board of Directors and a well known community activist. Each



University Lake

year on opening day, boat rental and lake user fees are waived at both reservoirs in recognition of Mr. Brown's service to the community. The lakes recorded a total of 213 visitors on opening day which represents a 37% increase in public participation over the 156 visitors on opening day in 2008. The reason for the increased participation is unexplained as the weather in 2009 was basically the same as it was in 2008. A total of 103 boats were issued to this year's visitors and an estimated \$1,599 in lake use and boat rental fees were waived.

Operating Schedule

The 2009 lake season began on Saturday, March 21st and ended Sunday, November 8th. From March 21st to July 1st University Lake was open Friday through Monday from 6:30 a.m. to 6:00 p.m. To reduce cost, the Board modified University Lake's schedule to only be open Friday through Sunday for the remainder of the season (July 1st to November 8th). Cane Creek Reservoir continued with its previous schedule



Cane Creek Reservoir

being open only on Saturdays from 6:30 a.m. to 6:00 p.m.

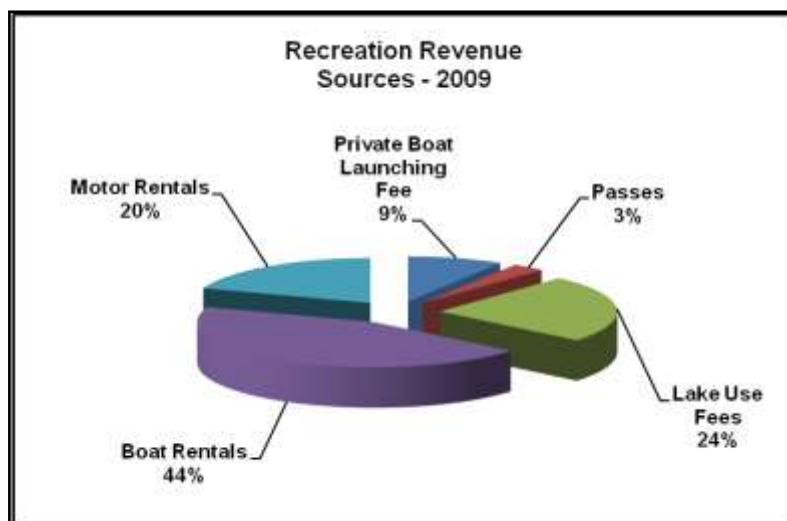
User Fees

The table below shows the rates and fees for the 2008 and 2009 season. In 2007 a decision was made to adjust the lake user fees for the following season during the adoption of the Rates and Fees Schedule. This process allows for the lake user fees to remain constant from the beginning of the lake season until the end of the season.

LAKE USE FEES:		<u>2008 Season</u> (3/22/08-11/9/08)	<u>2009 Season</u> (3/21/09-11/8/09)
Boat Rental	Orange County Resident	\$8.00	\$8.00
	Non-county Resident	\$12.00	\$12.00
Private Boat Launch Fee	Orange County Resident	\$3.00	\$7.00
	Non-county Resident	\$6.00	\$11.00
Motor Rental	Orange County Resident	\$14.00	\$14.00
	Non-county Resident	\$20.00	\$20.00
Lake Use Fees	Orange County Resident	\$ 4.00	\$4.00
	Non-county Resident	\$ 5.00	\$5.00
	Senior or Child	\$ 2.00	\$2.00

Revenues & Attendance

University Lake generated \$32,248 in total revenue during the 2009 season. This is a 12% decrease from the 2008 season, in which \$36,774 in total revenue was generated. Usage of University Lake during the 2009 season totaled 4,927 visitors, a 12% decrease over the 5,612 visitors from the 2008 season. The decline in attendance and revenue was due to a reduction in the number of days the facility was open to the public. Revenues generated per visitor during 2009 totaled \$6.55, the exact same amount generated per patron for the 2008 season.

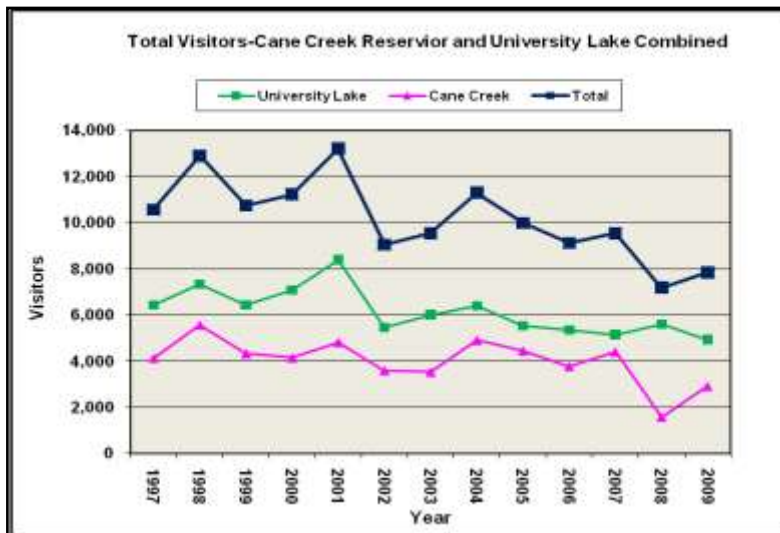


In 2009, Cane Creek, which is only open to the public on Saturdays, collected \$23,880 in total revenue, a 68% increase over the \$14,178.00 from the 2008 season. Revenues were low during the 2008 season because Cane Creek operated at a very limited schedule due to declining lake levels from the drought. Cane Creek received 2,914 visitors, an 85% increase from the 1,576 visitors received in 2008. Revenues generated per visitor in 2009 totaled \$8.19, a

9% decrease from the \$8.99, generated per person in the 2008 season.

A total of \$56,128 in revenue was generated from recreation activities at the two facilities. This is approximately 10% more than the \$50,952 generated in the 2008 season. University Lake generated more visitors and revenue simply because it was open for more days than Cane Creek.

Overall the facilities had a combined total of 7,841 visitors during the 2009 season representing a 10% increase when compared to the 7,188 visitors in the 2008 season. On average, combined attendance at the lakes has decreased since 2004. During the 2004 season the lakes saw a combined total of 11,302 visitors. The 2009 attendance figure represents a 31% decline in attendance from the 2004 season. This would be expected with the changes in the lakes operating schedules.



Demographics

Visitors to University Lake came from 21 of the 100 North Carolina counties accounting for 4,810 of the 4,927 visitors. The remaining 117 visitors came from out of the country or from out of state. Orange County residents continue to make up the majority of the visitors at University Lake (84%) followed by Durham County residents (6%), Wake County residents (2%), and Chatham County residents (2%).

Cane Creek Reservoir provided recreation for 2,781 visitors from 24 different counties. The remaining 133 visitors were from out of state. Although a much lower percentage than University Lake, Orange County residents were the majority of visitors at Cane Creek Reservoir (37%) followed by Robeson residents (13%), Guilford County residents (12%) and Alamance residents (9%).

Season Passes

For the 2009 season five types of passes were available for purchase. A single boat pass is issued to only one person and includes the boat rental and lake use fee. The group pass is honored for up to four people including the person who is the holder of the pass. The lake use pass is for a single individual and includes the associated lake use fee. The table below shows the fees for the different types of passes.

Season Pass Fee

Type of Pass	2008 Rates	2009 Rates
Single boat only	\$75.00	\$75.00
Single boat and motor	\$150.00	\$150.00
Group boat only	\$150.00	\$150.00
Group boat and motor	\$220.00	\$220.00
Lake use	\$40.00	\$40.00

The most popular type of pass sold remains to be the single boat only, with a total of 10 passes sold. This is a 67% increase from the 2008 season where 6 single boat only passes were sold. Until the 2008 season there had been a steady increase in the number of passes sold since 2005. Pass sales have declined the past two years. The following table shows the number of passes sold by type during the 2005 to 2009 lakes seasons.

Number of Passes Sold by Type

	2005	2006	2007	2008	2009
Single boat only	10	11	18	6	10
Single boat and motor	2	7	6	4	5
Group boat only	4	3	3	3	1
Group boat and motor	3	3	2	1	0
Lake Use	-	-	-	1	1
TOTAL	19	24	29	15	17

Overall a total of 17 passes were sold during the 2009 season, a 13% increase over the 15 passes sold during the 2008 season. Passes generated \$1,690 in total revenue. Each of the 17 passes sold were used an average of 14 times.

Free Fridays

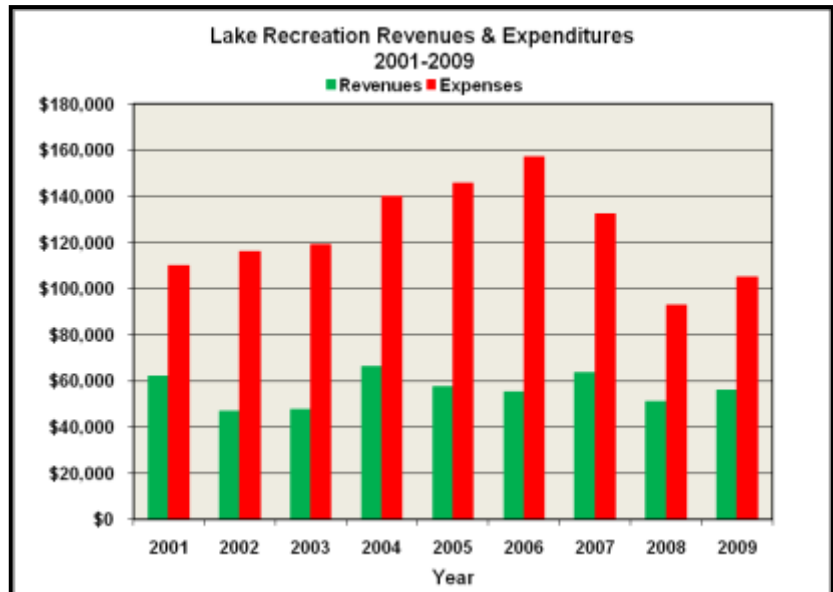
From 1998 through 2008 OWASA offered a program named Free Fridays at the Lakes to promote customer awareness of the recreation opportunities offered at the lakes. However, few citizens took advantage of the Free Fridays program after 1998. The OWASA Board of Directors agreed to discontinue the Free Fridays program beginning with the 2009 lake season.

Expenses versus Revenues

Exhibit A provides an overview of revenues collected from 2001 through the 2009 lake seasons. Exhibit B provides a summary of the total expenses incurred to operate the reservoirs and the cost associated with providing recreation. The lakes' staff report all work time to one of five categories which includes: maintenance, recreation activities, security, grounds, and office/other.

A portion of each of the five categories is allocated to the cost to operate the two lakes as public recreation facilities.

As shown in Exhibit B, expenses exceed revenues by \$48,806 in 2009. The ratio of the cost of providing services to revenues generated is also worth noting. The ratio was 1.87, indicating that expenses totaled \$1.87 for every \$1.00 in revenues generated. Labor remains the largest expense in the operation of both lakes.



I am available to address any questions the Board might have concerning this report or the lake's operation.

Kenneth Loflin
Manager of Water Supply and Treatment

Attachments

Exhibit A

Total Revenues from Lakes Operations

	2001	2002	2003	2004	2005	2006	2007	2008	2009
Boat Rentals	\$ 33,159	\$ 23,928	\$ 26,771	\$ 36,868	\$ 31,599	\$ 29,905	\$ 32,961	\$ 23,534	\$ 24,885
Lake Use & Boat Launch Fees	\$ 11,430	\$ 8,377	\$ 8,327	\$ 12,594	\$ 11,007	\$ 10,461	\$ 12,609	\$ 15,514	\$ 18,524
Electric Motor Rentals	\$ 14,776	\$ 12,166	\$ 11,455	\$ 15,199	\$ 13,021	\$ 12,777	\$ 15,212	\$ 10,144	\$ 11,029
Lakes Use Passes	\$ 2,500	\$ 2,000	\$ 750	\$ 1,440	\$ 1,860	\$ 1,950	\$ 2,898	\$ 1,760	\$ 1,690
Paddle & Pontoon Boat	\$ -	\$ 5	\$ 59	\$ -	\$ -	\$ 10	\$ 74	\$ -	\$ -
Sundries	\$ 142	\$ 348	\$ 195	\$ 98	\$ -	\$ -	\$ -	\$ -	\$ -
TOTALS:	\$ 62,007	\$ 46,824	\$ 47,557	\$ 66,199	\$ 57,487	\$ 55,103	\$ 63,754	\$ 50,952	\$ 56,128

Exhibit B
Annual Expenses for Lakes Operations

	Total Lakes Operating Expenses for 2009	Total Recreation Expenses for 2009
Full Time Employee Salaries	\$ 156,352	\$ 63,814
Fringe Benefits	\$ 50,033	\$ 20,420
Part Time Employee Salaries	\$ 0	\$ 0
Utilities	\$ 10,752	\$ 3,710
Materials and Supplies	\$ 13,389	\$ 12,434
Maintenance of Facilities	\$ 3,015	\$ 374
Annual Amortization of equipment	\$ 4,000	\$ 4,000
Miscellaneous Expenses	<u>\$ 2,199</u>	<u>\$ 182</u>
Expense Total:	\$ 239,740	\$104,934
Revenue Total:		<u>\$ 56,128</u>
Recreation Deficit Funded by the General Fund		\$ 48,806
Cost Ratio-Operating Cost /Revenue		1.87



ORANGE WATER AND SEWER AUTHORITY

ITEM 2

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

MEMORANDUM

TO: Board of Directors

FROM: Ed Kerwin

DATE: February 18, 2010

SUBJECT: Performance Measurement Report through Fiscal Years (FY) 2006-2010

Attached for your review is our Semiannual Performance Measurement Report for FY 2006-2010 (through December 31, 2009). The following comments are provided regarding notable variances from expectations measured for FY 2010:

Water Supply & Treatment

- **Process water recycled as a percentage of total process water:** The goal for recycling 90% of process water was not met due to the cleaning of process basins during the months of October and November 2009.

Water Distribution

- **Meter change out:** Our annual change out program of approximately 960 meters was not funded in FY 10 as a cost reduction measure. However, some meter change outs were necessary due to meters that stopped running or could not be read due to a foggy or broken register.
- **Accounted for water percentage:** Staff is currently reviewing the water produced and water sales data to ensure it is accurately being reported.

Customer Service

- **Billing timeliness:** Late fees were removed from our software from an unknown source, therefore resulting in two billings being one day late each.

Finance

- **Credit Ratings:** OWASA received a downgrade from Fitch Ratings for its outstanding debt from AA+ to AA. Reasons cited by Fitch were lower than expected debt service coverage and diminished cash balances from historical levels.

Engineering

- **Actual capital project expense to budget (planned vs. actual):** The Capital Improvements Program this FY includes very little construction expenditures due to budget constraints. The first half of the FY did include completing the Phase II Odor Improvements project at the WWTP. Our OWASA crew water main replacement project

completion rate has been slower than anticipated. The budget does include several important studies that will inform the CIP for many years to come. It took longer than anticipated to negotiate the consultant contracts to begin the studies. They are now all well under way, but two of them will take longer to complete than expected and will not be complete until next fiscal year.

