Orange Water and Sewer Authority
OWASA is Carrboro-Chapel Hill's not-for-profit public service agency delivering high quality water, wastewater, and reclaimed water services.

Agenda
Virtual Meeting of the OWASA Board of Directors
Thursday, February 25, 2021, 6:00 P.M.

Due to COVID-19 public health concerns, the Orange Water and Sewer Authority (OWASA) Board of Directors is conducting this meeting virtually utilizing Microsoft Teams software. Board Members, General Counsel and staff will be participating in the meeting remotely.

In compliance with the "Americans with Disabilities Act," interpreter services for non-English speakers and for individuals who are deaf or hard of hearing are available with five days prior notice. If you need this assistance, please contact the Clerk to the Board at 919-537-4217 or aorbich@owasa.org.

The Board of Directors appreciates and invites the public to attend and observe its virtual meetings online. Public comment is invited via written materials, ideally submitted at least two days in advance of the meeting to the Board of Directors by sending an email to board_and_leadership@owasa.org or via US Postal Service (Clerk to the Board, 400 Jones Ferry Road, Carrboro, NC 27510). Public comments are also invited during the Board Meeting via telephone, and members of the public will need to be available to call-in during the meeting. Please contact the Clerk to the Board at aorbich@owasa.org or 919-537-4217 to make arrangements by 3:00 p.m. the day of the meeting.

Public speakers are encouraged to organize their remarks for delivery within a four-minute time frame allowed each speaker, unless otherwise determined by the Board of Directors.
The Board may take action on any item on the agenda.

Announcements

1. Announcements by the Chair
   A. Any Board Member who knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight is asked to disclose the same at this time.
   B. OWASA's Annual Update from the February 16, 2021 Orange County Board of County Commissioners Meeting
2. Announcements by Board Members
   A. Update on the February 23, 2021 Meeting between Chapel Hill Town Council OWASA Committee and Chapel Hill Appointees to the OWASA Board of Directors (John Morris)
3. Announcements by Staff
   A. Long-Range Water Supply Plan Update from the February 16, 2021 Orange County Board of County Commissioners Meeting (Ruth Rouse)
   B. Lakes Open for Recreation on March 27, 2021 (Mary Darr)
   C. Change to Disinfection of Drinking Water with Free Chlorine instead of Chloramines in the month of March (Mary Darr)
4. Additional Comments, Suggestions, and Information Items by Board Members (Ray DuBose)

Petitions and Requests

1. Public
2. Board
3. Staff

Consent Agenda

Information and Reports

1. 12 Month Board Meeting Schedule (Todd Taylor)

Action

2. Adopt Series Resolution for Series 2021 Revenue Bonds (Stephen Winters)
3. Approval of the Guiding Principles for the Development of OWASA's New Strategic Plan (Todd Taylor/Mary Tiger)
4. Minutes of the January 28, 2021 Minutes of the Board of Directors Meeting (Andrea Orbich)
5. Minutes of the February 4, 2021 Minutes of the Special Meeting of the Board of Directors (Andrea Orbich)
6. Minutes of the February 11, 2021 Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter (Jody Eimers)

Regular Agenda

Discussion and Action

7. Approve Conservation Easements on Private Land in Cane Creek Reservoir Watershed (Ruth Rouse)

Information and Reports

8. Update on OWASA's COVID-19 Information and Discussion by the Board (Todd Taylor/ Mary Tiger)
9. Opportunity for Stream and Wetland Mitigation Banking Project (Mary Tiger)

Summary of Board Meeting Action Items

10. Executive Director will summarize the key staff action items from the Board Meeting and note significant items for discussion and/or action expected at the next meeting

Closed Session

11. The Board of Directors will Meet in Closed Session for the Purpose of Discussing a Personnel Matter, as provided in N.C. General Statutes 143.318.11(6) (Jody Eimers)

OWASA Board of Directors – 12 Month Board Meeting Schedule (February 19, 2021)

Month	Board Meetings		Committee Meetings & Other Board Items
	Work Session	Business Meeting	
February 2021	Department Managers FY 22 Budget Presentations (C) Affordability Program Update (C) Apprenticeship Program Update CS – Prepare for GC Interim Review (C) 2/11/2021	Approve Revised Guiding Principles for Strategic Plan Development Update on COVID-19 Adopt Series Resolution for Series 2021 Revenue Bonds Potential to Restore Streams and Wetlands on Biosolids Property Approve Conservation Easement on Private Land (C) CS – GC Interim Review 2/25/2021	*BOD Strategic Plan Special Meeting (2-4-2021)* *Annual Update and LRWSP staff update to the BOCC (2-16-2021)* *Meeting between the CHTC OWASA Committee & Chapel Hill Appointees to the BOD (2-23-2021)* *Ad hoc Committee meeting regarding Care to Share (TBD)*
March 2021	FY 22 Draft Budget and Rates (C) (Tentative) Award of Fermenter Mixing Improvements Construction Contract LRWSP – Summary of Community Engagement Discuss Staff & GC Feedback Received on Board Self-Assessment Survey 3/11/2021	Update on COVID-19 Set date for Public Hearings – FY 22 Budget & Rates (C) Sewer Use Ordinance and Sewer Policy Updates to Align with House Bill 873 Discuss Staff & GC Feedback Received on Board Self-Assessment Survey (if needed) 3/25/2021	*Ad hoc Committee meeting regarding Care to Share (TBD)*
April 2021	Review Employee Health and Dental Insurance Renewals (C) FY 22 Draft Budget and Rates Adjustment (C) BOD Eligible for Nominations to Election as Board Officers (include Officer descriptions) (C) Planning for BOD Self-Assessment (C) CS – Prepare for ED Interim Review (C) 4/8/2021	Q3 Financial Report (C) FY 22 Draft Budget and Rates Adjustment Information and Authorize Staff to Publish Proposed Rates (C) Discuss Draft Process for Developing Strategic Plan (C) CS – ED Interim Review 4/22/2021	*Carrboro Appointees Update to CTC (4-20-2021)* *Meeting between the BOCC Members & Orange County Appointees to the BOD (TBD)*
May 2021	(Tentative) LRWSP – Guiding Principles for Jordan Lake Alternatives Approve Employee Health and Dental Insurance Renewals (C) Employee Merit Pay for FY22 (C) Finalize Process for Developing Strategic Plan Award of West Cameron Avenue Water Main Replacement Phase 2 Construction Contract 5/13/2021	Public Hearings – FY 22 Budget and Rates (C) Approve Employee Health and Dental Insurance Renewals (if needed) (C) 5/27/2021	*(Tentative) BOD Self-Assessment in Special Meeting*
June 2021	(Tentative) LRWSP – Guiding Principles for Jordan Lake Alternatives Approve FY 22 Budget and Rates (including Employee Merit Pay decision) (C) Election of Officers (C) 6/10/2021	TBD 6/24/2021	*(Tentative) BOD Self-Assessment in Special Meeting*
July 2021	D&I Update (C) 7/8/2021	TBD 7/22/2021	*Possible welcome of new Board member(s)*
August 2021	CS – Prepare for GC Annual Review (C) 8/12/2021	Preliminary 12 Month Financial Report (C) CIP Semiannual Report (C) CS – GC Annual Review (C) 8/26/2021	

