Meeting Summary
Orange Water and Sewer Authority
Natural Resources and Technical Systems Committee
June 20, 2013 (5:00 p.m.)

Members Present

Terri Buckner (Chair), Dana Raborn, Amy Witsil, Stephen Dear

Other Board Members Present

John Young

Staff Present

Ed Kerwin, John Greene, Pat Davis, Ruth Rouse

Visitors Present

Heather Payne

Major Items Discussed:

Staff provided the Committee with an update of the latest Jordan Lake Partnership activities, our efforts to retain our current allocation, staff's perspective on the water supply risks that OWASA faces and the alternatives we have to mitigate those risks, and the status of our discussions with staff from Cary and Durham regarding the need to modify our water agreements to ensure cost-effective access to our Jordan Lake allocation. Major points made during the meeting included:

- OWASA's future water supply risks are low, especially relative to some others in the region, but Jordan Lake remains a vital component of OWASA's long term water supply portfolio. It was suggested that in our communications with the local governments and others, we need to indicate that our risk is relatively low based on historic weather patterns; however, with climate change, our risk may be greater and it remains important to diversify our water supply.

- OWASA's risks were quantified through (separate) modeling efforts performed by Dr. Greg Characklis at UNC, and Hazen & Sawyer. The modeling work performed by Hazen & Sawyer evaluated Durham's and OWASA's water supply risk and need to purchase water from Cary under 54 different demand and reservoir inflow scenarios (including a "what if climate change" scenario that evaluated risk assuming a 30% reduction in reservoir inflows). OWASA's raw water supply "failed" under 7 of these scenarios (failure was defined by OWASA's supply dipping below 20 percent storage remaining) and 6 of those scenarios occurred when OWASA purchased no water. Conversely, Durham's existing two-reservoir system failed in 48 of those scenarios. It was noted that because the local systems are all interconnected and water supplies are limited (no new reservoirs will be constructed in the near future), that a failure of Durham or Raleigh's supply would likely negatively impact the reliability/viability of OWASA's water supply.

- Our region's water supply resources must be valued as regional resources, and as a result, OWASA highly values its continued active participation in the Jordan Lake Partnership.

- OWASA now holds a Level I Jordan Lake allocation (approved by the Environmental Management Commission in March 2013).

- OWASA has recently worked with its partners in Durham and Cary to field validate the capacity of the interconnections between our respective systems.

- The NC Division of Water Resources (DWR) has delayed the draft Round 4 application process. The currently proposed due date for final applications is June 1, 2014. DWR has also stated that it expects that the final Round 4 allocation decisions will be made in September 2015. Staff also discussed the importance of OWASA retaining its current (approximately 5 MGD) allocation.

- It was highlighted that in accordance with OWASA's Long Range Water Supply Plan (LRWSP), OWASA's ability to purchase water from surrounding communities (water treated by Cary and delivered through Durham) remains the optimal near-term solution to shortages associated with severe droughts and operational emergencies. Also as outlined in the LRWSP, OWASA's efforts to educate its customers on the value of conservation must continue. The LRWSP concluded that compared to the assumed cost of the Jordan Lake water supply option, use of OWASA revenues to extend the reclaimed water system (without new large industrial/commercial customers) or pay for water use efficiency measures by our customers was not considered cost-effective and would not, by themselves, meet the projected needs.

- Discussion between NRTS members indicated that in light of the new information about the very high cost Cary expects to incur for expansion of its water supply and treatment facilities, OWASA will likely need to re-evaluate several of the water supply alternatives identified as less feasible in the Long Range Water Supply Plan, including the cost-effectiveness of the reclaimed water and water conservation alternatives. As OWASA considers these alternatives, it should explore the "benefiting party pays" principle to reflect the benefits that all OWASA customers would receive if OWASA and/or private parties extend the reclaimed water system, invest in water use efficiency measures, etc.

- At this time, there are unknowns regarding how we will ensure access to our Jordan Lake allocation, including the timing/cost of a new intake on the west side of the lake and the costs associated with payments to Cary and Durham to withdraw, treat, and transfer water to OWASA when we need it and in the amounts we need. Once these issues are better understood, OWASA should re-evaluate water supply alternatives.

- Another alternative that should be evaluated is the potential to complete the expanded quarry option sooner and to make it deeper.

- NRTS committee members requested a chart which summarizes how the water agreement negotiation process and water supply alternatives analysis overlaps with the DWR Round 4 allocation process. Staff will prepare a graphic to illustrate this.

- It was suggested that some standard scenarios be developed and agreed to as the basis for preparing uniform comparisons of the various alternatives.

Next Meeting

Time and agenda items for the next Committee meeting will be determined at a later date in consultation with the NRTS Committee Chair.

Adjournment

The meeting was adjourned at approximately 6:50 p.m.

Ruth C. Rouse

Meeting Summary Prepared by: Ruth Rouse, AICP
Planning and Development Manager