Should you have any questions about the comments provided or the information detailed on the individual departments' performance measurement reports, please do not hesitate to contact me.



Ed Kerwin
Executive Director

Attachment



Performance Measurement Report

Fiscal Years 2006 – 2010
(Through 12/31/09)

ORANGE WATER AND SEWER AUTHORITY
Chapel Hill – Carrboro, NC

Purpose: *to provide key performance indicators for OWASA's operations and business activities in order to objectively measure the effectiveness of OWASA's continuous improvement efforts.*

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Water Supply and Treatment

The Water Supply and Treatment function is the responsibility of the Water Supply and Treatment Manager and is responsible for the operation of the Cane Creek, University Lake and Stone Quarry reservoirs and recreation facilities, the Jones Ferry Road Water Treatment Plant, and the elevated storage tanks within the finished water distribution system.

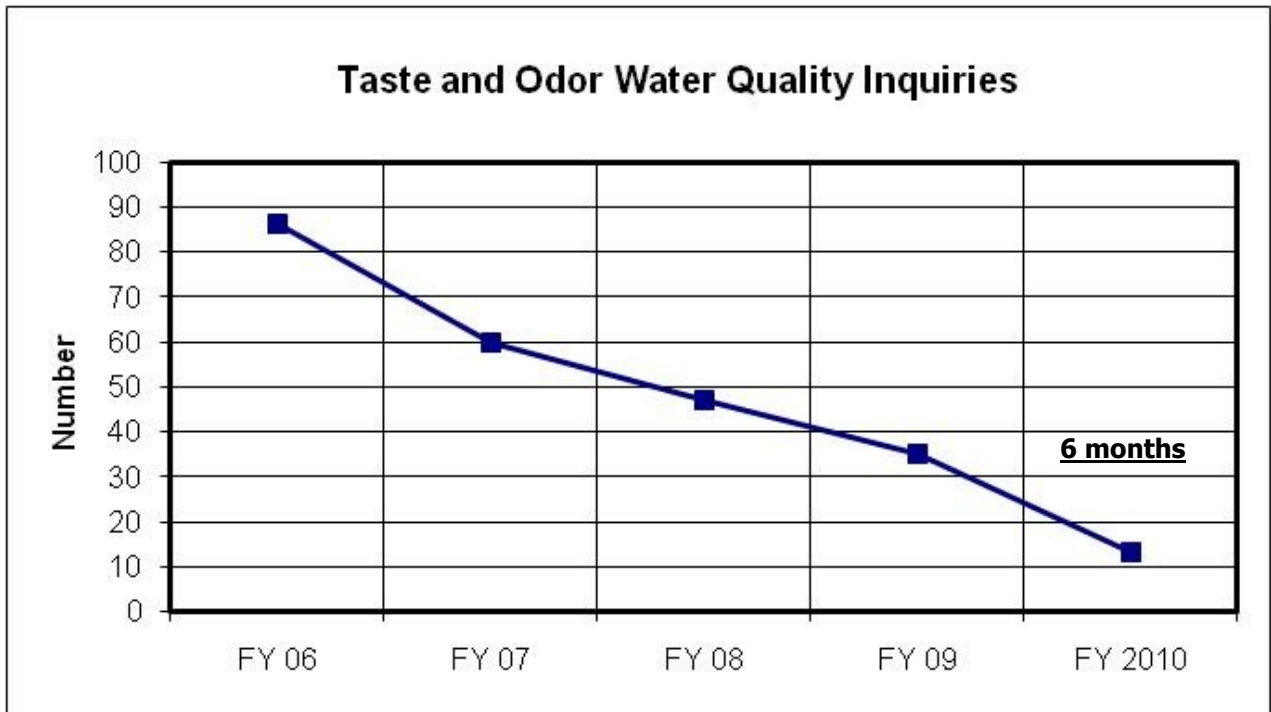
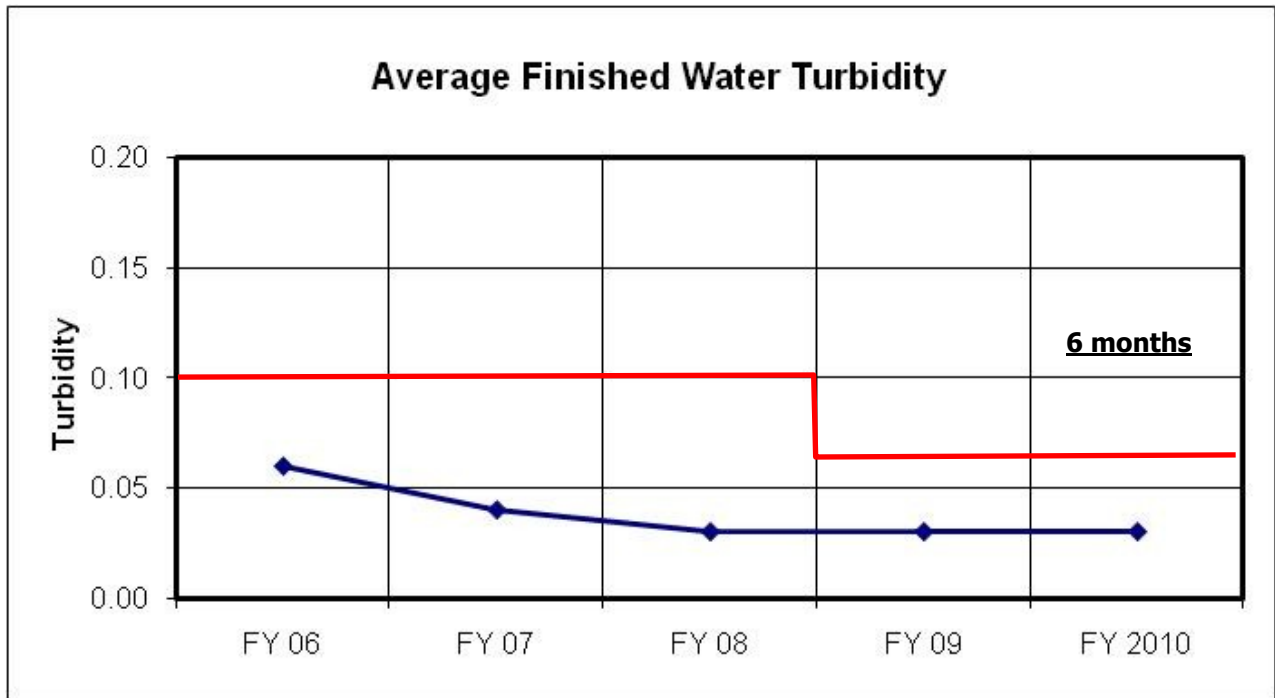
PERFORMANCE MEASURES:

<u>Type</u>	<u>Measurement</u>
Workload	Finished water pumped to distribution system <i>Measure of the number of million gallons of finished drinking water pumped from the Jones Ferry Road Water Treatment Plant to the water distribution system.</i>
	Total solids removed <i>The amount of solids removed from the water treatment process.</i>
	Solids beneficially reused <i>The percent of solids that were removed from the water treatment process that was treated and recycled for beneficial use.</i>
Efficiency	Kilowatt hours used per thousand gallons treated <i>A measure of the total energy units required to pump and treat one thousand gallons of raw water.</i>
Effectiveness	Number of primary drinking water standards noncompliances <i>A monthly report is filed with the NC Division of Environmental Health regarding the quality of the drinking water. Any noncompliance of primary drinking water standards would be reported.</i>
	Number of secondary drinking water standards noncompliances <i>A monthly report is filed with the NC Division of Environmental Health regarding the quality of the drinking water. Any noncompliances of secondary drinking water standards would be reported.</i>
	Average finished water turbidity <i>A measure of the presence of suspended and colloidal matter in the finished water. The analytical measurement is reported in nephelometric turbidity units (NTU).</i>
	Number of water quality inquiries <i>The number of customer water quality inquiries and complaints received from OWASA customers by the Laboratory Staff. Inquires are divided into five categories including taste and odor, chlorine taste or smell, discolored water, other complaints, and information requests.</i>
	NPDES permit noncompliance <i>The number of NPDES permit violations for processed water discharged to the Rocky Brook Branch.</i>
	Process water as a percentage of total raw water treated <i>The total quantity of water required in the day to day operation (pump seal water, chemical carrier water) and maintenance (cleaning and solids removal) of the various treatment processes. It is measured as a percentage of the total raw water treated.</i>
	Process water recycled as a percentage of total process water <i>The volume of treated process water beneficially reused.</i>

Water Supply and Treatment

		Units	Total FY 06	Total FY 07	Total FY 08	Total FY 09	FY 10 Jul-Dec	Annual Goal
W O R K L O A D	Finished water pumped TOTAL to the distribution system	MG	3,126	3,008	2,930	3,008	1,492	N/A
	AVERAGE DAY	MGD	8.6	8.2	8.0	8.2	8.1	N/A
	Total solids removed	DRY TONS	646	662	609	662	328	N/A
	Solids beneficially reused	%	100	100	100	100	100	N/A
E F F I C I E N C Y	Energy units per 1,000 gallons							
	Raw water pumping	KWH/ 1,000	0.9	1.0	0.9	1.0	1.0	N/A
	Finished water pumping	Gal.	1.1	1.1	1.1	1.1	1.0	N/A
E F F E C T I V E N E S S	Primary drinking water standards non-compliances	EA.	0	0	0	0	0	0
	Secondary drinking water standards non-compliances	EA.	0	0	0	0	0	0
	Average finished water turbidity	NTU	0.04	0.03	0.03	0.03	0.03	< 0.06
	Water quality inquiries:	TOTAL	382	255	301	317	96	N/A
	Taste & odor	EA.	60	47	35	86	13	
	Chlorine	EA.	25	7	9	20	0	
	Discolored	EA.	21	21	19	12	10	
	Other	EA.	28	22	23	57	16	
	Information Requests	EA.	248	158	215	142	57	
NPDES permit noncompliance	EA.	0	0	2	0	0	0	
Process water as a percentage of total raw water treated	%	7.3	6.8	6.9	6.8	6.3	< 8.0	
Process water recycled as a percentage of total process water	%	89	82	80	82	83	> 90	

Water Supply and Treatment



Water Distribution

The Water Distribution function is the responsibility of the Distribution and Collections System Manager and is responsible for operating and maintaining the finished water distribution system from the Jones Ferry Road Water Treatment Plant to the meters at the customers' premises except the finished water storage tanks.

PERFORMANCE MEASURES:

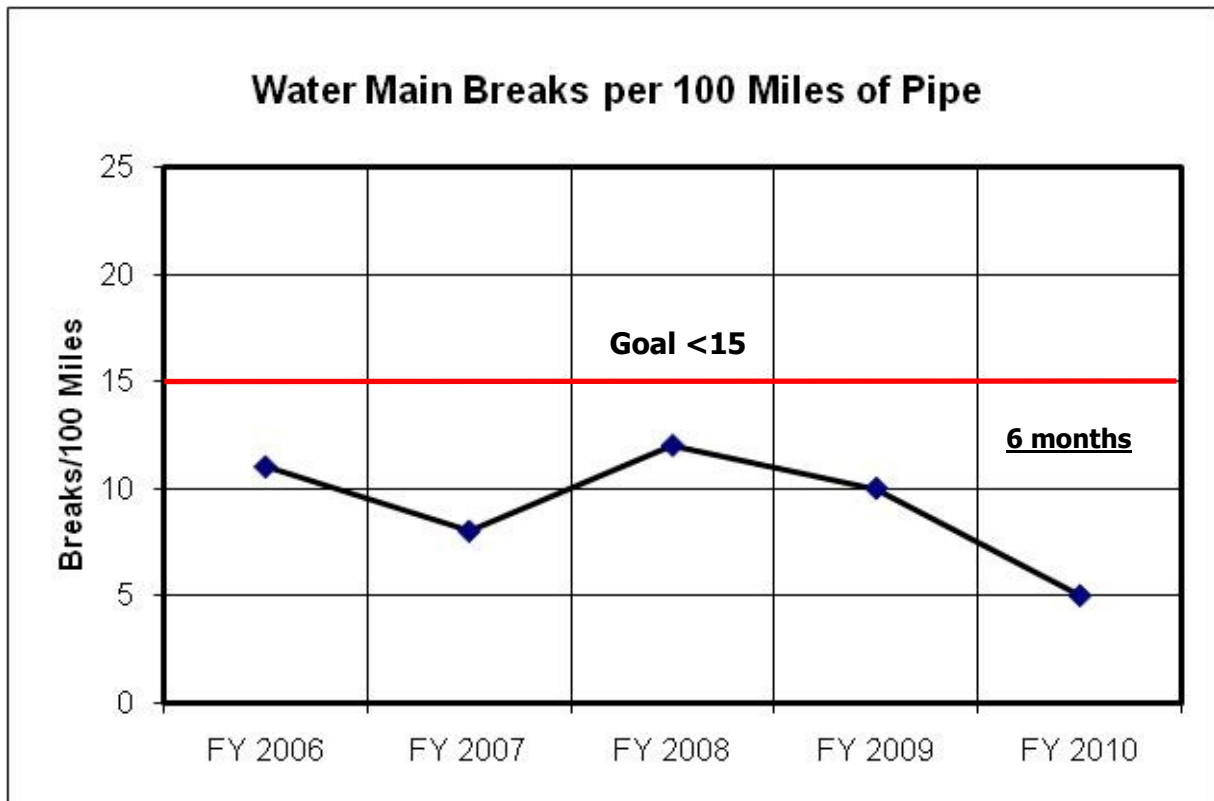
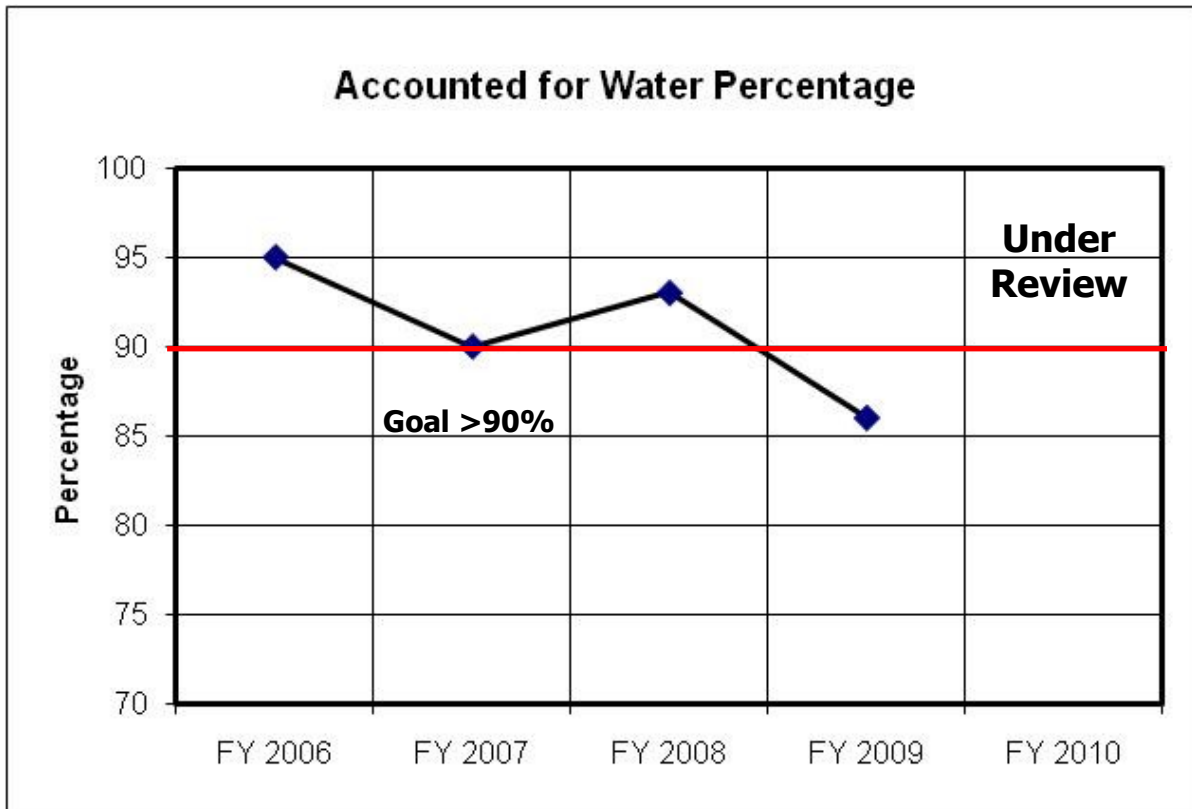
<u>Type</u>	<u>Measurement</u>
Workload	Length of pipe in system <i>Miles of finished water distribution piping maintained from the Jones Ferry Road Water Treatment Plant to the customers' service lines.</i>
	Feet of pipe replaced in-house <i>Total footage of water distribution piping replaced by in-house crews as part of the ongoing renewal and replacement program.</i>
	Meters changed out <i>The number of meters replaced.</i>
	New meters set <i>The number of new service meters installed.</i>
Efficiency	Percentage of distribution system uni-directional flushed <i>The number of flushing sequences completed to the total number of flushing sequences within the distribution system (a water quality task).</i>
Effectiveness	Accounted for water percentage <i>The volume of finished water billed divided by the volume of finished water pumped to the distribution system.</i>
	Main breaks per 100 miles of pipe <i>The number of main breaks per 100 miles of water distribution pipe.</i>
	Percent of emergency repairs completed within 5 hours <i>The number of emergency repairs completed within 5 hours divided by the total number of emergency repairs completed.</i>
	Meter reading accuracy <i>Percentage of meters read accurately for which the data is used as the basis for customers' bills.</i>
	Customer Effectiveness rating on rehabilitation projects <i>Rating from 1 to 5 (5 being highest) by OWASA customers of our water main rehabilitation program.</i>