OWASA Board of Directors – 12 Month Board Meeting Schedule (February 19, 2021)

Month	Board Meetings		Committee Meetings & Other Board Items
	Work Session	Business Meeting	
September 2021	Annual Report on Disposal of Surplus Personal Property ↻ EEO/Affirmative Action Report and D&I Update ↻ 9/9/2021	Annual Report and Financial Audit ↻ Approve GC Engagement ↻ Forest Management Program Update (Annual Meeting of the BOD) 9/23/2021	
October 2021	CS – Prepare for ED Annual Review ↻ 10/14/2021	Strategic Trends Report ↻ Annual Update of the Energy Management Plan ↻ Reliability and Resiliency Improvements Update ↻ Q1 Financial Report ↻ CS – ED Annual Performance Review ↻ 10/28/2021	
November 2021	TBD 11/11/2021	*Holiday – no meeting*	
December 2021	TBD 12/9/2021	*Holiday – no meeting*	
January 2022	Appoint Audit Firm ↻ Employee Health and Dental Insurance Update for FY 23 ↻ D&I Update ↻ 1/13/2022	2021 Annual Lakes Recreation Report ↻ CIP Semiannual Report ↻ Q2 Financial Report ↻ Discuss FY 23 Budget Calendar and Planning Assumptions ↻ 1/27/2022	

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

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

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

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

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

The OWASA Board determines which topics it wants to explore as a full Board (potentially in a work session format) and which topics it wants to assign to Board committees or committee chairs for further analysis and development of recommendations. Board also determines priorities and desired timeframes for addressing topics. Committee meetings will be updated on the schedule routinely.

OWASA Board of Directors – 12 Month Board Meeting Schedule (February 19, 2021)

Abbreviations Used in Draft Schedule:

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

Agenda Item

- Adopt Series Resolution for Series 2021 Revenue Bonds

PURPOSE

- To seek Board approval of the Series Resolution authorizing the issuance of the Series 2021 Water and Sewer Revenue Bonds and stating the terms upon which they will be offered, sold, held and ultimately paid and satisfied

BACKGROUND

- On January 28, 2021, the Board approved a resolution to apply to the North Carolina Local Government Commission for approval of issuing revenue bonds.

- Proceeds from the Series 2021 revenue bonds will be used to fund about $20.1 million in capital improvements program projects.

- To be able to proceed with issuing the bonds, the Series Resolution must be adopted by the Board to authorize issuance of the bonds stating the terms upon which they will be offered, sold, held and paid off.

ACTION NEEDED

- Approve the Series Resolution

February 25, 2021

Orange Water and Sewer Authority
OWASA is Carrboro-Chapel Hill's not-for-profit public service agency
delivering high quality water, wastewater, and reclaimed water services.

MEMORANDUM

TO: Board of Directors

THROUGH: Todd Taylor, P.E.

FROM: Stephen Winters, CPA

DATE: February 19, 2021

SUBJECT: Adopt Series Resolution for Series 2021 Revenue Bonds

Background

On January 28, 2021, the Board approved a resolution to apply to the North Carolina Local Government Commission for approval of issuing revenue bonds to raise money to fund about $20.1 million in capital improvements projects.

Resolution

To be able to proceed with issuing the bonds, the attached Series Resolution must be adopted by the Board. In accordance with Section 2.08 of OWASA's Bond Order dated September 13, 2001, the final formal action the Board of Directors must take to issue the bonds is to adopt the Series 2021 Bond Resolution. The resolution has been prepared by OWASA's Bond Counsel, McGuireWoods LLP and reviewed by OWASA's general counsel.

The resolution specifies the terms and conditions relating to the determination of the total amount of the bonds to be issued, as well as the maturity structures, interest rates, and call provisions on the bonds. They also delegate, subject to certain conditions, to the Board Chair, Vice-Chair, the Executive Director or Director of Finance and Customer Service the authority to approve the exact principal amounts, the interest rates on the bonds, the maturity dates, the redemption provisions, and related matters, and to execute all required legal documents relating to the closing of the bonds. Please note that the blanks appearing on certain pages are intentional and will be filled-in after pricing takes place.

Action Requested

Approve Series Resolution

Stephen Winters, CPA
Director of Finance and Customer Service

Attachment: Series Resolution

400 Jones Ferry Road, Carrboro, NC 27510 919-968-4421 info@owasa.org @OWASA1 www.owasa.org

SERIES RESOLUTION OF THE ORANGE WATER AND SEWER AUTHORITY RELATING TO THE ISSUANCE OF NOT EXCEEDING $21,000,000 WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2021 OF SAID AUTHORITY PURSUANT TO THE PROVISIONS OF SECTION 2.08 OF AN AMENDED AND RESTATED BOND ORDER ADOPTED BY SAID AUTHORITY ON SEPTEMBER 13, 2001, AS AMENDED, AND REQUESTING THE LOCAL GOVERNMENT COMMISSION OF NORTH CAROLINA TO AWARD SAID BONDS AT PUBLIC SALE

WHEREAS, the Orange Water and Sewer Authority ("OWASA"), a public body and body politic and corporate of the State of North Carolina, is authorized under the provisions of the North Carolina Water and Sewer Authorities Act, as amended, and The State and Local Government Revenue Bond Act, as amended (collectively, the "Act"), to acquire, lease, construct, reconstruct, improve, extend, enlarge, equip, repair, maintain and operate water and sewer systems or any part thereof within Orange County, North Carolina, to issue revenue bonds of OWASA to pay the cost of such water and sewer systems and to issue revenue refunding bonds; and

WHEREAS, OWASA has heretofore issued (a) $15,695,000 principal amount of its Water and Sewer System Revenue Refunding Bonds, Series 2014, which are currently outstanding in the principal amount of $12,525,000, (b) $18,075,000 principal amount of its Water and Sewer System Revenue Refunding Bonds, Series 2018, all of which are currently outstanding, (c) $16,640,000 principal amount of its Water and Sewer System Revenue Bonds, Series 2019, all of which are currently outstanding, and (d) $9,500,000 principal amount of its Water and Sewer System Revenue Refunding Bonds, Series 2020, all of which are currently outstanding, pursuant to the Act and an amended and restated bond order adopted on September 13, 2001, as amended by a supplemental order adopted on October 28, 2010 (the Amended and Restated Bond Order, and any orders supplemental thereto and amendatory thereof, being hereinafter referred to as the "Order"); and

WHEREAS, Section 2.08 of the Order authorizes the issuance of additional revenue bonds of OWASA in one or more series from time to time for the purpose of providing funds for paying, with any other available funds, all or any part of the Cost of any Additional Project (as defined in the Order) and all or any part of completing payment of the Cost of the Project (as defined in the Order) and any Additional Project; and

WHEREAS, OWASA has determined that it is necessary to acquire and construct a certain Additional Project which is described in Appendix A to this Series Resolution (the "2021 Project"), which constitutes an Additional Project under the Order, and to pay a portion of the cost of the 2021 Project by issuing an additional series of revenue bonds and using any other available funds as authorized by Section 2.08 of the Order; and

WHEREAS, OWASA has determined that it will be able to satisfy the requirements of Section 2.08 of the Order with respect to the issuance of such series of revenue bonds; and

WHEREAS, pursuant to Section 2.08 of the Order, such series of revenue bonds is to have such terms and provisions as may be provided by a series resolution to be adopted by OWASA prior to the issuance thereof;

NOW, THEREFORE, THE ORANGE WATER AND SEWER AUTHORITY DOES HEREBY DETERMINE AND RESOLVE, as follows:

Section 1. Definitions. Unless otherwise required by the context, capitalized words and terms used in this Resolution (this "Series Resolution") and not otherwise defined herein shall have the same meanings in this Series Resolution as such words and terms are given in the Order, and the following words and terms shall have the following meanings:

"Bond Registrar" means The Bank of New York Mellon Trust Company, N.A. as designated by Section 2 of this Series Resolution, or any successor.

