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: **Natural Resources and Technical Systems Committee**

Terri Buckner (Chair)
Stephen Dear
Michael Hughes
Heather Payne
Dana Raborn
Will Raymond
Amy Witsil
John Young
Alan Rimer (*ex officio*)

THROUGH: Ed Kerwin

FROM: Ruth Rouse

DATE: November 22, 2013

SUBJECT: December 4, 2013 NRTS Committee Meeting

The NRTS Committee will meet on Wednesday, December 4, 2013 from 5:30 to 7:00 PM in the OWASA Boardroom. The purpose of this meeting is to provide the Committee with information regarding the 2013 recreational activities on University Lake and Cane Creek Reservoir.

Ken Loflin, Water Supply & Treatment Manager, will make the presentation and address the following:

- Overview of current hours of operation and user fees
- Attendance and demographics
- Revenues and expenses
- Recreation survey results
- Discussion
- Next meetings
    - January 2014?
    - February 5, 2014 - IT

Attached is the full 2013 Annual Recreation Report for University Lake and Cane Creek Reservoir. We look forward to seeing you on December 4.

Ruth C. Rouse

Ruth Rouse, AICP
Planning and Development Manager

c: Robert Epting, OWASA General Counsel

Attachment – 2013 Annual Recreation Report for University Lake and Cane Creek Reservoir

ATTACHMENT

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: Kenneth Loflin

DATE: November 22, 2013

SUBJECT: 2013 Annual Recreation Report for University Lake and Cane Creek Reservoir

Purpose

To provide information about lake recreation in 2013 including patronage, costs, and revenues.

Recreation Schedule

From March 23rd to November 10th, 2013 University Lake was open Saturdays and Sundays from 6:30 a.m. to 6:00 p.m. and the Cane Creek Reservoir was open on Fridays and Saturdays at the same times. In previous years, University Lake was open on Fridays, however in 2013, University Lake was closed and Cane Creek Reservoir was open on Friday.

Fees

Attachment 1 shows the recreation fees for 2012 and 2013. In November 2012 a decision was made to eliminate the $2.00 lake use fee for senior citizens (65 and older) who are OWASA customers or Orange County residents. All other 2013 fees were identical to 2012 fees.



Cane Creek Reservoir

Revenues and Attendance

University Lake generated $29,251 in fees in 2013. This is a 1% decrease from 2012, when $29,529 was collected. University Lake had 3,708 visitors, a 4% decrease from the 3,851 visitors in 2012. Average revenue per University Lake visitor in 2013 was $7.89, 3% higher than for the 2012 season. This is a small decrease in revenue and attendance considering that the lake was open one less day per week than in 2012.



University Lake

In 2013, Cane Creek had revenues of $30,802, a 48% increase from the $20,853 in 2012. Cane Creek had 3,214 visitors, a 38% increase from the 2,327 visitors in 2012. Revenue per visitor was $9.58, a 7% increase from 2012. The increase in revenue and attendance is the result of adding Fridays to the schedule.

A total of $60,053 was received at the two lakes, 19% more than the $50,382 in 2012.

The facilities had a total of 6,922 visitors in 2013, a 12% increase from 2012. Combined attendance at the lakes had declined since 2004; however, 2013 showed a slight increase over the most recent years.

The table below compares historical daily attendance averages (2004-2012) to the 2012 and 2013 daily attendance averages for each lake:

Recreation Attendance by Day of the Week

Cane Creek	Thursday[1]	Friday[1]	Saturday	Sunday[1,2]	Monday
Average 2004-2012	25	19	65	21	N/A
2012	N/A	N/A	66	N/A	N/A
2013	N/A	33	60	N/A	N/A

University Lake	Thursday	Friday	Saturday	Sunday	Monday[3]
Average 2004-2012	N/A	21	51	61	21
2012	N/A	17	42	50	N/A
2013	N/A	N/A	45	60	N/A

[1]Cane Creek closed on Thursdays, Fridays and Sundays after 2007 season
[2]Sunday hours at Cane Creek were 1:00 – 6:00 PM
[3]University Lake closed on Mondays at the end of June 2009

Demographics

Visitors to University Lake came from 17 of the 100 North Carolina counties accounting for 3,598 of the 3,708 visitors. The remaining 110 visitors came from out of the country or from out of state. Orange County residents continue to make up the majority of visitors at University Lake (80%) followed by Durham County residents (7%), Chatham Country residents (4%), and Wake County residents (3%).

The Cane Creek Reservoir provided recreation for 3,214 visitors from 25 North Carolina counties. Of the total visitors, 167 were from out of the country or from out of state. Orange County residents were the majority of visitors at Cane Creek Reservoir (37%) followed by Robeson County residents (12%), Alamance County residents (12%) and Guilford County residents (7%).

Survey Results

To get feedback from lake patrons about the changes in the 2013 lake recreation schedule and the willingness to pay higher fees, surveys were available at each lake from September through the end of the 2013 season in mid-November. We received 22 responses at Cane Creek and 10 at University Lake. Overall, respondents felt that the lakes provide good recreational value. 59 percent of the respondents indicated that they visited one of our lakes at least weekly, and 38 percent visit at least monthly. These visitors largely indicated they would be willing to pay more to have more recreation days (59%) while 34% of the respondents indicated they would not be willing to pay more. Of those that indicated they would be willing to pay more, approximately 33% indicated they would pay $2 more, 14% would pay $4 more, and 18% would pay $5 more. 87% of the respondents supported Cane Creek being open on Friday and Saturday while opinions on closing University Lake on Fridays were evenly distributed (32% supported, 32% opposed, 36% had no opinion).