Water Distribution

		Units	Total FY 06	Total FY 07	Total FY 08	Total FY 09	FY 10 Jul-Dec	Annual Goal
W O R K L O A D	Length of pipe in system	MILES	346	387	389	390	391	N/A
	Pipe replaced in-house	FT.	7,510	10,821	7,020	4,352	3,176	4,500
	Meters changed out	EA.	800	86	1,057	486	59	960
	New meters set	EA.	412	232	170	84	41	N/A
E F F I C I E N C Y	Distribution System Uni-directional Flushed	%		2	--	100	-- <u>Flushing to resume in the spring of 2010</u>	N/A
E F F E C T I V E N E S S	Accounted for water percentage	%	95	90	93	86	**	>90
	Number of main breaks per 100 miles of pipe	NO./100 MILE	12	8	12	10	5	<15
	Percent of emergency repairs completed within 5 hours	%	98	98	98	98	98	>90
	Meter reading accuracy	%	99	99	99	99	99	100
	Customer effectiveness rating on rehabilitation projects	1-5 (5 Highest)	4.4	4.3	4.0	N/A	N/A	>4.0

** Staff is currently reviewing the water produced and water sales data to ensure it is accurately being reported.

Water Distribution



Wastewater Collection

The Wastewater Collection function is the responsibility of the Distribution and Collection Systems Manager and is responsible for operating and maintaining the wastewater collection system between the customer's service lateral and the Mason Farm Wastewater Treatment Plant, except the wastewater pumping stations.

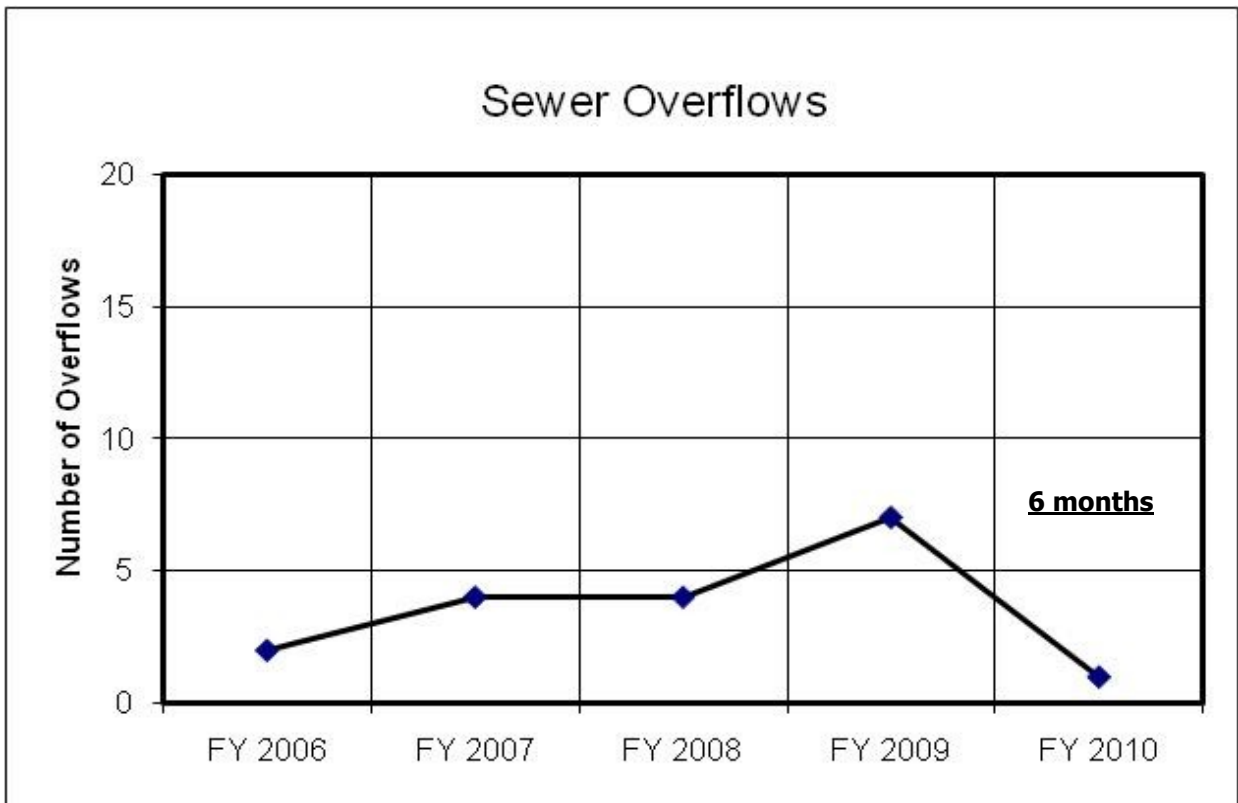
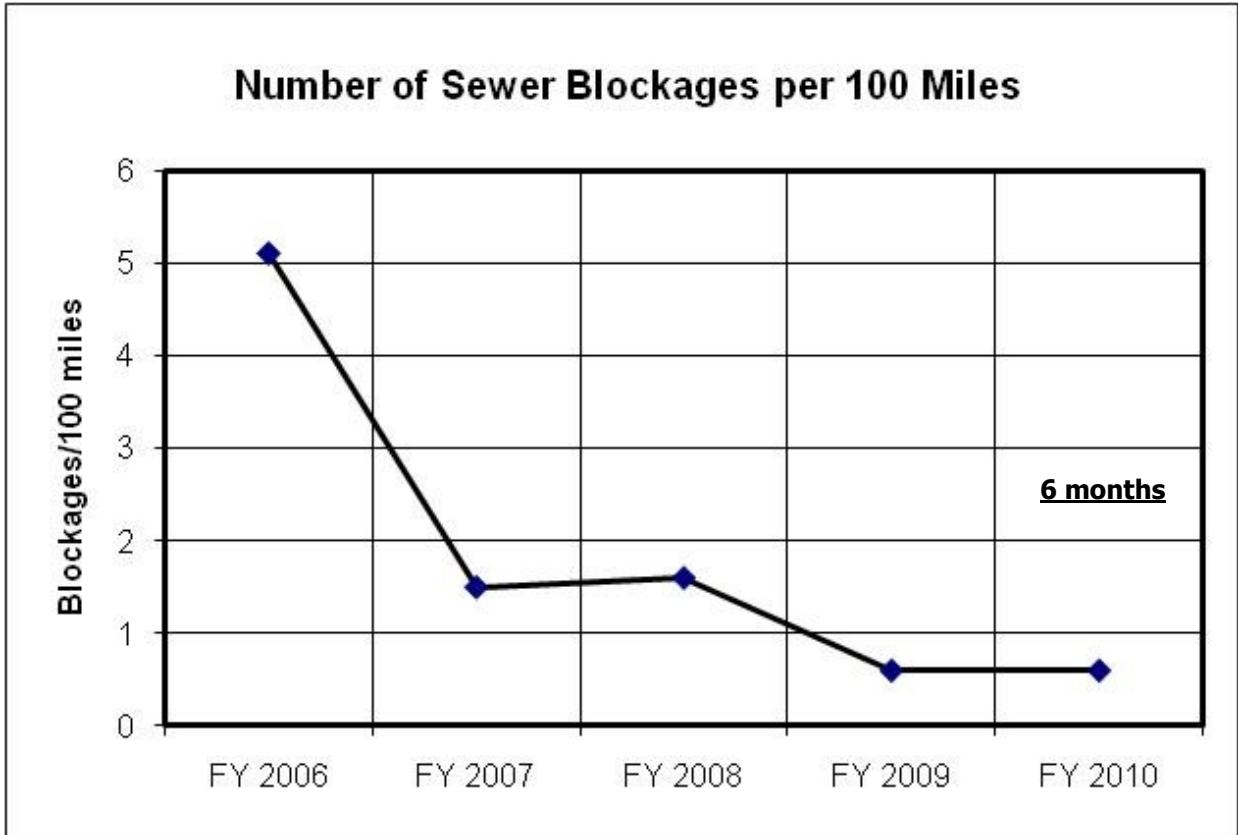
PERFORMANCE MEASURES:

<u>Type</u>	<u>Measurement</u>
Workload	Miles of pipe maintained <i>Miles of wastewater collection piping maintained from the customers' service laterals to the Mason Farm Wastewater Treatment Plant.</i>
	Miles of easement maintained <i>The miles of sewer easement mowed and kept clear.</i>
	Miles of pipe televised <i>The miles of sewer pipe televised.</i>
	Miles of pipe cleaned <i>The miles of sewer pipes flushed and cleaned.</i>
Effectiveness	Number of sewer blockages per 100 miles of pipe maintained <i>Total number of sewer blockages per 100 miles of sewer pipe.</i>
	Number of blockages due to roots <i>Number of sewer pipe blockages due to roots.</i>
	Number of blockages due to grease <i>The number of sewer pipe blockages due to grease.</i>
	Sewer overflows <i>Number of reportable wastewater overflows that occur in the OWASA wastewater collection system.</i>
	Sewer overflow per million gallons treated <i>The total gallons of wastewater overflows divided by that total volume (MG) of wastewater treated.</i>

Wastewater Collection

		Units	Total FY 06	Total FY 07	Total FY 08	Total FY 09	FY 10 Jul-Dec	Annual Goal
W O R K L O A D	Pipe maintained	MILES	312	317	320	322	321	N/A
	Sewer easements mowed	MILES	141	144	117	94	113	140
	Sewer line video inspected	MILES	12	10	9	8	8	14
	Sewer line cleaned	MILES	173	159	160	95	60	135
E F F E C T I V E N E S S	Number of sewer blockages per 100 miles of sewer pipe	NO./ 100 MILE	5.1	1.5	1.6	0.6	0.6	TBD
	Number of blockages due to roots	EA.	4	1	0	0	1	<10
	Number of blockages due to grease	EA.	2	1	2	1	0	TBD
	Sewer overflows	EA.	2	4	4	7	1	0
	Sewer overflow per million gallons treated	GAL/MG	14.0	7.9	2.8	3.4	4.8	0

Wastewater Collection



Wastewater Treatment

The Wastewater Treatment function is the responsibility of the Wastewater Treatment & Biosolids Recycling Manager and is responsible for operation of the Mason Farm Wastewater Treatment Plant (WWTP), and the biosolids management program.