"Bond Year" means the period commencing on June 1 of any year and ending on May 31 of the following year.

"Business Day" means a day on which the Trustee, the Bond Registrar and the New York Stock Exchange are open for the purpose of conducting their businesses.

"Closing" means the delivery of and payment for the Series 2021 Bonds.

"Closing Date" means the date of the Closing.

"Electronic Means" means the following communication methods: e-mail; facsimile transmission; secure electronic transmission containing applicable authorization codes; passwords and/or authentication keys; or another method or system specified by the Trustee as available for use in connection with its services as Trustee under this Series Resolution.

"Interest Payment Date" means December 1, 2021, and each June 1 and December 1 thereafter, to and including the final maturity date of the Series 2021 Bonds.

"MSRB" means the Municipal Securities Rulemaking Board.

"Regular Record Date" means the 15th day of the month preceding any Interest Payment Date, whether or not a Business Day.

"Securities Depository" means The Depository Trust Company, New York, New York, or other recognized securities depository selected by OWASA, which maintains a book-entry system in respect of the Series 2021 Bonds, and shall include any substitute for or successor to the securities depository initially acting as Securities Depository.

"Securities Depository Nominee" means, as to any Securities Depository, such Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the registration books maintained by the Bond Registrar the Series 2021 Bond certificates to be delivered to such Securities Depository or its custodian

during the continuation with such Securities Depository of participation in its book-entry system.

"Series Certificate" shall have the meaning given to such term by Section 4 of this Series Resolution.

"Series 2021 Additional Project Account" means the account in the Construction Fund created and so designated by Section 5 of this Series Resolution.

"Series 2021 Bonds" means OWASA's Water and Sewer System Revenue Bonds, Series 2021.

"Series 2021 Subaccount of the Interest Account" means the subaccount created and so designated by Section 5 of this Series Resolution.

"Series 2021 Subaccount of the Principal Account" means the subaccount created and so designated by Section 5 of this Series Resolution.

"Series 2021 Subaccount of the Redemption Account" means the subaccount created and so designated by Section 5 of this Series Resolution.

"Series 2021 Subaccount of the Sinking Fund Account" means the subaccount created and so designated by Section 5 of this Series Resolution.

"Sinking Fund Requirement" means, with respect to the Series 2021 Bonds that are Term Bonds, if any, for any Bond Year, the principal amount fixed or computed for retirement by purchase or redemption on or prior to June 1 of the following Bond Year.

The Sinking Fund Requirements shall be initially the respective principal amounts set forth in the Series Certificate.

The aggregate amount of such Sinking Fund Requirements for the Term Bonds, together with the amount due upon the final maturity of such Term Bonds, shall be equal to the aggregate principal amount of the Term Bonds. The Sinking Fund Requirements for the Term Bonds shall begin in the Bond Year determined as provided in the Series Certificate and shall end with the Bond Year immediately preceding the maturity of such Term Bonds (such final installment being payable at maturity and not redeemed). Any principal amount of Term Bonds retired by operation of the Series 2021 Subaccount of the Sinking Fund Account by purchase in excess of the total amount of the Sinking Fund Requirement for such Term Bonds, to and including such June 1, shall be credited against and reduce the future Sinking Fund Requirements for such Term Bonds in such manner as shall be specified in an Officer's Certificate filed with the Trustee pursuant to Section 6 of this Series Resolution.

On or before the 45th day next preceding any June 1 on which Term Bonds are to be retired pursuant to the Sinking Fund Requirement, OWASA may deliver to the Trustee for cancellation Term Bonds required to be redeemed on such June 1 in any aggregate principal amount desired and receive a credit against amounts required to be transferred from the Series 2021 Subaccount of the Sinking Fund Account on account of such Term Bonds in the amount of

100% of the principal amount of any such Term Bonds so purchased. Any principal amount of Term Bonds purchased by the Trustee and cancelled in excess of the principal amount required to be redeemed on such June 1, shall be credited against and reduce the principal amount of future Sinking Fund Requirements in such manner as shall be specified in an Officer's Certificate in substantially the form of the Officer's Certificate filed with the Trustee pursuant to Section 6 of this Series Resolution.

It shall be the duty of the Trustee, on or before the 15th day of July in each Bond Year, to recompute, if necessary, the Sinking Fund Requirement for such Bond Year and all subsequent Bond Years for the Term Bonds Outstanding based upon the Officer's Certificate filed with the Trustee pursuant to Section 6 of this Series Resolution. The Sinking Fund Requirement for such Bond Year as so recomputed shall continue to be applicable during the balance of such Bond Year and no adjustment shall be made therein by reason of Term Bonds purchased or redeemed or called for redemption during such Bond Year.

If any Term Bonds are paid or redeemed by operation of the Series 2021 Subaccount of the Redemption Account, the Trustee shall reduce future Sinking Fund Requirements therefor in such manner as shall be specified in an Officer's Certificate in substantially the form of the Officer's Certificate filed with the Trustee pursuant to Section 6 of this Series Resolution.

Section 2. Authorization of the Series 2021 Bonds Pursuant to the Order. (A) Series 2021 Bonds. Pursuant to the Act and Section 2.08 of the Order, OWASA hereby authorizes the issuance of revenue bonds of OWASA, designated "Orange Water and Sewer Authority Water and Sewer System Revenue Bonds, Series 2021" (the "Series 2021 Bonds") in an aggregate principal amount not exceeding $21,000,000, for the purpose of providing funds, together with other available funds, to (1) pay the Cost of the 2021 Project and (2) pay certain expenses incurred in connection with the sale and issuance of the Series 2021 Bonds. Each Series 2021 Bond shall be dated the date of its delivery.

(B) Bond Provisions. The Series 2021 Bonds may consist of Serial Bonds and Term Bonds, shall bear interest at the rates, and shall mature, subject to any optional and mandatory sinking fund redemption, in the amounts and on the dates, all as hereinafter provided.

(C) Details; Interest Payment Dates. The Series 2021 Bonds shall be numbered consecutively from 2021-1 upward, shall be in the denomination of five thousand dollars ($5,000) and integral multiples thereof and shall be registered and exchangeable, and the transfer thereof may be registered, all in accordance with the provisions of the Order. Interest on the Series 2021 Bonds shall be payable semiannually on each June 1 and December 1, commencing on December 1, 2021, until the maturity thereof.