Expenses and Revenues

Attachment 2 summarizes revenues from 2005 through 2013. Attachment 3 summarizes the 2013 expenses to operate the reservoirs and the cost of providing recreation. The lake staff reports all work time in one of five categories: maintenance, recreation, security, grounds and office/other.

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

As shown in Attachment 3, expenses exceed revenues by $46,421 in 2013. The ratio of cost to revenues was 1.77, indicating that expenses totaled $1.77 for every $1.00 in revenues generated. Labor remains the largest expense in the operation of the lakes.

Conclusion

We look forward to the Committee's and Board's discussion of the lake recreation including the schedule, and to providing information and evaluation of options as desired.

I am available to address any questions the Board may have about this report or the lake operations.

Kenneth Loflin
Manager of Water Supply and Treatment

Attachment 1: Lake Use Fees and Pass Information
Attachment 2: Revenue from Lake Recreation
Attachment3: 2013 Expenses for Lakes Operation

Attachment 1: Lake Use Fees and Pass Information

LAKE USE FEES:		2012	2013
Boat Rental	Orange County Resident	$4.50[1]	$4.50[1]
	Non-county Resident	$8.00[1]	$8.00[1]
Private Boat Launch	Orange County Resident	$3.50	$3.50
	Non-county Resident	$7.00	$7.00
Motor Rental	Orange County Resident	$15.00	$15.00
	Non-county Resident	$22.00	$22.00
Lake Use Fee	Orange County Resident	$4.50	$4.50
	Non-county Resident	$5.50	$5.50
	Child (Orange County Resident)	$2.00	$2.00
	Senior (OWASA Customer or Orange County Resident)	$2.00	$0.00
	Senior or Child (Non-County Resident)	$2.50	$2.50

[1] Rental Fee does not include Lake Use Fee

Season Passes

In 2013, five types of passes were available to Orange County residents. A single boat pass is issued to only one person and includes the boat rental and lake use fee. The group pass is for up to four people including 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.

Type of Pass	2013 Cost
Single boat only	$82.00
Single boat and motor	$163.00
Group boat only	$163.00
Group boat and motor	$245.00
Lake use	$45.00

The most popular pass is for a single boat only, with a total of 16 passes sold, for a 76% increase from 2012 when 9 single boat only passes were sold. The following table shows the types of passes sold from 2009 to 2013. 19 passes were sold in 2013, a 19% increase from 2012; and they generated $1,801. The 19 passes were used an average of 12 times.

Passes Sold by Type

	2009	2010	2011	2012	2013
Single boat only	10	8	12	9	16
Single boat and motor	5	4	3	2	0
Group boat only	1	2	3	2	3
Group boat and motor	0	0	1	2	0
Lake Use	1	1	0	1	0
TOTAL	17	15	19	16	19

Attachment 2: Revenue from Lake Recreation

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Boat Rentals[1]	$ 31,599	$ 29,905	$ 32,961	$ 23,534	$ 24,885	$12,712	$11,952.50	$12,736	$15,127
Lake Use & Boat Launch Fees	$ 11,007	$10,461	$ 12,609	$ 15,514	$ 18,524	$28,093	$25,327.50	$26,276	$29,650
Electric Motor Rentals	$ 13,021	$ 12,777	$ 15,212	$ 10,144	$ 11,029	$10,431	$9,180	$9,444	$13,475
Lakes Use Passes	$ 1,860	$ 1,950	$ 2,898	$ 1,760	$ 1,690	$1,540	$2,160	$1,926	$1,801
Paddle & Pontoon Boat	$ -	$ 10	$ 74	$ -	$ -	$ -	$ -	$ -	$ -
TOTALS:	**$ 57,487**	**$ 55,103**	**$ 63,754**	**$50,952**	**$56,128**	**$52,776**	**$48,620**	**$50,382**	**$60,053**

NOTES:

[1] Lake Use Fee for individuals renting a boat is included in the Boat Rental revenues for the period 2005 to 2009.

Attachment 3: 2013 Expenses for Lakes Operations

	Total Lake Operating Expenses for 2013	Total Recreation Expenses for 2013
Full Time Employee Salaries	$ 131,038	$ 62,844
Fringe Benefits	$ 41,932	$ 20,110
Part Time Employee Salaries	$ 2,493	$ 11,747
Utilities	$ 12,130	$ 4,452
Materials and Supplies	$ 3,570	$ 2,114
Maintenance of Facilities	$ 2,739	$ 579
Annual Amortization of equipment	$ 5,000	$ 4,000
Miscellaneous Expenses	$ 1,349	$ 628
Expense Total:	**$ 200,251**	**$106,474**
Revenue Total:		**$ 60,053**
Recreation Deficit Funded by the General Fund		**$ 46,421**
Cost Ratio-Operating Cost /Revenue		**1.77**