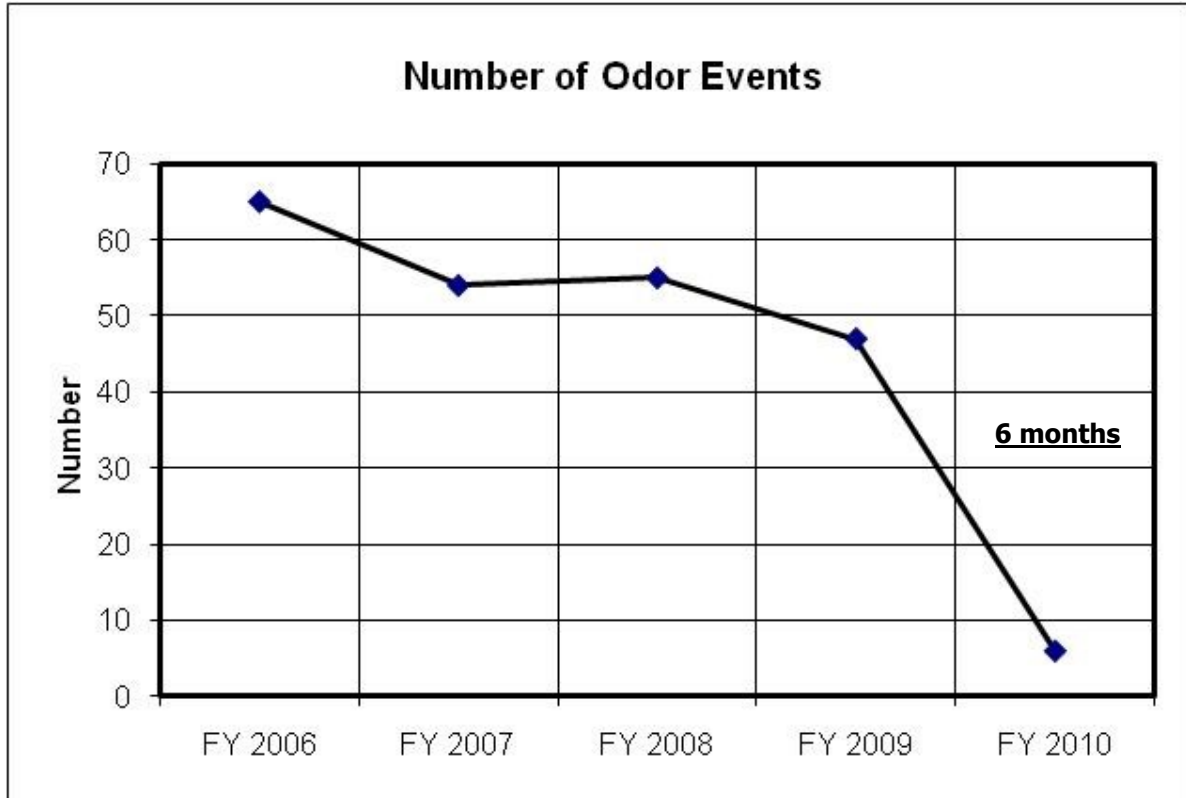
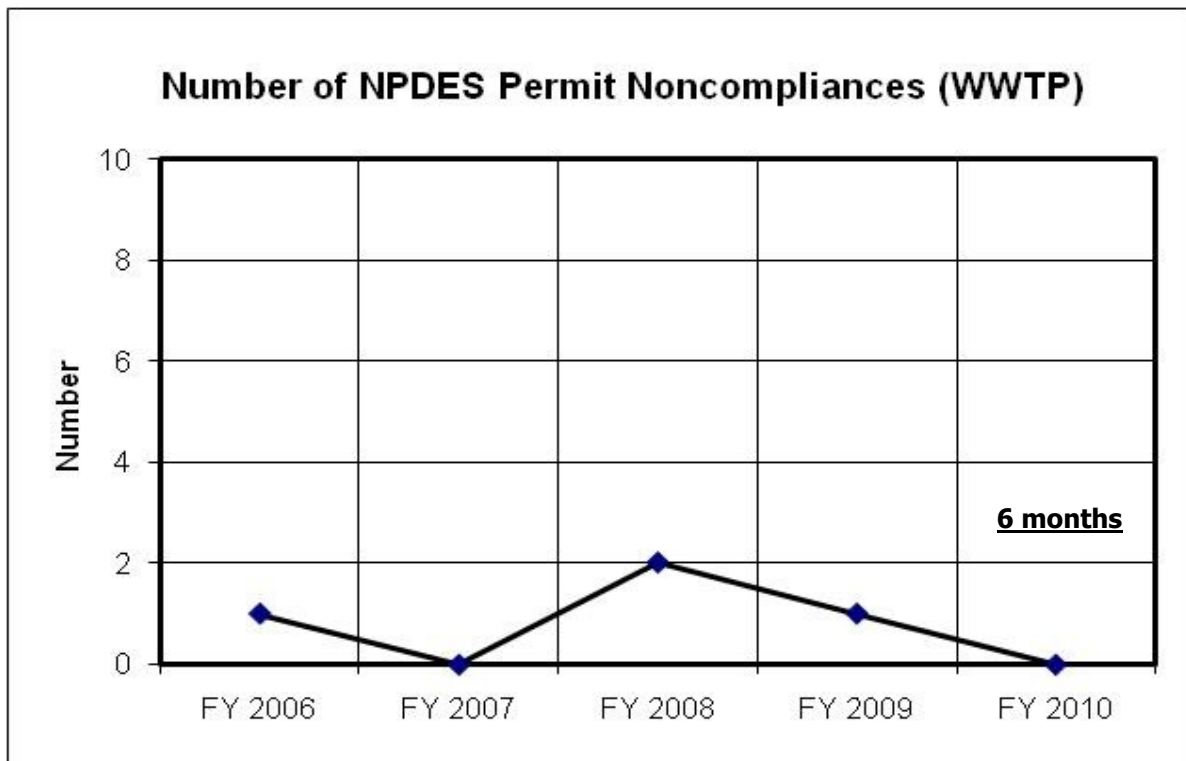
PERFORMANCE MEASURES:

<u>Type</u>	<u>Measurement</u>
Workload	Million gallons treated <i>Measurement of the number of million gallons treated at the WWTP as determined by the influent flow meter. Values are expressed as average daily flow for the year, highest flow recorded for a single day during the year (peak day), and highest flow recorded for a single month during the year (peak month).</i>
	Million gallons of biosolids produced <i>Measurement of the number of gallons of biosolids produced.</i>
	Percent of biosolids treated and beneficially reused <i>Percent of biosolids that were recycled (beneficial use) rather than incinerated or land applied.</i>
	Million gallons of septage treated <i>Measurement of the number of million gallons of septage treated at the WWTP.</i>
Efficiency	Kilowatt hours used per thousand gallons treated <i>A measure of the total energy required to treat one thousand gallons of wastewater.</i>
Effectiveness	Number of permit noncompliances (WWTP, Reclaimed Water and Biosolids) <i>The numbers of permit noncompliances as reported on the monthly reports to the NC Division of Water Quality.</i>
	Number of wastewater overflows <i>The number of reportable wastewater overflows which occur at the WWTP.</i>
	Number of odor events <i>The number of odor events documented regarding the operation of the WWTP.</i>
	Treatment Process Effectiveness <i>The average effluent total suspended solids, carbonaceous biological oxygen demand, ammonia nitrogen, and total phosphorus compared to the NPDES permit limit.</i>
	Days of biosolids storage available <i>The number of days available biosolids storage, when due to weather, recycling is not possible.</i>
	Ratio of peak day flow vs. annual average. <i>The ratio of the peak day flow for the reporting period vs. the running annual average.</i>
	Reclaimed water <i>The volume of reclaimed effluent from the WWTP beneficially reused (distributed to the University for cooling and irrigation, used onsite at the WWTP, and bulk pickups for offsite use).</i>
	Methane gas utilization <i>A measure of methane gas beneficially reused at the WWTP.</i>

Wastewater Treatment

		Units	Total FY 06	Total FY 07	Total FY 08	Total FY 09	FY 10 Jul-Dec	Annual Goal
W O R K L O A D	Wastewater treated	TOTAL MG	2,721	2,855	2,707	2,864	1,428	N/A
		AVERAGE DAY MGD	7.4	7.8	7.4	7.9	7.8	
		PEAK DAY MGD	11.8	15.7	14.4	22.5	15.1	
		PEAK MONTHLY FLOW MGD	7.9	8.9	8.4	9.8	8.9	
E F F I C I E N C Y	Biosolids produced	MG	13.84	17.77	16.48	16.47	6.65	N/A
	Biosolids recycled	%	100	100	100	100	100	N/A
	Septage received	MG	1.00	0.79	0.55	0.57	0.35	N/A
E F F I C I E N C Y E F F E C T I V E N E S S	Energy units per 1,000 gallons	KWH/ 1000 gal	4.31	4.16	4.83	4.62	4.77	N/A
	Permit noncompliances							
	Wastewater Treatment	EA.	1	0	2	1	0	0
	Reclaimed Water	EA.	--	--	5	0	0	0
	Biosolids	EA.	--	--	--	1	0	0
	Wastewater overflows at plant	EA.	0	1	1	1	0	0
	Odor events	EA.	65	54	55	47	6	0
	Treatment Process Effectiveness							
	Total suspended solids	mg/l	5	2	1	1	<1.0	< 30
	CBOD	mg/l	2.0	<2.0	<2.0	<2.0	<2.0	< 4.0 (8.0)
	NH3-N	mg/l	0.3	0.3	0.75	0.13	0.10	< 2.0 (4.0)
	Total Phosphorus	mg/l	0.6	0.4	0.35	0.33	0.37	< 0.6
	<i>(NPDES Permit Limits)</i>							PERMITTED SUMMER LIMITS (WINTER LIMITS)
Available biosolids storage capacity	DAYS	28	22	26	16	29	30	
Ratio of peak day flow to running annual average	%	1.59	2.01	1.68	2.35	1.94	TBD	
Reclaimed water	MG.			0.22	36.71	55.02	N/A	
Methane gas utilization	TBD							

Wastewater Treatment



Maintenance

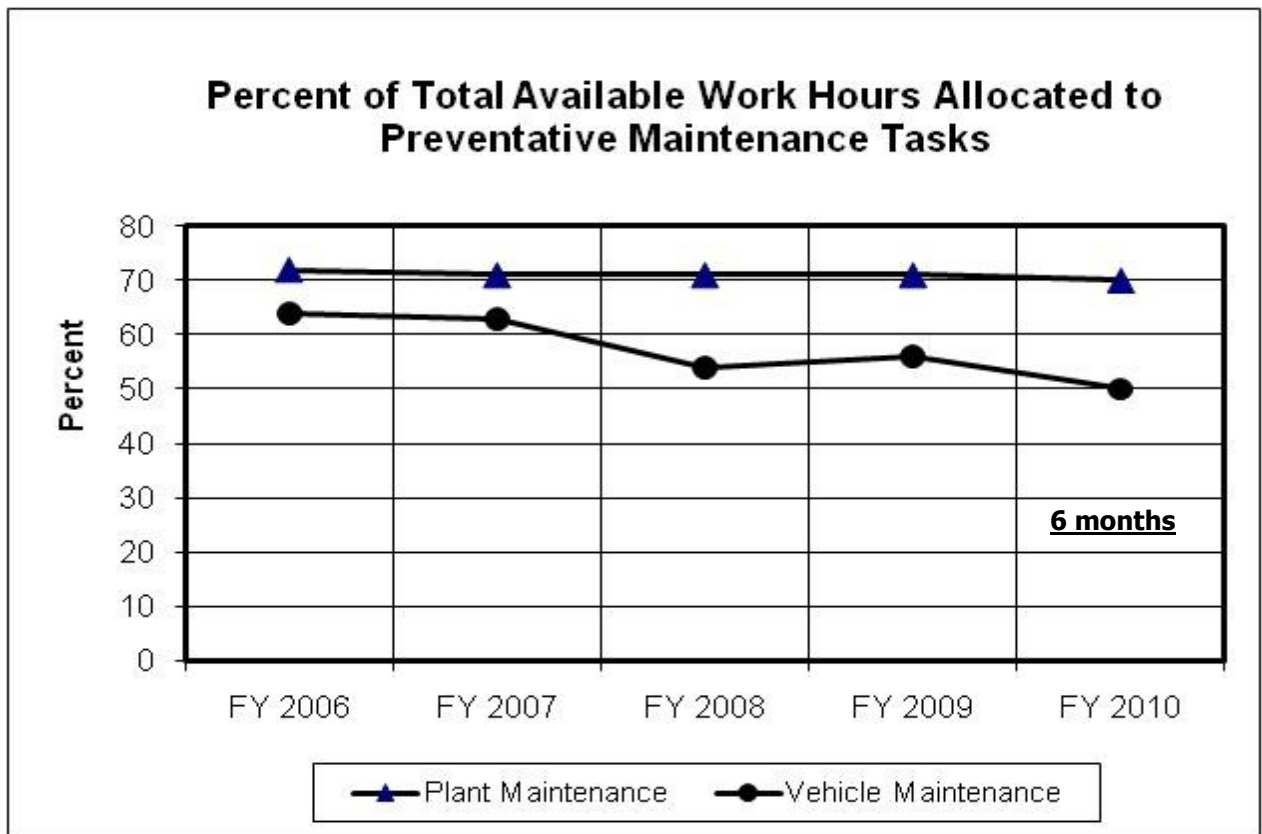
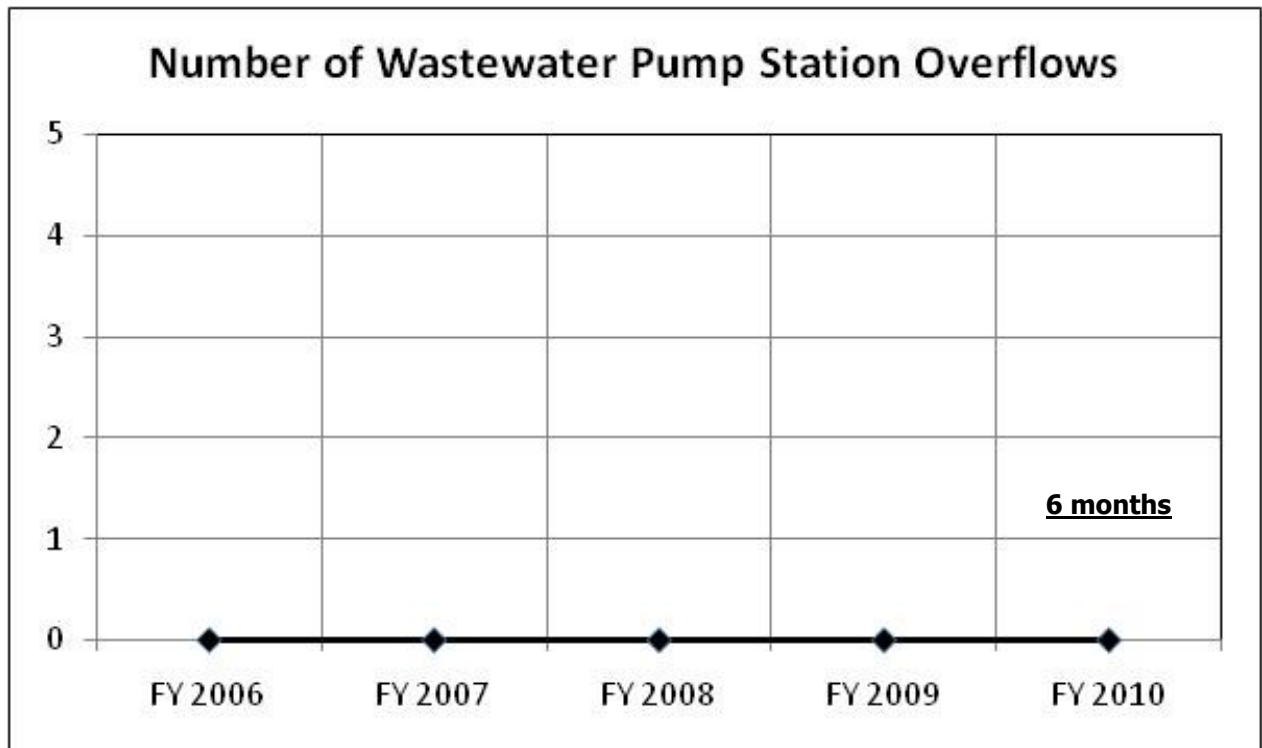
The maintenance function is under the responsibility of the Water and Wastewater Plant Managers and is responsible for all facility preventive, corrective, and predictive maintenance for the water supply and treatment, water pumping, wastewater pumping, wastewater treatment operations, and vehicle maintenance.