(D) Book-Entry. The Series 2021 Bonds shall be issued by means of a book-entry system with no physical distribution of bond certificates to be made except as hereinafter provided. One bond certificate with respect to each date on which the Series 2021 Bonds are stated to mature, in the aggregate principal amount of the Series 2021 Bonds stated to mature on such date and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), will be issued and required to be deposited with DTC or its custodian. The book-entry system will evidence ownership of the Series 2021 Bonds in the

principal amount of $5,000 or any multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The principal of and any redemption premium on each Series 2021 Bond and interest with respect thereto shall be payable to Cede & Co., or any other person appearing on the registration books maintained by the Bond Registrar, as the registered owner of such Series 2021 Bond or its registered assigns or legal representatives. Transfer of principal, interest and any redemption premium payments to participants of DTC will be the responsibility of DTC, and transfer of principal, interest and any redemption premium payments to beneficial owners of the Series 2021 Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. OWASA, the Bond Registrar and the Trustee shall not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as Securities Depository for the Series 2021 Bonds or (b) OWASA determines that continuation of the book-entry system of evidence and transfer of ownership of the Series 2021 Bonds would adversely affect the interests of the beneficial owners of the Series 2021 Bonds, OWASA shall discontinue the book-entry system with DTC. If OWASA identifies another qualified Securities Depository to replace DTC, OWASA shall make arrangements with DTC and such other Securities Depository to effect such replacement and deliver replacement Series 2021 Bonds registered in the name of such other Securities Depository or its Securities Depository Nominee in exchange for the outstanding Series 2021 Bonds, and the references to DTC or Cede & Co. in this Series Resolution shall thereupon be deemed to mean such other Securities Depository or its Securities Depository Nominee. If OWASA fails to identify another qualified Securities Depository to replace DTC, OWASA shall deliver replacement Series 2021 Bonds in the form of fully registered certificates in the denomination of $5,000 or any multiple thereof in exchange for the outstanding Series 2021 Bonds as required by DTC. Prior to any transfer of the Series 2021 Bonds from the book-entry only system (including, but not limited to, the initial transfer from the book-entry only system), the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Section 6045 of the Internal Revenue Code of 1986, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

(E) Bond Registrar. The Bank of New York Mellon Trust Company, N.A. is hereby appointed Bond Registrar for the Series 2021 Bonds.

Section 3. Delegation and Standards. OWASA hereby delegates to the Chair, the Vice-Chair, the Executive Director or the Director of Finance and Customer Service of OWASA, subject to the limitations contained herein, the power to determine and carry out the following with respect to the Series 2021 Bonds:

(A) Principal Amount. To determine the aggregate principal amount of the Series 2021 Bonds, such principal amount, not to exceed $21,000,000, to be sufficient for the purposes described in Section 2(A) of this Series Resolution;

(B) Interest Rates. To determine the interest rate or rates on the Series 2021 Bonds, no such rate to exceed five and one-half percent (5.50 %) per annum;

(C) Maturities and Maturity Amounts. To determine the maturities and maturity amounts of the Series 2021 Bonds, no such maturity to extend beyond June 1, 2046;

(D) Serial and Term Bonds. To determine which Series 2021 Bonds are Serial Bonds, if any, and which Series 2021 Bonds are Term Bonds, if any, and the Sinking Fund Requirements for any such Term Bonds;

(E) Redemption Provisions. To determine the optional redemption provisions (if any) for the Series 2021 Bonds; provided, however, that the Series 2021 Bonds shall be made callable not later than 10 1/2 years from their date and that the redemption price shall not exceed 103% of the face amount of the Series 2021 Bonds to be redeemed;

(F) Date of Sale. To determine the date of the sale of the Series 2021 Bonds;

(G) Public Sale. To approve the sale of the Series 2021 Bonds in a public sale in accordance with the provisions of Section 15 of this Series Resolution; provided, however, that the true interest cost for the Series 2021 Bonds shall not exceed three and twenty-five one hundredths percent (3.25%) per annum; and

(H) Other Provisions. To determine any other provisions deemed advisable and not in conflict with the provisions of this Series Resolution or the Order.

Section 4. Series Certificate. The Chair, the Vice-Chair, the Executive Director or the Director of Finance and Customer Service of OWASA shall execute a certificate or certificates (collectively, the "Series Certificate") evidencing the determinations or other actions taken by him pursuant to the authority granted in this Series Resolution, and any such Series Certificate shall be conclusive evidence of the action taken.

Section 5. Establishment of Account and Subaccounts. The following accounts and subaccounts are hereby established:

(a) Series 2021 Subaccount of the Interest Account;

(b) Series 2021 Subaccount of the Principal Account;

(c) Series 2021 Subaccount of the Redemption Account;

(d) Series 2021 Subaccount of the Sinking Fund Account; and

(e) Orange Water and Sewer Authority Water and Sewer System Revenue Bonds, Series 2021 Additional Project Account.

The account and subaccounts mentioned above shall be established with and held by the Trustee pursuant to the Order and this Series Resolution.

Section 6. Sinking Fund Redemption Provisions for the Series 2021 Bonds. The Series 2021 Bonds that are Term Bonds, if any, shall be subject to mandatory redemption in part on each June 1, as specified in the Series Certificate required by Section 4 of this Series Resolution.

Money held in the Series 2021 Subaccount of the Sinking Fund Account shall be applied during each Bond Year to the purchase or retirement of Term Bonds then Outstanding as follows:

(a) The Trustee shall, at the written request of OWASA, endeavor to purchase and cancel Term Bonds or portions thereof subject to redemption by operation of the Series 2021 Subaccount of the Sinking Fund Account or maturing on the next ensuing June 1 at the most advantageous price obtainable with reasonable diligence. The purchase price of each such Term Bond shall not exceed par plus accrued interest to the date of purchase. The Trustee shall pay the interest accrued on such Term Bonds to the date of settlement therefor from the Series 2021 Subaccount of the Interest Account or other funds provided by OWASA and the balance of the purchase price from the Series 2021 Subaccount of the Sinking Fund Account, but no such purchase shall be made by the Trustee from money in the Series 2021 Subaccount of the Sinking Fund Account within the period of forty-five (45) days immediately preceding any June 1 on which such Term Bonds are subject to redemption. The aggregate purchase price of Term Bonds, exclusive of accrued interest, during such Bond Year shall not exceed the amount deposited in the Series 2021 Subaccount of the Sinking Fund Account on account of the Sinking Fund Requirement for the Term Bonds for such Bond Year. If in any Bond Year the sum of the amount on deposit in the Series 2021 Subaccount of the Sinking Fund Account for the payment of any Term Bonds and the principal amount of the Term Bonds that were purchased during such Bond Year pursuant to the provisions of this paragraph (a) or delivered during such Bond Year to the Trustee by OWASA exceeds the Sinking Fund Requirement for the Outstanding Term Bonds for such Bond Year, the Trustee shall endeavor to purchase Outstanding Term Bonds with such excess money; and

(b) The Trustee shall call for redemption on June 1 immediately following the then current Bond Year the Term Bonds then subject to redemption in a principal amount equal to the aggregate Sinking Fund Requirement for the Term Bonds for such Bond Year, less the principal amount of any such Term Bonds retired during such Bond Year by purchase pursuant to paragraph (a) of this Section or delivered during such Bond Year to the Trustee by OWASA. If such June 1 is the stated maturity date of any such Term Bonds, the Trustee shall not call such Term Bonds for redemption but, on such maturity date, shall withdraw from the Sinking Fund Account and, not later than 10:00 A.M. on such date, remit by wire transfer to the Bond Registrar, in Federal Reserve or other immediately available funds, the amount required for paying the principal of such Term Bonds when due and payable. Not later than 10:00 A.M. on each such redemption date, the Trustee shall withdraw from the Series 2021 Subaccount of the Sinking Fund Account and remit by wire transfer to the Bond Registrar, in Federal Reserve or other immediately available funds, the respective amounts required for paying the Redemption Price of the Term Bonds or portions thereof so called for redemption.