PERFORMANCE MEASURES:

<u>Type</u>	<u>Measurement</u>
Efficiency	<p>Equipment availability percentage <i>Percentage of critical equipment which is available for service. A 100% index for this standard would indicate that every piece of equipment is ready to operate at all times.</i></p> <p>Number of wastewater pumping station overflows <i>The number of reportable wastewater overflows that occur at any of OWASA's pumping stations because of equipment failure.</i></p> <p>Fleet reliability <i>Percent of vehicles available for service. A 100% index for this standard would mean that all vehicles were ready to operate at all time.</i></p> <p>Percent of hours allocated to preventative maintenance vs. corrective maintenance <i>Indicates how well the Maintenance Department keeps up with preventative maintenance. The hours spent performing preventative maintenance divided by the hours performing corrective maintenance.</i></p>

		Units	Total FY 06	Total FY 07	Total FY 08	Total FY 09	FY 10 Jul-Dec	Annual Goal
E F F E C T I V E N E S S	Equipment availability percentage	%	99.9	99.9	99.9	99.9	99.9	>98.0
	Wastewater pumping station overflows, equipment-related	EA.	0	0	0	0	0	0
	Fleet reliability	%	99.9	99.9	99.9	99.9	99.9	>95.0
	Percent of hours allocated to preventative maintenance vs. corrective maintenance	%						
	Plants Maintenance		72	71	71	72	70	>70
Vehicle Maintenance		64	63	54	56	50	>50	

Maintenance



Customer Service

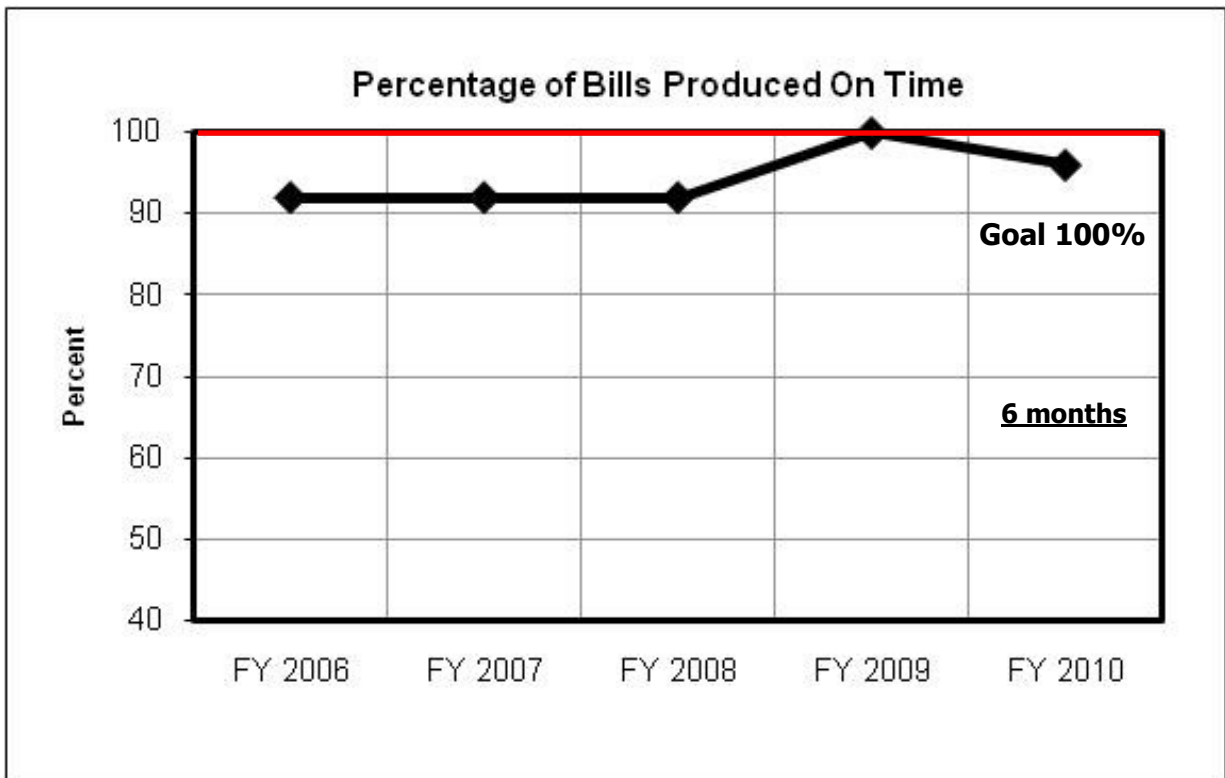
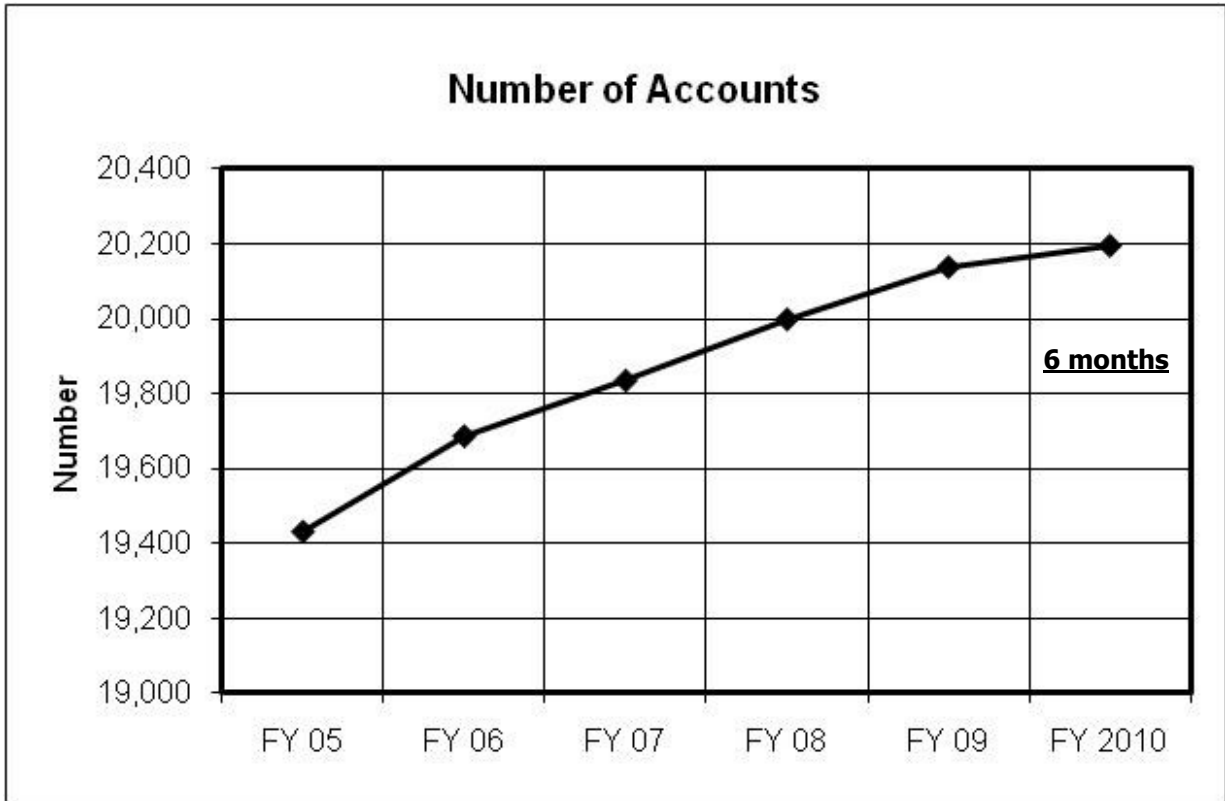
The Customer Service function is the responsibility of the Customer Service Manager and is responsible for billing and collection, and customer service activities.

PERFORMANCE MEASURES:

<u>Type</u>	<u>Measurement</u>
Workload	Total accounts <i>Total number of customer accounts.</i>
Effectiveness	Billing timeliness <i>Percentage of total bills which are delivered to post office on scheduled day.</i> Call Management <i>Average length of calls in minutes; percent of abandoned or lost calls; and total number of calls.</i>

		Units	Total FY 06	Total FY 07	Total FY 08	Total FY 09	FY 10 Jul-Dec	Annual Goal
W O R K L O A D	Total accounts	No.	19,687	19,875	19,998	20,137	20,194	N/A
E F F E C T I V E N E S S	Billing timeliness	%	92	92	91	98	96	100
	Call Management							
	Length (minutes)	AVG				1.82	1.91	N/A
	Abandoned or Lost	%				< 1	2	< 2
	Total Calls	No.				15,723	15,927	N/A

Customer Service



Financial Management

The overall Financial Management function is the responsibility of the Finance and Customer Service Director, with support from the Finance Managers. Together they are responsible for maintaining the fiscal affairs of OWASA including accounts payable, accounts receivable, the general ledger, asset records, cash investment, payroll, budget development, and financial reporting.

PERFORMANCE MEASURES:

<u>Type</u>	<u>Measurement</u>
Effectiveness	Working Capital Reserve <i>The Working Capital Reserve provides a cash balance sufficient to defray the cost of operations and meet capital expenditure needs, and at all times should be the greater of 4 months of O&M budget or 20% of the succeeding 3 years of CIP budget.</i>
	Capital Improvement Reserve Fund <i>The Capital Improvement Reserve Fund ensures a more sustainable funding for water and sewer system rehabilitation and replacement, and provides for unplanned capital needs. The minimum fund balance should be 2% of annual depreciated capital costs.</i>
	Debt Service Coverage Ratio <i>The debt service coverage ratio measures the sufficiency of net revenues to repay debt, and to fund future operating and capital needs. The targeted annual debt service coverage ratio is 2.0.</i>
	Debt to Asset Value <i>The debt to asset value (debt to plant ratio) is an indicator of net worth and debt capacity. This ratio shall not exceed 50%.</i>
	Sufficiency of Revenues Above Debt Requirements <i>The sufficiency of revenues above debt requirement measures the sufficiency of annual revenues to pay for operations and service debt. Annual Debt service shall not exceed 35% of annual gross revenues.</i>
	Credit Ratings <i>Credit ratings are and indication of the investment community's faith in OWASA's creditworthiness. OWASA shall maintain credit ratings of at least Aa2, AA+ and AA+ from Moody's, Standard & Poor's and Fitch, respectively.</i>
	Rate/Revenue Stabilization Fund <i>The Rate/Revenue Stabilization Fund provides sufficient funding, without adjusting rates, for the cost of maintaining, repairing and operating the utility during extended periods of unforeseen variations in revenues streams or spending needs. The minimum fund balance target shall be 5% of projected annual water and sewer revenue.</i>
	Cash Financing of Capital Projects <i>In order to maintain a reasonable constraint on debt obligations, annual revenues and cash reserves shall provide not less than 30% of CIP funding.</i>
	Service Affordability <i>Service affordability measures the financial burden OWASA's cost recovery through service billings places on our customers. Average annual residential bill divided by real median household income shall be $\leq 1.5\%$</i>

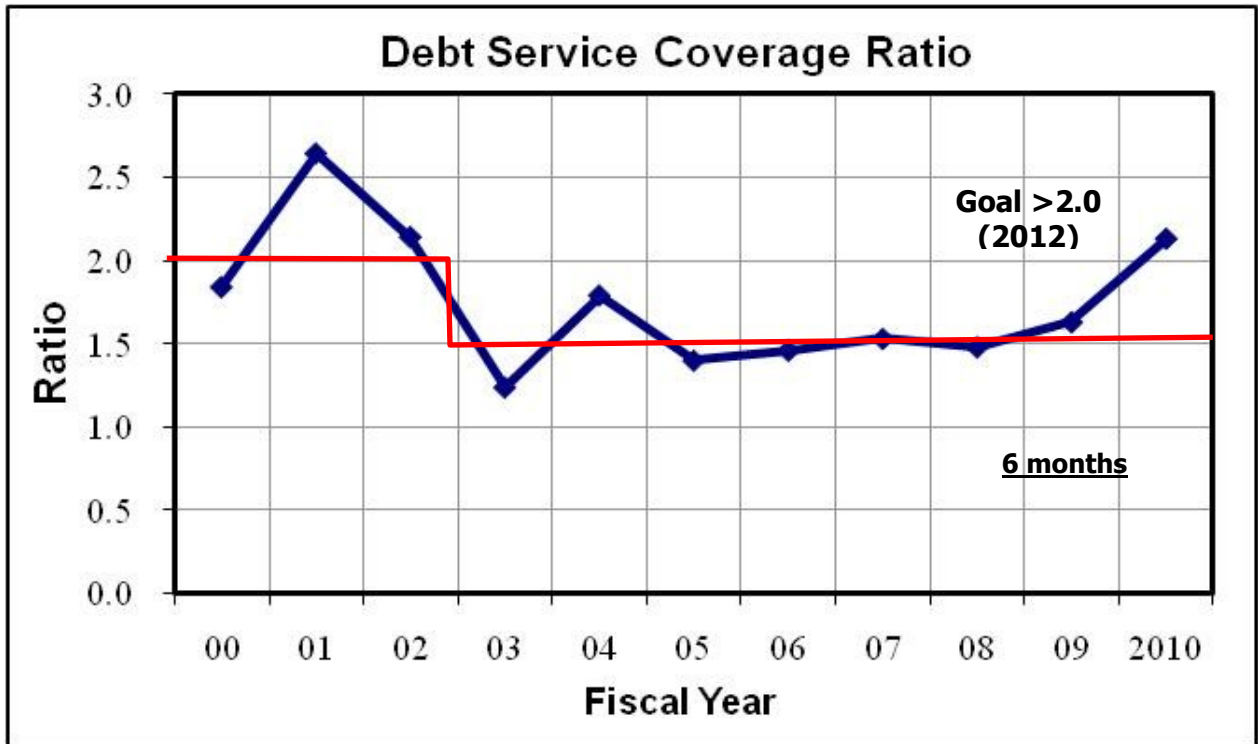
Financial Management

		Units	Total FY 06	Total FY 07	Total FY 08	Total FY 09	FY 10 Jul-Dec	Annual Goal
E F F E C T I V E N E S S	Working Capital Reserves	\$ Million	9.1	8.2	7.7	8.5	9.4	6.2
	Capital Improvement Reserve Fund							
	Annual	\$ Thousand				0 ¹	400	400
	Cumulative	\$ Million					.4	4.9
	Debt Service Coverage Ratio	%	1.53	1.48	1.53	1.63	2.13	> 1.5*
	Debt to Asset Value	%	38	42	39	37	35	≤ 50
	Sufficiency of Revenues above Debt Requirements	%	26	24	27	28	25	≤ 35
	Credit Ratings:							
	Moody's		Aa2	Aa2	Aa2	Aa2	Aa2	Aa2
	Standard & Poors		AA+	AA+	AA+	AA+	AA+	AA+
Fitch		AA+	AA+	AA+	AA+	AA	AA+	
Rate/Revenue Stabilization Fund								
Annual	\$ Thousand				0 ¹	250	250	
Cumulative	\$ Million					.25	1.6	
Cash Financing of Capital Projects	%	23	55	38	96	100	≥ 30	
Service affordability	%			1.1	1.4	1.6	≤ 1.5	

* achieve >2.0 by FY 2012

¹ effective FY 2010

Financial Management



Human Resources and Safety

The Human Resources function is the responsibility of the Human Resources Director and is responsible for developing and maintaining Human Resources policies and procedures throughout OWASA as well as providing for recruitment, affirmative action, employee benefits (including insurance), employee records management, and courier services. The Safety and Training Administrator is responsible for administering and coordinating safety programs throughout OWASA.

PERFORMANCE MEASURES:

<u>Type</u>	<u>Measurement</u>
--------------------	---------------------------

Effectiveness

Attrition rate

The percentage vacancies of the total number of authorized positions. This number does not include internal promotions for FY 06 and FY 07.

At fault EEOC complaints

Number of EEOC complaints for which the organization was found to have responsibility.

Grievances overturned at Step IV

Number of grievances heard at the Step IV level by the hearing officer for which the Executive Directors decision was overturned.

Diversity percentages

The racial and gender of OWASA employees. Racial percentages are the racial breakdowns at OWASA employees in terms of black, white and other. Gender refers to gender breakdowns of OWASA employees - male/female.

Industry incident rate

The number of injuries, illnesses, or lost workdays related to a common exposure base of 100 full-time workers. This rate allows an industry to make accurate inter-industry comparisons. The industry rate for a public utility (Public Sector, Standard Industrial Classification Code 49) is 7.5.

Total number of preventable vehicle accidents

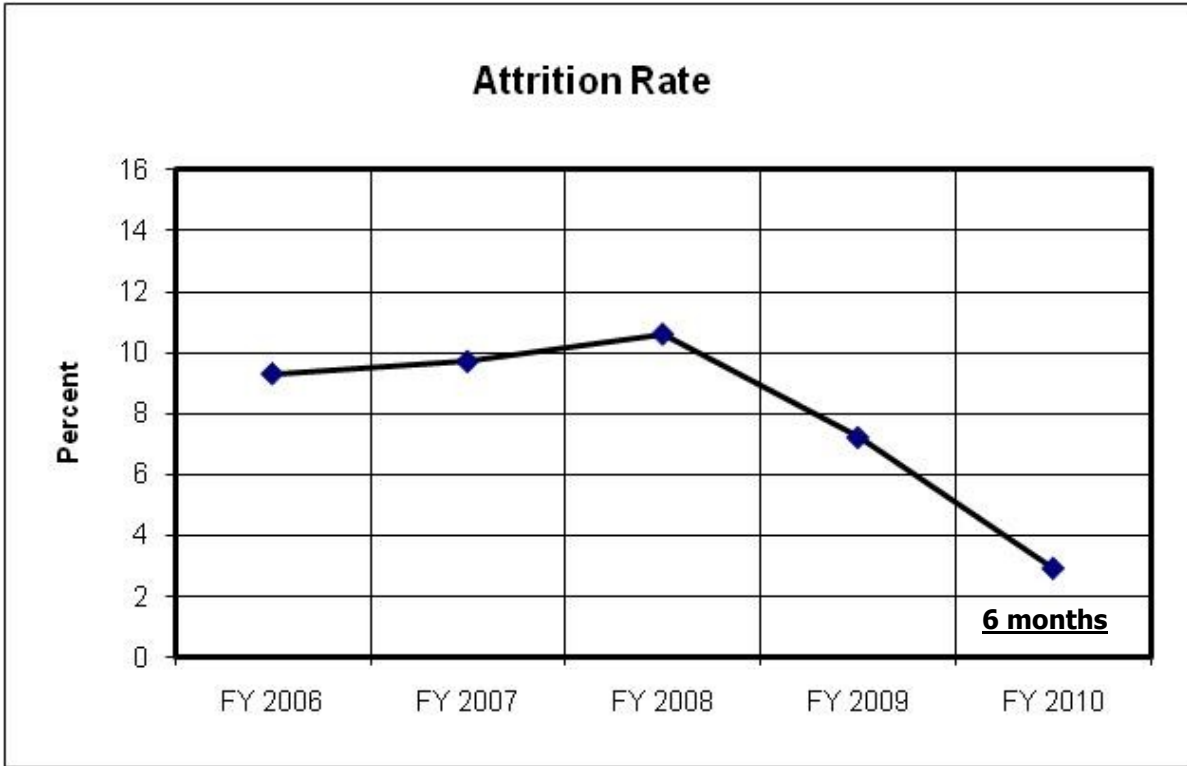
The number of preventable vehicle accidents.

Number of preventable Workers Comp accidents

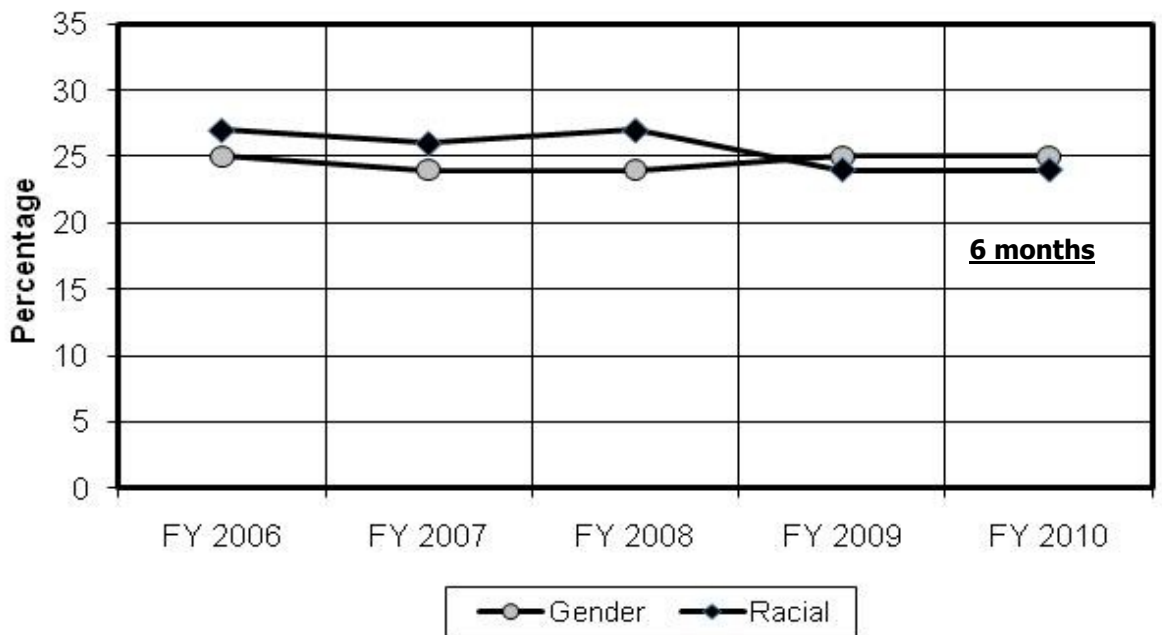
The number of preventable Workers Compensation accidents.

		Units	Total FY 06	Total FY 07	Total FY 08	Total FY 09	FY 10 Jan-Dec	Annual Goal
E F F E C T I V E N E S S	Attrition rate	%	9.3	9.7	10.6	7.2	2.9	<8.0
	At fault EEOC complaints	EA.	0	0	0	0	0	0
	Grievances overturned at Step IV	EA.	0	0	0	0	0	0
	Diversity percentages							
	• Racial	%	27	26	27	24	24	25-30
	• Gender	%	25	24	24	25	25	--
Industry incident rate	%	1.5	1.9	2.6	2.3	1.3	< 3.0	

	Units	Total FY 06	Total FY 07	Total FY 08	Total FY 09	FY 10 Jan-Dec	Annual Goal
Number of preventable vehicle accidents	NO.	5	16	8	11	1	0
Number of preventable workers' comp accidents	NO.	6	3	4	3	2	0



Diversity and Gender Percentage



Industry Incident Rate



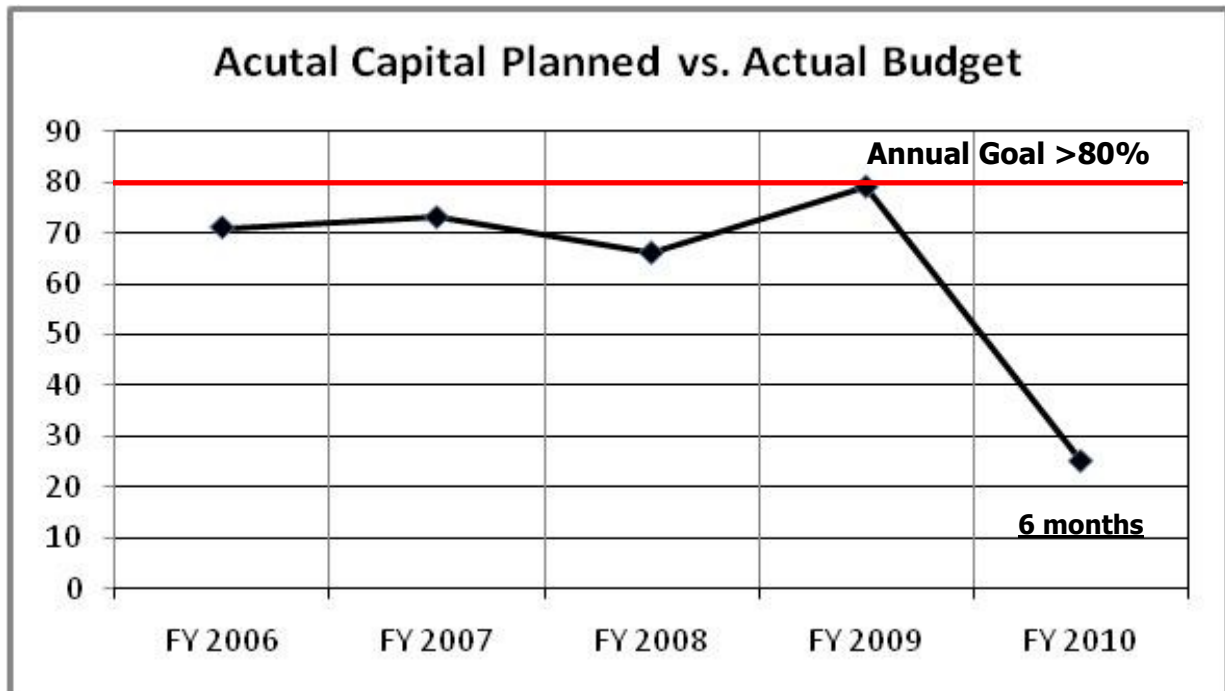
Engineering

The Engineering function is the responsibility of the Engineering and Planning Director and is responsible for development and administration of the Comprehensive Master Plan; the Capital Improvement Program, third-party development of systems, design and/or management of rehabilitation and replacement projects; maintenance of infrastructure records/drawings, and engineering assistance throughout the organization.

PERFORMANCE MEASURES:

- | | |
|---------------|---|
| <u>Type</u> | <u>Measurement</u> |
| Effectiveness | <p>Actual capital project expense to budget (planned vs. actual)
 <i>Actual capital project expenditures as an annualized percentage of total capital budget.</i></p> <p>Average plan review time
 <i>The average length of time to review plan from date received to of review letter.</i></p> <p>Capital projects communication plans effectiveness ratings
 <i>Rating from 1 to 5 (5 being highest) by OWASA customers of our manhole rehabilitation program.</i></p> |

		Units	Total FY 06	Total FY 07	Total FY 08	Total FY 09	FY 10 Jul-Dec	Annual Goal
E F F E C T I V E N E S S	Actual capital project expense to budget (planned vs. actual)	%	71	73	66	79	25	>80
	Average plan review time	WORK DAYS	13	11	11	9	8	<15
	Capital projects communication plans effectiveness rating	1 – 5 (5 Highest)	4.3	4.2	3.2	4.4	N/A (no projects)	>4.0



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ORANGE WATER AND SEWER AUTHORITY

MEETING OF THE BOARD OF DIRECTORS

JANUARY 14, 2010

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in regular session on Thursday, January 14, 2010, at 7:00 P.M. in OWASA’s Community Room.

Directors present: Randy Kabrick, P.E., Chair; Braxton Foushee, Secretary; Fred Battle; Michael A. (Mac) Clarke; Joyce C. Preslar; and William R. Stott. Directors absent: Gordon Merklein, Vice Chair and Alan Rimer, P.E.

OWASA staff: Ed Kerwin; John Greene, Mason Crum; Stephen Winters; Eric Barnhardt; Jan Bryant-Berry; Stuart Carson; Ed Holland; Patrick Davis; Greg Feller; Andrea Orbich; Kevin Ray; and Robert Epting, Esq., Epting and Hackney.

Others present: Meg Holton, Water, Wastewater, and Stormwater Manager, UNC; Joellen Barnhardt; and Craig Benedict, Orange County property owner.

There being a quorum present, Chair Randy Kabrick called the meeting to order.

MOTIONS ACTED UPON

1. William Stott made a motion to approve the Minutes of the December 10, 2009 Board meeting; the motion was seconded by Mac Clarke and carried by unanimous vote.

2. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled “Resolution Awarding a Construction Contract for the University Lake Pump Station Improvements Project.” (Resolution so titled attached hereto and made a part of these minutes. Motion by Mac Clarke; seconded by William Stott and carried by unanimous vote.)

* * * * *

ITEM ONE: ANNOUNCEMENTS

CONFLICT OF INTEREST

Randy Kabrick said 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. There were none.

FINANCE COMMITTEE MEETING

Mac Clarke said the Finance Committee met prior to the Board meeting to discuss the Quarterly Financial report, issues pertaining to the draft Capital Improvements Plan, and

recommendations to amend OWASA's Policy for Adjustment of Customer Accounts for Emergency Situations Involving Loss of Metered Water. The Board may discuss the proposed policy changes at the Board's January 28, 2010 meeting.

CARRBORO BOARD OF ALDERMEN MEETING

William Stott said he attended the Carrboro Board of Aldermen's meeting on Tuesday, January 12, 2010, to hear a possible discussion of OWASA's draft Long-Range Water Supply Plan Update. The Board of Aldermen briefly discussed the item but will discuss it at length in their January 19, 2010 meeting, which Mr. Stott will attend.

MR. W. EVERETT BILLINGSLEY

Ed Kerwin said Mr. W. Everett Billingsley, OWASA's first Executive Director, passed away on December 21, 2009.

ITEM TWO: PETITIONS AND REQUESTS FROM THE PUBLIC, BOARD AND STAFF

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

ITEM THREE: SEMI-ANNUAL CONTRACTOR AND CONSULTANT PERFORMANCE REPORT

The Board received this report as an information item.

ITEM FOUR: QUARTERLY REPORT ON ATTENDANCE AT BOARD OF DIRECTORS' MEETINGS

The Board received this report as an information item.

ITEM FIVE: MINUTES

William Stott made a motion to approve the Minutes of the December 10, 2009 Board meeting; the motion was seconded by Mac Clarke and carried by unanimous vote. Please see Motion No. 1 above.