If, in any Bond Year, by the application of money in the Series 2021 Subaccount of the Sinking Fund Account, the Trustee should purchase or receive from OWASA and cancel Term Bonds in excess of the aggregate Sinking Fund Requirement for such Bond Year, the Trustee

shall file with OWASA not later than the twentieth (20th) day prior to the next June 1 on which Term Bonds are to be redeemed, a statement identifying the Term Bonds purchased or delivered during such Bond Year and the amount of such excess. OWASA shall thereafter cause an Officer's Certificate to be filed with the Trustee not later than the tenth (10th) day prior to such June 1, setting forth with respect to the amount of such excess the Bond Years in which the Sinking Fund Requirements with respect to Term Bonds are to be reduced and the amount by which the Sinking Fund Requirements so determined are to be reduced.

Upon the retirement of any Term Bonds by purchase or redemption pursuant to the provisions of this Section, the Trustee shall file with OWASA a statement identifying such Term Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such Term Bonds, and the amount paid as interest thereon. The expenses incurred in connection with the purchase or redemption of any such Term Bonds shall be paid by OWASA as Current Expenses or from any other available moneys.

Section 7. Selection of Series 2021 Bonds for Redemption. The Series 2021 Bonds shall be redeemed only in whole multiples of five thousand dollars ($5,000). If less than all of the Series 2021 Bonds are to be called for redemption, the Series 2021 Bonds to be so redeemed shall be called for redemption in the manner that OWASA shall determine as set forth in an Officer's Certificate filed with the Trustee.

If less than all of the Series 2021 Bonds of any one maturity are called for redemption, the Bond Registrar shall select the Series 2021 Bonds to be redeemed by lot, each five thousand dollar ($5,000) portion of principal being counted as one Series 2021 Bond for this purpose; provided, however, that so long as the only registered owner of the Series 2021 Bonds is a Securities Depository Nominee, such selection shall be made by the Securities Depository.

Section 8. Redemption Notice. Not less than thirty (30) days but not more than sixty (60) days prior to the redemption date of any Series 2021 Bonds to be redeemed, whether such redemption be in whole or in part, the Bond Registrar shall cause a notice of any such redemption signed by the Bond Registrar to be mailed, first class, postage prepaid, to all Owners of Series 2021 Bonds to be redeemed in whole or in part, provided that notice to any Securities Depository shall be sent by Electronic Means if so required or requested by such Securities Depository and provided further that failure to give any such notice to any Owner or any defect in such notice shall not affect the validity of the proceedings for such redemption as to the Series 2021 Bonds of any other Owner to whom such notice has been properly given. Not less than thirty (30) days prior to the date of redemption, the Bond Registrar shall also give such notice of redemption to (A) the MSRB through its Electronic Municipal Market Access (EMMA) system, (B) at least one information service which disseminates redemption information by first class mail, postage prepaid, Electronic Means or overnight courier, and (C) the North Carolina Local Government Commission by first class mail, postage prepaid, but failure to give such notice or any defect therein shall not affect the validity of any proceedings for the redemption of any Series 2021 Bonds. Notwithstanding anything to the contrary herein, OWASA acknowledges and agrees that the Bond Registrar is not acting as the disclosure/dissemination agent for purposes of Rule 15c2-12 (as defined herein) in connection with any notice required to be posted with the MSRB via its Electronic Municipal Marketplace Access (EMMA) system.

Each such notice shall set forth the designation and date of the Series 2021 Bonds, the CUSIP numbers of the Series 2021 Bonds to be redeemed, the date fixed for redemption, the Redemption Price to be paid, the address and phone number of the Trustee and Bond Registrar, the date of the redemption notice, the maturities of the Series 2021 Bonds to be redeemed and, if less than all of the Series 2021 Bonds of any one maturity then Outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such Series 2021 Bonds to be redeemed and, in the case of Series 2021 Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Series 2021 Bond is to be redeemed in part only, the notice of redemption shall also state also that on or after the redemption date, upon surrender of such Series 2021 Bond, a new Series 2021 Bond in principal amount equal to the unredeemed portion of such Series 2021 Bond will be issued.

Any notice of redemption (other than a notice given with respect to a mandatory sinking refund redemption) may state that the redemption to be effected is conditioned upon the receipt by the Trustee or Bond Registrar, on or prior to the redemption date, of moneys sufficient to pay the Redemption Price of and interest on the Series 2021 Bonds to be redeemed and that if such moneys are not so received such notice shall be of no force or effect and such Series 2021 Bonds shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the Redemption Price of and interest on such Series 2021 Bonds are not received by the Trustee or Bond Registrar on or prior to the redemption date, the redemption shall not be made and the Bond Registrar shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

Section 9. Series 2021 Subaccount of the Redemption Account. The Trustee shall apply money in the Series 2021 Subaccount of the Redemption Account to the purchase or redemption of Series 2021 Bonds as follows:

(a) Subject to the provisions of paragraph (c) of this Section, the Trustee shall, at the written direction of OWASA, endeavor to purchase and cancel Series 2021 Bonds or portions thereof, regardless of whether such Series 2021 Bonds or portions thereof are then subject to redemption, at the most advantageous price obtainable with reasonable diligence, provided that the purchase price of each Series 2021 Bond shall not exceed the Redemption Price that would be payable on the next redemption date to the Owner of such Series 2021 Bond under the provisions of the Series Certificate. The Trustee shall pay the interest accrued on such Series 2021 Bonds or portions thereof to the date of settlement from the Series 2021 Subaccount of the Interest Account or other funds provided by OWASA and the balance of the purchase price from the Series 2021 Subaccount of the Redemption Account, but no such purchase shall be made by the Trustee from money in the Series 2021 Subaccount of the Redemption Account within the period of forty-five (45) days immediately preceding any date on which such Series 2021 Bonds or portions thereof are to be redeemed.

(b) Subject to the provisions of paragraph (c) of this Section, the Trustee shall call for redemption on a date permitted by this Series Resolution and the Series Certificate such amount of Series 2021 Bonds or portions thereof as, with the redemption premium, if any, will exhaust the money then held in the Series 2021 Subaccount of the Redemption Account as nearly as may be practicable; provided, however, that not less than Fifty Thousand Dollars ($50,000) in principal amount of the Series 2021 Bonds shall be called for redemption at any one time unless

the Trustee is so instructed by OWASA. The Trustee shall pay the accrued interest on the Series 2021 Bonds or portions thereof to be redeemed to the date of redemption from the Series 2021 Subaccount of the Interest Account or other funds provided by OWASA and the Redemption Price of such Series 2021 Bonds or portions thereof from the Series 2021 Subaccount of the Redemption Account. The Trustee shall withdraw from the Series 2021 Subaccount of the Redemption Account and set aside the amount required to pay the Redemption Price of the Series 2021 Bonds or portions thereof so called for redemption.

(c) Money in the Series 2021 Subaccount of the Redemption Account shall be applied by the Trustee in each Fiscal Year to the purchase or the redemption of Series 2021 Bonds then Outstanding in accordance with the latest Officer's Certificate filed with the Trustee designating the Series 2021 Bonds to be redeemed. In the event no such certificate is filed (i) the Trustee shall apply such money to the purchase of Series 2021 Bonds bearing the highest rate of interest, (ii) if Series 2021 Bonds of more than one maturity bear the same interest rate, the Trustee shall redeem such Series 2021 Bonds in the inverse order of maturities, and (iii) if the Series 2021 Bonds bearing the highest rate of interest are Term Bonds, the Trustee shall reduce the Sinking Fund Requirements for such Term Bonds in inverse order of the scheduled redemption of such Term Bonds.

Upon the retirement of any Series 2021 Bonds by purchase or redemption pursuant to the provisions of this Section, the Trustee shall file with OWASA a statement identifying such Series 2021 Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such Bonds and the amount paid as interest thereon. The expenses incurred by the Trustee in connection with the purchase or redemption of any such Series 2021 Bonds shall be paid by OWASA from the Revenue Account as Current Expenses or from any other available moneys.

Section 10. Form of Series 2021 Bond. The Series 2021 Bonds and the Certificate of the North Carolina Local Government Commission and the Certificate of Authentication to be endorsed on all the Series 2021 Bonds shall be substantially in the following forms, with such variations, omissions and insertions as are required or permitted by the Order or this Series Resolution:

[Form of Series 2021 Bond]

No. R2021-__ $_____

United States of America
State of North Carolina

ORANGE WATER AND SEWER AUTHORITY

Water and Sewer System Revenue Bond,
Series 2021

Maturity Date	Dated Date	Interest Rate	CUSIP
June 1, 20__	_____ __, 2021	___%	_____

Principal Amount: _____ DOLLARS ($_____)

Registered Owner:

The Orange Water and Sewer Authority (the "Authority"), a public body and body politic and corporate of the State of North Carolina, is justly indebted and for value received hereby promises to pay, solely from the sources and in the manner hereinafter set forth, to the Registered Owner shown above or registered assigns or legal representative, on the maturity date specified above (or earlier as stated hereinafter), upon the presentation and surrender hereof at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., in East Syracuse, New York, or any successor bond registrar (the "Bond Registrar"), the principal amount shown above, and to pay, solely from such sources, to the person in whose name this bond (or one or more Predecessor Bonds, as defined in the Order hereinafter mentioned) is registered at the close of business on the regular record date for such interest, which shall be the 15th day of the calendar month next preceding an interest payment date (the "Regular Record Date"), interest on this bond from the interest payment date next preceding the date on which it is authenticated, unless it is authenticated on an interest payment date, in which event it shall bear interest from such date, or it is authenticated prior to December 1, 2021, in which event it shall bear interest from its date, payable on December 1, 2021 and semiannually thereafter on June 1 and December 1 of each year, at the rate per annum specified above until the principal sum hereof is paid. Any such interest not so punctually paid shall forthwith cease to be payable to the person who was the registered owner on such Regular Record Date and may be paid to the person in whose name this bond (or one or more Predecessor Bonds) is registered at the close of business on a Special Record Date, as defined in the Order, for the payment of such defaulted interest to be fixed by the Trustee hereinafter mentioned, notice whereof being given to registered owners not more than fifteen (15) days and not less than ten (10) days prior to such Special Record Date, or may be paid in any other lawful manner not inconsistent with the requirements of applicable law or any securities exchange on which the bonds may be listed and upon such notice as may be required by such law or exchange, all as more fully provided in the Order. All such payments shall be made in the lawful money of the United States of America.

This bond is one of a duly authorized series of revenue bonds of the Authority, designated "Orange Water and Sewer Authority Water and Sewer System Revenue Bonds, Series 2021" (the "Series 2021 Bonds"), and issued for the purpose of providing funds, together with any other available funds, to (i) pay the cost of the 2021 Project (as defined in the hereinafter-mentioned Series Resolution) and (ii) pay certain expenses incurred in connection with the sale and issuance of the Series 2021 Bonds.

The Series 2021 Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Series Resolution. One Series 2021 Bond certificate with respect to each date on which the Series 2021 Bonds are stated to mature, registered in the name of the Securities Depository Nominee (as defined in the Series Resolution), is being issued and required to be deposited with the Securities Depository (as defined in the Series Resolution) or its custodian. The book-entry system will evidence positions held in the Series 2021 Bonds by the Securities Depository's participants, beneficial ownership of the Series 2021 Bonds in the principal amount of $5,000 or any integral multiple thereof being evidenced in the records of such participants. Transfers of ownership will be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The Authority, the Bond Registrar and the Trustee will recognize the Securities Depository Nominee, while the registered owner of this Series 2021 Bond, as the owner of this Series 2021 Bond for all purposes, including (i) payments of principal of, and redemption premium, if any, and interest on, this Series 2021 Bond, (ii) notices and (iii) voting. Transfer of principal, interest and any redemption premium payments to participants of the Securities Depository will be the responsibility of the Securities Depository, and transfer of principal, interest and any redemption premium payments to beneficial owners of the Series 2021 Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of such beneficial owners. The Authority, the Bond Registrar and the Trustee will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository Nominee, the Securities Depository's participants or persons acting through such participants. While the Securities Depository Nominee is the registered owner of this Series 2021 Bond, notwithstanding the provisions hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Series 2021 Bond shall be made in accordance with existing arrangements between the Bond Registrar or its successors under the Series Resolution and the Securities Depository.

The Series 2021 Bonds are being issued under and pursuant to the Constitution and laws of the State of North Carolina, including the North Carolina Water and Sewer Authorities Act, as amended, and The State and Local Government Revenue Bond Act, as amended (collectively, the "Act"), an amended and restated bond order duly adopted by the Authority on September 13, 2001, as amended by a supplemental order adopted by the Authority on October 28, 2010 (said amended and restated bond order, together with all orders supplemental and amendatory thereto as therein permitted, being herein called the "Order") and a series resolution duly adopted by the Authority on March 22, 2018 (the "Series Resolution"). The Authority has heretofore issued and secured under the Order, its Water and Sewer System Revenue Refunding Bonds, Series 2014 (the "Series 2014 Bonds"), its Water and Sewer System Revenue Refunding Bonds, Series 2018 (the "Series 2018 Bonds"), its Water and Sewer System Revenue Bonds, Series 2019 (the

"Series 2019 Bonds"), and its Water and Sewer System Revenue Refunding Bonds, Series 2020 (the "Series 2020 Bonds"). The Order provides for the issuance from time to time under the conditions, limitations and restrictions therein set forth of additional bonds to provide funds for paying all or any part of the cost of any Additional Project (as defined in the Order), to provide funds for completing payment of the cost of the Project (as defined in the Order) and any Additional Project, and to provide funds to pay the cost (including financing costs) of refunding any bonds issued under the Order, Parity Debt (as defined in the Order) or Subordinated Indebtedness (as defined in the Order) (such additional bonds, the Series 2021 Bonds, the Series 2020 Bonds, the Series 2019 Bonds, the Series 2018 Bonds and the Series 2014 Bonds being herein collectively called the "Bonds"). Copies of the Order and the Series Resolution are on file at the corporate trust office of The Bank of New York Mellon Trust Company, N.A. (the "Trustee") in Jacksonville, Florida. By the acceptance of this bond, the registered owner hereof assents to all of the provisions of the Order and the Series Resolution.