ITEM SIX: UPDATE ON OWASA'S FOREST STEWARDSHIP EFFORTS AND STAFF REQUEST TO INITIATE ACTIVE FOREST MANAGEMENT ACTIVITIES AT OWASA'S BUCKHORN GAME LAND TRACT

Patrick Davis provided an update on the status of efforts to develop a sustainable forest stewardship plan for OWASA's forest lands and he outlined staff's recommendations for active forestry management on OWASA's 500-acre Cane Creek Mitigation property north of the Cane Creek Reservoir. Mr. Davis then introduced David Halley of True North Forest Management

Services, OWASA's forestry consultant, who then gave a presentation on draft plan for the Mitigation tract. Mr. Halley provided an overview of the present forest condition of the property. He summarized the key recommendations, including possible access points, proposed schedule for stand harvesting and thinning, reforestation strategies, need for controlled burns, and timber sales arrangements and monitoring.

Randy Kabrick called on Craig Benedict, an Orange County resident who lives adjacent to the Cane Creek Mitigation tract, at 3337 Country Pine Lane, to provide his comments.

Mr. Benedict said he understands the benefit of this plan and wanted to share additional ideas and comments on the plan. Mr. Benedict's comments included, but were not limited to: more and larger buffers should be provided, including buffers along adjacent properties; tree thinning should not be too extensive; soil perviousness should be protected in order to maintain soil productivity; and debris should be removed or not be unsightly.

Mr. Benedict also said he hopes the Board takes the time to consider comments received at the planned community meeting before the Board approves the implementation plan and bids are taken for the timber harvesting.

Mr. Benedict said he would provide his written comments to OWASA.

William Stott asked Mr. Benedict what was a good number of trees per acre.

Mr. Benedict said that there are a lot of different standards and that Orange County standards would allow more thinning than this plans suggests. He likes the 100 to 150 trees per acre target that the draft plan proposes for at least one area of the tract.

Braxton Foushee said that due to the large size of this tract, he believes a secondary access is necessary.

Mr. Benedict said that there is only one legal access off of Martin Road. He owns the land at the easternmost point where it touches Buckhorn Road, and that would likely have to be the location of a second access road entrance to the tract.

Recognizing that Mr. Benedict is the Planning Director for Orange County, Mason Crum requested that he explain the County's role in regulating forestry activities on OWASA's land.

Mr. Benedict said that Orange County has no role in what OWASA decides to do with this tract.

Mr. Kabrick said that he liked all of Mr. Benedict's comments, especially the information on public outreach prior to bid, and on the need for erosion control. He is hopeful that we have the same standard of care so as to not impact water quality.

Mac Clarke said he supports proceeding with staff recommendations.

Mr. Stott said that he supports the recommendations as well as more specificity in the plan that Mr. Benedict suggested as well as replanting native trees.

Mr. Kabrick said that if the Board concurs, staff will take Mr. Benedict's suggestions into consideration, have our consultant make revisions to the plan where appropriate, and then present the plan to the public for input. Staff and consultant will consider and address other comments from the public as the final plan is prepared. The Board will then review the final recommended plan prior to any contracts being awarded for timber harvesting on the tract.

Mr. Kerwin said he understands that if and when the Board concurs with staff's recommendations to proceed, staff is authorized to go out for bid on the timber harvesting and Board approval of the bid and contract will not be required. .

Joy Preslar said that the public needs to be aware of the forestry process so as not to confuse it with another project.

The Board concurred with staff proceeding with public information and outreach. After receiving the benefit of the public's comments, staff will bring a final plan back to the Board with a resolution to approve the plan and active forestry management of the Cane Creek Mitigation tract.

ITEM SEVEN: RESOLUTION AWARDING A CONSTRUCTION CONTRACT FOR THE UNIVERSITY LAKE PUMP STATION IMPROVEMENTS PROJECT

Mac Clarke requested staff reference the Capital Improvements Program number in the agenda documentation for the Board's information as well as staff's estimate of the cost for the project.

Braxton Foushee noted his disappointment in the one percent of minority participation for this contract.

Mac Clarke made a motion to approve the resolution; the motion was seconded by William Stott and carried by unanimous vote. Please see Motion No. 2 above.

ITEM EIGHT: FINAL RECOMMENDATIONS FOR OWASA'S LONG-RANGE WATER SUPPLY PLAN UPDATE REPORT

Ed Holland reviewed proposed changes to the Water Supply Plan Update report as recommended by the Natural Resources and Technical Systems (NRTS) Committee and noted that, with the Board's concurrence, a Final Report would be provided for adoption at the Board's January 28, 2010 meeting.

Board members discussed the Carrboro Board of Aldermen's opposition to the recommendation that OWASA purchase water, if available from neighboring utilities, before

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declaring a Water Supply Shortage in the future, but agreed to retain that recommendation and authorized staff to present a Final Report for adoption at the January 28th meeting.

The meeting was adjourned at 8:24 P.M.

Respectfully submitted,

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Andrea Orbich
Executive Assistant/Clerk to the Board

Enclosures

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ORANGE WATER AND SEWER AUTHORITY

PUBLIC HEARING AND MEETING OF THE BOARD OF DIRECTORS

JANUARY 28, 2010

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a Public Hearing and a regular Business Meeting on Thursday, January 28, 2010, at 7:00 P.M., at the Chapel Hill Town Hall.

Directors present: Randy Kabrick, P.E., Chair; Gordon Merklein, Vice Chair; Braxton Foushee, Secretary; Fred Battler; Michael A. (Mac) Clarke; and Joyce C. Preslar. Directors absent: Alan Rimer, P.E. and William R. Stott.

OWASA staff: Ed Kerwin; John Greene; Mason Crum; Gwen Burston; Clay Davis; Patrick Davis; Greg Feller; Ed Holland; Heidi Lamay; Andrea Orbich; Dan Przybyl; Kevin Ray; Jane Showerman; Stephen Winters; and Robert Epting, Esq., Epting and Hackney.

Others present: Meg Holton, Water, Wastewater, and Stormwater Manager of the University of North Carolina at Chapel Hill; Harlan Hall, NC Wildlife Resources Commission; Seth Wright, UNC Journalist Student; Elizabeth Fried, WCHL; Chapel Hill residents Rick Larrick and Rick Williston.

There being a quorum present, Chair Randy Kabrick called the meeting to order.

MOTIONS ACTED UPON

1. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Resolution Honoring the Service of Clayton R. Davis to OWASA and the Chapel Hill-Carrboro Community." (Resolution so titled attached hereto and made a part of these minutes. Motion by Mac Clarke, second by Braxton Foushee, and unanimously approved.)

2. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Resolution Approving Reclaimed Water Service Policies Applicable to Non-University Customers." (Resolution so titled attached hereto and made a part of these minutes. Motion by Gordon Merklein, second by Mac Clarke, and unanimously approved.)

3. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Resolution Approving Revised Schedule of Reclaimed Water Service Rates and Fees." (Resolution so titled attached hereto and made a part of these minutes. Motion by Braxton Foushee, second by Gordon Merklein, and unanimously approved.)

4. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled “Resolution Amending the Orange Water and Sewer Authority Policy for Adjustment of Customer Accounts for Emergency Situations Involving the Loss of Metered Water.” (Resolution so titled attached hereto and made a part of these minutes. Motion by Fred Battle, second by Joy Preslar, and unanimously approved.)

5. Joy Preslar made a motion that by amending the *Policy for Adjustment of Customer Accounts for Emergency Situations Involving Loss of Metered Water*, the Board plans no further action with respect to the petition received on November 12, 2009 from Dr. Dean Pettit; the motion was seconded by Mac Clarke and carried by unanimous vote.

* * * * *

ITEM ONE: ANNOUNCEMENTS

CONFLICT OF INTEREST

Randy Kabrick said 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. There were none.

RESOLUTION OF APPRECIATION

Randy Kabrick read aloud the resolution honoring the service of OWASA employee Clayton R. Davis, an OWASA’s Crew Leader who is retiring with 30 years of service.

The Board and staff expressed sincere appreciation to Mr. Davis for his leadership and service to OWASA.

Mac Clarke made a motion to approve the resolution; it was seconded by Braxton Foushee and unanimously approved. Please see Motion No. 1 above.

COMMUNITY MEETINGS

Patrick Davis said that a community meeting is scheduled for Wednesday, February 24, 2010 at 7:00 P.M. at the Maple View Agricultural Center, 3501 Dairyland Road, to receive questions and comments from the public on OWASA’s draft plan for active forest management for the Cane Creek Wildlife Mitigation land.

ITEM TWO: PETITIONS AND REQUESTS

Harlan Hall, Wildlife Biologist from the NC Wildlife Resources Commission (WRC) staff, petitioned the OWASA Board of Directors to change the deer hunting season on OWASA’s mitigation property (Buckhorn Game Land) as follows:

	Current	Proposed
Hunting season and days of the week:	Sept. 12 – Nov 4, Monday, Wednesday & Saturday	Sept. 16 – Jan. 1, Thursday, Friday & Saturday
Total permits per day:	6	4
Permits available:	144	64
Permit duration:	1 day	3 days

Mr. Hall said that if the Board agrees with the proposed changes, the Cooperative agreement between OWASA and WRC would need to be amended prior to September 2010.

Joy Preslar asked if the people who live along the adjoin properties were contacted.

Mr. Hall said that they were not contacted; he also stated the WRC has not received any complaints regarding hunting.

The Board accepted Mr. Hall's petition and referred it to staff for discussion at a future Board meeting.

ITEM THREE: PETITIONS AND REQUESTS

Randy Kabrick asked for petitions from the Board; there were none.

ITEM FOUR: PETITIONS AND REQUESTS

Randy Kabrick asked for petitions and requests from staff; there were none.

ITEM FIVE: PUBLIC HEARING REGARDING DRAFT RECLAIMED WATER SERVICE POLICIES AND RATES AND FEES APPLICABLE TO NON-UNIVERSITY CUSTOMERS

Randy Kabrick opened the Public Hearings on the Draft Reclaimed Water (RCW) Service Policies and Rates and Fees applicable to Non-University customers.

Patrick Davis said the purpose of the public hearing is to receive and consider public comments on the proposed draft policy and service regulations for the extension and provision of RCW service to non-University customers; and a draft revised schedule of RCW rates and fees which includes proposed rates and fees for RCW service to Non-University customers. The St. Thomas More Catholic Church has requested approval to connect to and use RCW from the system this spring.

Mr. Davis said that RCW is highly treated wastewater that can be used for specified beneficial purposes in accordance with State regulations, such as irrigation, cooling tower make-up water and toilet flushing. OWASA's Mason Farm Wastewater Treatment Plant (WWTP)

produces reclaimed water suitable for these purposes. OWASA's RCW system, fully funded by the University of North Carolina at Chapel Hill, was placed into service in April 2009. This system services the main campus and two RCW line extensions are underway. The system can be extended to serve other customers where practical.

Before OWASA can approve the extension of RCW service to non-University customers, the Board would need to adopt a RCW service policy and rates and fees applicable to Non-University customers. The draft policy provides that there will be no subsidy of RCW service by drinking water and sewer customers; there will be no subsidy of drinking water and sewer service by RCW customers; and RCW customers will pay cost of service rates and for the full costs to extend and connect to the RCW system.

Mr. Davis said that Carlos Lima, St. Thomas More Parish Administrator, requested that Mr. Davis convey to the Board their support of the proposed policies and rates and fees, and requests approval as soon as possible so that they can begin using the RCW services in the spring. Mr. Davis also noted that staff had met with University staff to discuss the proposals, and the University also supports approval of the proposed policies and rates and fees, and the provision of service to St. Thomas More Parish.

There were no comments from the public at the hearing.

Without objection, the Board Chair closed the Public Hearing on the Draft Reclaimed Water Service Policies and Rates and Fees applicable to Non-University customers and opened the floor for discussion by the Board of Directors.

Gordon Merklein made a motion to adopt the Resolution Approving Reclaimed Water Service Policies Applicable to Non-University Customers; the motion was second by Mac Clarke, and unanimously approved. Please see Motion No. 2 above.

Braxton Foushee made a motion to adopt the Resolution Approving Revised Schedule of Reclaimed Water Service Rates and Fees; it was second by Gordon Merklein, and unanimously approved. Please see Motion No. 3 above.

ITEM SIX: VISION CARE PLAN REPORT

The Board received this report as an information item.

ITEM SEVEN: ADOPTION OF LONG-RANGE WATER SUPPLY PLAN FINAL REPORT

Ed Kerwin provided a presentation to review the purpose of OWASA draft Long-Range Water Supply Plan (Plan); key findings and recommendations; receive feedback and discuss next steps. Mr. Kerwin said that the purpose of this Plan is to determine the optimal mix of strategies that will ensure a reliable cost-effective and sustainable water supply to meet our customers' needs through 2060. The Plan was developed by predicting and projecting how much water will

be needed for the next 50 years; evaluated 13 scenarios and demand options and was accepted by the OWASA Board of Directors on July 23, 2009.

Key findings are that all customer groups have significantly reduced water consumption since 2002 and the existing water supply reservoirs can cost-effectively meet most supply and demand conditions. Mr. Kerwin also said that we have secured and cost-effective access to OWASA's Jordan Lake allocation is essential for ensuring a reliable supply during droughts or other emergencies.

Mr. Kerwin noted that key recommendations include OWASA's Quarry expansion is the most cost-effective long-term supplemental supply source. Develop water purchase agreements that will secure the permanent ability to cost-effectively purchase drinking water under appropriate conditions. Work with Carrboro, Chapel Hill to amend the 2001 Water and Sewer Management, Planning and Boundary Agreement in order to ensure a reliable and sustainable water supply.

While the Board and staff have solicited public review and comments through various mediums, the response has been minimal. Overall the Plan is well received by the elected Board but recommendations that OWASA purchase water before declaring future shortages is opposed by the Carrboro Board of Aldermen and individual members of the Chapel Hill Town Council.

Mr. Kerwin said that next steps are to work with the elected boards and answer their questions. Once that has been done, the OWASA Board may want to adopt the Plan and authorize staff to move forward with the recommendations and continue to keep local governments (and customers) informed and involved.

Braxton Foushee said that he heard from the Town of Carrboro and they requested the OWASA Board delay adoption of the Plan. Mr. Foushee stated to the Board of Aldermen that he disagreed with their thinking, and while they had a good discussion, the Board wanted to consider the matter further, and that the topic will be on the next Board of Aldermen meeting.

Mr. Kabrick said that he received a telephone call from Chapel Hill Mayor Mark Kleinschmidt who said that he and other members of the council requested holding off adoption of the Plan, in order to give further consideration to OWASA's proposal to purchase water prior to declaration of a water shortage.

Mac Clarke said that the OWASA Board has gone through a lengthy process with the Plan, and he is uncertain that delaying the adoption for further consideration by the Towns' elected officials would change his decision. However, he said that it is important to answer the elected officials' questions, and he proposed Mr. Kabrick communicate with the elected boards our desire to answer their questions before this Plan is placed back on the agenda in April for a final decision.

Gordon Merklein said that he supported Mr. Clarke's proposal.

Mr. Foushee said that the Board of Aldermen will meet on February 5th and that will he answer their concerns and discuss the matter further with them at that meeting.

Joy Preslar said she also supports Mr. Clarke's proposal.