The Series 2021 Bonds are special obligations of the Authority secured by a pledge, charge and lien upon Net Receipts (as defined in the Order). The Authority is not obligated to pay the principal of or the interest on the Series 2021 Bonds except, as provided in the Order, from Net Receipts or certain other monies made available therefor under the Order, and neither the faith and credit nor the taxing power of the State of North Carolina or any political subdivision thereof or the Authority is pledged to the payment of the principal of and the interest on the Series 2021 Bonds. The Order provides for the issuance or incurrence from time to time under the conditions, limitations and restrictions therein set forth of Bonds and Parity Debt (as defined in the Order) secured on a parity as to the pledge of Net Receipts.

Reference is made to the Order and the Series Resolution for a more complete statement of the provisions thereof and of the rights of the Authority, the Trustee and the registered owners of the Series 2021 Bonds.

The Order provides for the creation of a special fund designated "Orange Water and Sewer Authority Water and Sewer System Revenue Bonds Bond Fund" (the "Bond Fund"). Pursuant to the Series Resolution, special subaccounts have been created within the various accounts of the Bond Fund with respect to the Series 2021 Bonds (the "Subaccounts"), which Subaccounts are pledged to and charged with the payment of the principal of and the interest on the Series 2021 Bonds. The Series Resolution also provides for the deposit of Net Receipts to the credit of the Subaccounts to the extent and in the manner provided in the Order and the Series Resolution.

The Series 2021 Bonds are issuable as registered bonds without coupons, in denominations of $5,000 or any integral multiple thereof. At the designated corporate trust office of the Bond Registrar, in the manner and subject to the limitations and conditions provided in the Order, Series 2021 Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of authorized denominations and bearing interest at the same rate.

The transfer of this bond is registrable by the registered owner hereof in person or by his attorney or legal representative at the designated corporate trust office of the Bond Registrar but only in the manner and subject to the limitations and conditions provided in the Order and upon surrender and cancellation of this bond. Upon any such registration of transfer the Authority

shall execute and the Bond Registrar shall authenticate and deliver in exchange for this bond a new Series 2021 Bond or Series 2021 Bonds, registered in the name of the transferee, of authorized denominations, in aggregate principal amount equal to the principal amount of this bond, of the same maturity and bearing interest at the same rate. The Authority or the Bond Registrar may make a charge for every such exchange or registration of transfer of Series 2021 Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made to any registered owner for the privilege of exchanging or registering the transfer of Series 2021 Bonds. Neither the Authority nor the Bond Registrar shall be required to make any such exchange or registration of transfer of Series 2021 Bonds during the fifteen (15) days immediately preceding the date of first giving of notice of any redemption of Series 2021 Bonds or any portion thereof or of any Series 2021 Bond after such Series 2021 Bond or any portion thereof has been selected for redemption.

The Series 2021 Bonds maturing on or after June 1, 20__ are subject to redemption, at the option of the Authority, on or after June 1, 20__, in whole or in part (by lot within a maturity) at any time. Any such redemption will be at the redemption prices (expressed as a percentage of the principal amount of Series 2021 Bonds to be redeemed), plus accrued interest thereon to the redemption date, all as set forth in the following table:

Redemption Periods	Redemption Prices
June 1, 20__ through May 31, 20__	%
June 1, 20__ through May 31, 20__	
June 1, 20__ and thereafter	

The Series 2021 Bonds at the time outstanding that are stated to mature on June 1, 20__ are required to be redeemed in part by lot on June 1, 20__ and on each June 1 thereafter from moneys deposited with the Trustee for such purpose. Such redemption shall be at a redemption price equal to 100% of the principal amount of the Series 2021 Bonds to be redeemed, plus accrued interest thereon to the redemption date.

If less than all of the Series 2021 Bonds are to be called for redemption, the Series 2021 Bonds to be so redeemed shall be called for redemption in the manner that the Authority shall determine as set forth in an Officer's Certificate filed with the Trustee. If less than all of the Series 2021 Bonds of any one maturity are called for redemption, the Bond Registrar shall select the Series 2021 Bonds to be redeemed by lot, each $5,000 portion of principal being counted as one Series 2021 Bond for this purpose; provided, however, that so long as the only registered owner of the Series 2021 Bonds is the Securities Depository Nominee, such selection shall be made by the Securities Depository.

Not less than thirty (30) days but not more than sixty (60) days prior to the redemption date of any Series 2021 Bonds, either in whole or in part, the Bond Registrar shall cause a notice of any such redemption, signed by the Bond Registrar, to be mailed, first-class, postage prepaid, to all registered owners of Series 2021 Bonds or portions of Series 2021 Bonds to be redeemed at their addresses as they appear on the registration books maintained by the Bond Registrar, but failure so to mail any such notice shall not affect the validity of the proceedings for such

redemption as to any registered owners to whom such notice was given as so required. The Bond Registrar shall also cause a notice of any such redemption to be given to such other parties as provided in the Series Resolution. On the date designated for redemption, notice having been given as aforesaid, the Series 2021 Bonds or portions of Series 2021 Bonds so called for redemption shall become and be due and payable at the redemption price provided for the redemption of such Series 2021 Bonds or portions thereof on such date, and, if the moneys for payment of the redemption price and the accrued interest are held by the Bond Registrar, as provided in the Order, interest on such Series 2021 Bonds or portions thereof shall cease to accrue, such Series 2021 Bonds or portions thereof shall cease to be entitled to any benefit or security under the Order, and the registered owners thereof shall have no rights in respect of such Series 2021 Bonds or portions thereof except to receive payment of the redemption price thereof and the accrued interest so held by the Bond Registrar. If a portion of this bond shall be called for redemption, a new Series 2021 Bond or Series 2021 Bonds in principal amount equal to the unredeemed portion hereof will be issued to the registered owner upon surrender hereof.

With respect to any notice of redemption of Series 2021 Bonds (other than a notice given with respect to a mandatory sinking fund redemption), such notice may state that such redemption shall be conditional upon the receipt by the Trustee or the Bond Registrar, on or prior to the date fixed for such redemption, of moneys sufficient to pay the redemption price of and accrued interest on such Series 2021 Bonds to be redeemed, and that if such moneys shall not have been so received, said notice shall be of no force and effect and the Authority shall not be required to redeem such Series 2021 Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Bond Registrar shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

The registered owner of this bond shall have no rights to enforce the provisions of the Order or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Order or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Order.