Mr. Kabrick said he understands from the Board that the Board will not act on the Plan tonight, but that he and staff will draft a letter to the elected bodies inviting their further participation and with a time frame for a final decision, and send it out to the elected boards.

Robert Epting said that the Board would do well to recall that each member's oath of office binds him or her to serve the entire OWASA service community, and that while members are appointed and can be replaced at will by the individual elected Boards, the OWASA service community is entitled to the benefit of the judgment of all its Board members sitting together and discussing issues and voting in service to the entire OWASA community, and not just to individual appointing Boards. He suggested, in that regard, that the full Board might want the benefit of any discussions or suggestions made by appointing Boards, and to that end, the OWASA Board might consider asking members of the elected bodies to bring their questions or concerns to meetings of the full OWASA Board, so that those concerned might also benefit from the ideas of all the OWASA Board members deliberating as a body, and not just those they have appointed.

Mr. Merklein expressed his appreciation to Mr. Epting for reminding the Board of our oaths and obligation to the whole OWASA service community, and not solely to those who appointed each of them.

Mr. Kabrick said that perhaps the letter specifically invite elected officials to visit the OWASA Board at our meetings for further discussion of this matter.

Mr. Kerwin formally stated that OWASA Board member William Stott could not be at the meeting tonight, but that Mr. Stott indicated that the Board should grant Carrboro's request to delay the adoption of the Plan. He also said that he has been in contact with local officials to keep them abreast of our plans.

Mr. Fred Battle said he supports Mr. Epting's recommendation that local elected officials be invited to bring their concerns to OWASA's Board meetings before final action on this matter in April.

The Board concurred that the Chair will communicate with the elected boards the elected boards our desire to answer their questions and that this Plan be back on the OWASA Board's agenda in April for a final decision.

ITEM EIGHT: OWASA POLICY FOR ADJUSTMENT OF CUSTOMER ACCOUNTS FOR EMERGENCY SITUATIONS INVOLVING LOSS OF METERED WATER

Draft

Mac Clarke said he has concern in using the lowest retail water rate in Option 5 because it was established for low volume users. Mr. Clarke feels that retail water rate should be based on the customer's average water use rate.

Braxton Foushee said the policy should be reviewed each year.

Fred Battle felt it is important to notify customers of the policy change.

Ed Kerwin said it is staff's practice to provide new policy information to customers.

Fred Battle made a motion to approve the resolution; the motion was seconded by Joy Preslar, and carried by unanimous vote. Please see Motion No. 4 above.

Joy Preslar made a motion that by amending the *Policy for Adjustment of Customer Accounts for Emergency Situations Involving Loss of Metered Water*, the Board plans no further action with respect to the petition received on November 12, 2009 from Dr. Dean Pettit; the motion was seconded by Mac Clarke and carried by unanimous vote. Please see Motion No. 5 above.

ITEM NINE: OWASA QUARTERLY FINANCIAL REPORT FOR QUARTER ENDED
DECEMBER 31, 2009

The Board received this report as an information item.

There being no further business before the Board, the meeting was adjourned at 8:20 P.M.

Respectfully submitted,

Draft

Andrea Orbich
Executive Assistant/Clerk to the Board

Enclosures

AGENDA ITEM

DISCUSSION OF REQUEST BY NC WILDLIFE RESOURCES COMMISSION TO MODIFY HUNTING SCHEDULE ON OWASA'S MITIGATION PROPERTY

PURPOSE

- To provide information for the Board's consideration in discussing a request by the North Carolina Wildlife Resources Commission (WRC) to modify the hunting schedule on OWASA's mitigation property (Buckhorn Game Lands).

BACKGROUND

- In accord with Federal requirements, OWASA purchased approximately 490 acres of land near Buckhorn Road north of the Cane Creek Reservoir to offset the loss of wildlife habitat due to construction of the Cane Creek Reservoir.
- In October 2006, OWASA and the North Carolina Wildlife Resources Commission reached agreement for a controlled hunting program on the mitigation property.
- At the January 28th Board meeting, Mr. Harlan Hall of the NC Wildlife Resources Commission, requested that the Board consider a modification of the hunting provisions contained in the agreement.
- The WRC proposal would extend the hunting season thereby increasing the total days available for hunting from 144 to 192 (64 permits for 3 days each), but reduce the number of hunters allowed on the tract.
- The change was suggested to allow hunters to obtain a permit valid for three consecutive days and to potentially increase the number of deer harvested.
- Staff does not believe that the proposed changes will create any operational challenges or have negative impacts on water quality. Neither OWASA nor the WRC have received complaints about the current hunting program.
- Information concerning the WRC request and the planned discussion of the proposal was distributed to various stakeholders and to property owners of record within 500 feet of the mitigation property boundary.

ACTION NEEDED

- Approve or deny the request by the WRC to modify the hunting provisions contained in the October 26, 2006 agreement.

February 25, 2010




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 

FROM: John Greene

SUBJECT: Discussion of Request by NC Wildlife Resources Commission
to Modify Hunting Schedule on OWASA's Mitigation Property

DATE: February 15, 2010

PURPOSE

To provide information for the Board's consideration in discussing the request by Harlan Hall, Supervisor-Wildlife Biologist, at the North Carolina Wildlife Resources Commission (WRC) to modify the hunting schedule on OWASA's mitigation property (Buckhorn Game Lands).

BACKGROUND

In accord with Federal requirements, OWASA purchased approximately 490 acres of land near Buckhorn Road north of the Cane Creek Reservoir in 1981 to offset the loss of wildlife habitat due to construction of the Cane Creek Reservoir. A map showing the location of the mitigation land is included as Attachment 1.

In 2005, the US Army Corps of Engineers, OWASA and WRC discussed the Federal permit for the Cane Creek Reservoir, including provisions about hunting on the mitigation property. In October 2006, OWASA and the North Carolina Wildlife Resources Commission reached agreement for a controlled hunting program on our mitigation land. This agreement provided for:

- 1) limited archery based deer hunting under the direct management and supervision of WRC on Mondays, Wednesdays and Saturdays during the legal bow and arrow season for deer in Orange County;
- 2) up to five special permit hunts to be conducted by WRC staff to provide hunting opportunities with firearms for youth or disabled hunters; and
- 3) no hunting stands or firearm discharge is allowed closer than 300 feet from the mitigation property's perimeter.

The table below summarizes information from the WRC on the permits available, permits issued and deer reported harvested for the past three hunting season.

	2007	2008	2009
Permits Available	150	144	144
Permits Issued	90	101	130
% Issued	60%	70%	90%
Number of Special Hunts	0	0	0
Reported Deer Harvest	2	1	1

DISCUSSION

Mr. Harlan Hall requested at the January 28th Board meeting that the Board consider a modification of the terms contained in the October, 2006 agreement so that:

- 1) the allowable hunting days are changed to Thursdays, Fridays and Saturdays;
- 2) the hunting season is extended through early January of each year; and
- 3) the number of permits issued per day and the total number of permits issued during the season be reduced as shown in the table below.

	CURRENT (2009)	WRC PROPOSAL (2010)
Season	Sept. 12-Nov. 4	Sept. 16-Jan. 1
Days hunting allowed	Monday, Wednesday, Saturday	Thursday, Friday, Saturday
Total hunting days during season	24 days	48 days
Max. number of permits per day	6 per day	4 per day
Permit duration	1 day	3 days
Total permits available	144	64

Mr. Hall indicated that the change was suggested to allow hunters to obtain a permit valid for three consecutive days instead of the single permit day under the current terms and to potentially increase the number of deer harvested.

STAFF COMMENTS

Staff does not believe that the proposed changes will create any operational challenges or have negative impacts on water quality. Neither OWASA nor the WRC have received complaints about the hunting program since its development in 2007. As noted in the information provided by WRC, almost 90% of the 144 permits available during the 2009 hunting season were issued; however, only one deer harvest was

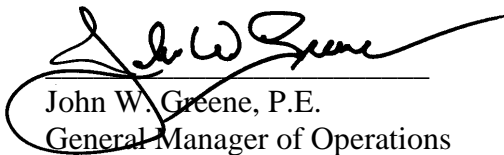
reported. The WRC proposal would increase the total days available for hunting from 144 to 192 (64 permits for 3 days each), but reduce the number of hunters allowed on the tract. It is also unlikely that every hunter that secures a permit would use it for all three days.

During the 2005 discussions concerning hunting on the mitigation property OWASA provided an opportunity for the public to comment prior to the Board taking action. Staff believes that there may be some stakeholders and citizens in the Cane Creek area that would again wish to comment on the WRC proposal. On February 8th, information concerning the WRC request and the planned discussion of the proposal at the February 25th OWASA Board meeting was distributed to the Orange County, Town of Chapel Hill and Town of Carrboro Managers, and mailed to property owners of record within 500 feet of the mitigation property boundary (Attachment 2).

CONCLUSION

We believe that the decision to approve or reject the request by WRC is a policy matter for the Board.

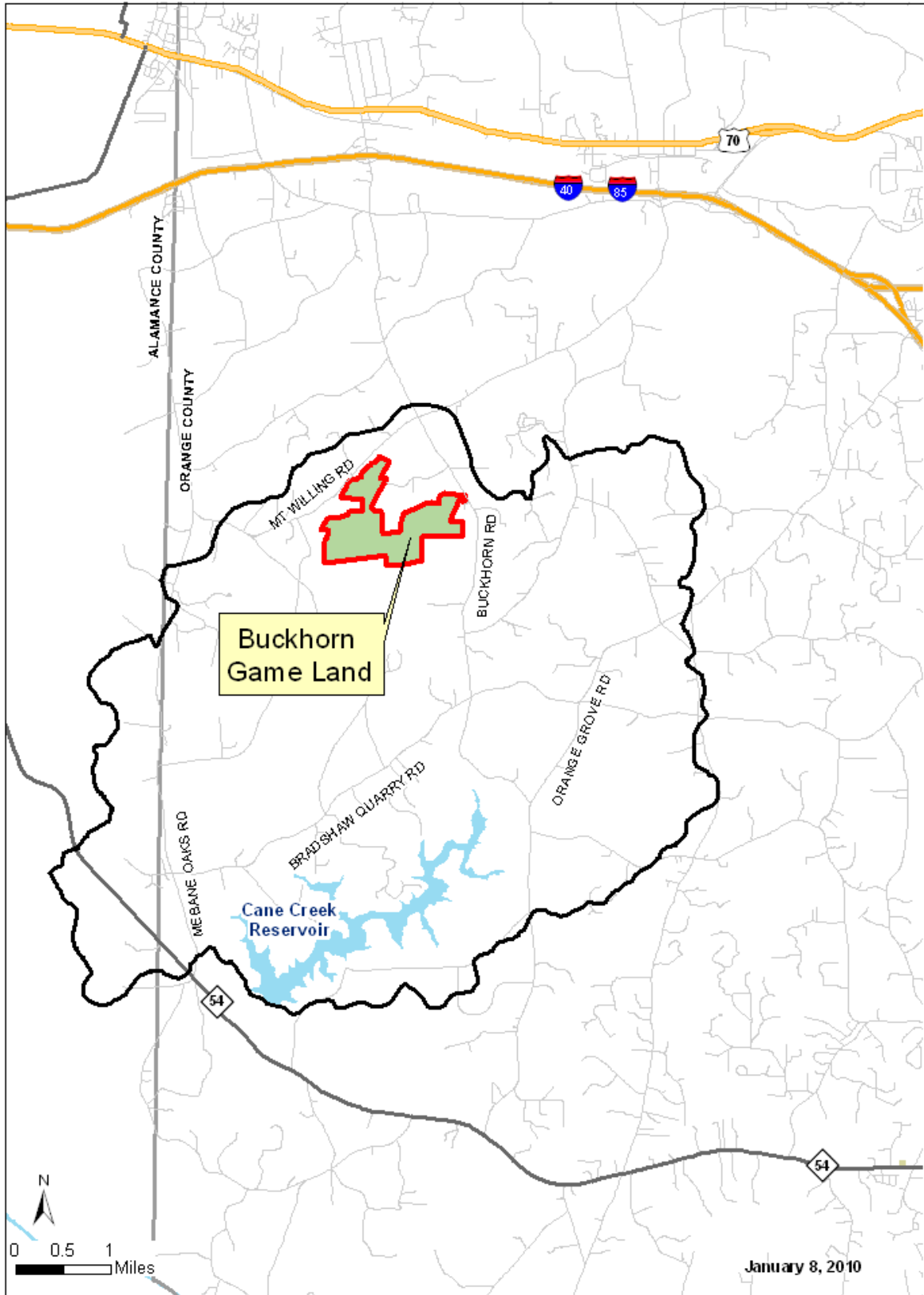
If there are questions or additional detail is needed on this matter please let me know.



John W. Greene, P.E.
General Manager of Operations

Attachments

GENERAL VICINITY MAP OF THE OWASA 490-ACRE MITIGATION PROPERTY



February 8, 2010

Notice of request by the NC Wildlife Resources Commission to modify the hunting program on OWASA's mitigation land near Buckhorn Road north of the Cane Creek Reservoir

The OWASA Board of Directors has received a request from staff of the North Carolina Wildlife Resources Commission (WRC) to modify the current hunting provisions on OWASA's 500-acre property north of the Cane Creek Reservoir near Buckhorn Road. You are invited to provide comments to the OWASA Board of Directors about this matter on Thursday night, February 25, 2010.

The OWASA Board meeting will meet at 7 PM in the Council Chambers at the Chapel Hill Town Hall, 405 Martin Luther King Jr. Boulevard (next to the headquarters fire station where North Columbia Street and King Boulevard intersect).

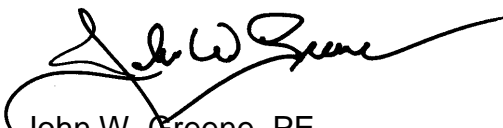
In 2006, OWASA and the WRC reached agreement on the present archery hunting program for our land in order to address requirements in the Federal permit issued for construction of the Cane Creek Reservoir. Our 500-acre "wildlife mitigation" land was acquired to offset the loss of wildlife habitat due to construction of the reservoir (map attached).

For comparison the current hunting restrictions and the WRC proposal are outlined in the following table:

	CURRENT (2009)	PROPOSED (2010)
Hunting Season	Sept. 12-Nov. 4	Sept. 16-Jan. 1
Days of Week Hunting Allowed	Monday, Wednesday, Saturday	Thursday, Friday, Saturday
Number of Hunt Days during Season	24 days	48 days
Max. Number of Permits per Day	6 per day	4 per day
Permit Duration	1 day	3 days
Total Permits Available	144	64

If you have any questions or comments on this matter before the Board meeting, you may contact me at 537-4218 or jgreene@owasa.org.

Sincerely,



John W. Greene, PE
General Manager of Operations

Verbal Update on the Forestry Community meeting
held on Wednesday, February 24, 2010

(Patrick Davis)

**Report by the Finance Committee regarding the
Fiscal Year 2011 Budget Process**

(Gordon Merklein)

**Board Discussion of a Paperless Agenda and
other Board Documents**

(Randy Kabrick)