In certain events, on the conditions, in the manner and with the effect set forth in the Order, the principal of all the Bonds and Parity Debt then outstanding under the Order may become or may be declared due and payable before the stated maturities thereof, together with the interest accrued thereon.

Modifications or alterations of the Order may be made by the Authority only to the extent and in the circumstances permitted by the Order.

As declared by the Act, this bond, subject only to the provisions for registration and registration of transfer stated herein and contained in the Order, is an investment security within the meaning of and for all the purposes of Article 8 of the Uniform Commercial Code of the State of North Carolina.

This bond is issued with the intent that the laws of the State of North Carolina shall govern its construction.

All acts, conditions and things required by the Constitution and laws of the State of North Carolina, the Order and the Series Resolution to happen, exist and be performed precedent to and in the issuance of this bond have happened, exist and have been performed as so required.

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Order until this bond shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the Orange Water and Sewer Authority has caused this bond to be signed by its Chair and its Secretary-Treasurer and the corporate seal of the Authority to be impressed hereon, all as of the ___ day of_____, 2021.

[Seal] ORANGE WATER AND SEWER AUTHORITY

By: _____
Chair

By:_____
Secretary-Treasurer

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The issuance of the within bond has been approved under the provisions of The State and Local Government Revenue Bond Act of North Carolina.

_____
Secretary, Local Government Commission of North Carolina

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds of the series designated therein and issued under the provisions of the within-mentioned Order and Series Resolution.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Bond Registrar

By:_____
Vice President

Date of authentication: _____

ASSIGNMENT

FOR VALUE RECEIVED the undersigned registered owner thereof hereby sells, assigns and transfers unto _____
_____
_____
[Please Print or Typewrite Name and Address of Transferee]

the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ attorney to register the transfer of said Bond on the books kept for registration thereof, with full power of substitution in the premises

Dated: _____

_____
NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

_____
NOTICE: Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion program (STAMP) or similar program.

Section 11. Series 2021 Additional Project Account. On the Closing Date, OWASA shall deposit, or cause there to be deposited, the net proceeds of the Series 2021 Bonds to the credit of the Series 2021 Additional Project Account. The Series 2021 Additional Project Account shall be governed by the provisions of Article IV of the Order, and the moneys in the Series 2021 Additional Project Account shall be applied, together with any other available funds, to pay the Cost of the 2021 Project and to pay certain fees and expenses incurred in connection with the sale and issuance of the Series 2021 Bonds.

Section 12. Application of Net Receipts. On or before the dates set forth below, OWASA shall, subject to the provisions of the Order, deposit or cause to be deposited, from Net Receipts held in the Revenue Account, with the Trustee the following amounts, and the Trustee shall apply such amounts to the various subaccounts and account specified in this Series Resolution in the following order:

(a) into the Series 2021 Subaccount of the Interest Account, on the Business Day immediately preceding each Interest Payment Date, an amount equal to the interest payable on the Series 2021 Bonds on such Interest Payment Date;

(b) into the Series 2021 Subaccount of the Principal Account, on the Business Day immediately preceding each June 1, beginning in the year specified in the Series Certificate, an amount equal to the principal of all Series 2021 Bonds that are Serial Bonds, if any, due on such June 1; and

(c) into the Sinking Fund Account, on the Business Day immediately preceding each June 1, beginning in the year specified in the Series Certificate, the amount required to retire the Series 2021 Bonds that are Term Bonds, if any, to be called by mandatory redemption or to be paid at maturity on such June 1 in accordance with the Sinking Fund Requirement therefor.

In addition, the Trustee shall deposit to the credit of the Series 2021 Subaccount of the Redemption Account all amounts as shall be delivered to the Trustee by OWASA from time to time with instructions that such amounts be so deposited for the redemption of the Series 2021 Bonds.

Section 13. Investment of Money. Money held for the credit of the Series 2021 Additional Project Account and the subaccounts established by this Series Resolution shall be continuously invested and reinvested by the Trustee at the written direction of an Authorized Officer in Investment Obligations to the extent practicable. Any such Investment Obligations shall mature not later than the respective dates when the money held for the credit of such accounts or subaccounts will be required for the purposes intended. No Investment Obligations in any such account or subaccount may mature beyond the latest maturity date of any Series 2021 Bonds Outstanding at the time such Investment Obligations are deposited.

Investment Obligations acquired with money in or credited to any account or subaccount established hereunder shall be deemed at all times to be part of such account or subaccount. Any loss realized upon the disposition or maturity of such Investment Obligations shall be charged against such account or subaccount. The interest accruing on any such Investment Obligations and any profit realized upon the disposition or maturity of such Investment Obligations shall be credited to such account or subaccounts as follows:

Accounts or Subaccounts	Credited to
Series 2021 Additional Project Account	Series 2021 Additional Project Account
All Subaccounts	Respective Subaccounts

Any such interest accruing and any such profit realized shall be transferred upon the receipt thereof by OWASA or the Trustee, as the case may be, pursuant to the provisions of the Order and this Series Resolution.

An Authorized Officer shall give to the Trustee written directions respecting the investment of any money required to be invested hereunder, subject, however, to the provisions of this Section, and the Trustee shall then invest such money as so directed. The Trustee may request in writing additional direction or authorization from the Authorized Officer with respect to the proposed investment of money. Upon receipt of such directions, the Trustee shall invest, subject to the provisions of this Section, such money in accordance with such directions. The Trustee shall not be liable to OWASA for any loss suffered by OWASA as a result of or in connection with any investment in Investment Obligations made by the Trustee in good faith as instructed by or approved by an Authorized Officer.

The Trustee shall sell at the best price obtainable or, acting in a commercially reasonable manner, reduce to cash a sufficient amount of such Investment Obligations whenever it is

necessary to do so in order to provide money to make any payment from any such account or subaccount. The Trustee shall not be liable or responsible for any loss resulting from any such investment.

Whenever a transfer of money between two or more of the accounts or subaccounts is permitted or required, such transfer may be made as a whole or value determined at the time of such transfer in accordance with Article VI of the Order, provided that the Investment Obligations transferred are those in which money of the receiving account or subaccount could be invested at the date of such transfer.

The Trustee may conclusively rely upon the Authorized Officer's written instructions as to both the suitability and legality of all directed investments. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such investments. In the absence of written investment instructions from the Authorized Officer, the Trustee shall not be responsible or liable for keeping the moneys held by it hereunder fully invested.

Although OWASA recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, OWASA hereby agrees that broker confirmations of permitted investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered by the Trustee.

Section 14. Approval of Official Statement. The Preliminary Official Statement, to be dated on or about March 12, 2021, relating to the Series 2021 Bonds (the "Preliminary Official Statement") is hereby approved. OWASA hereby authorizes the use and distribution of the Preliminary Official Statement in connection with the offer of the Series 2021 Bonds in accordance with applicable law. OWASA authorizes and consents to the preparation and distribution of a final Official Statement relating to the Series 2021 Bonds (the "Official Statement"), in substantially the form of the Preliminary Official Statement, together with such changes as are necessary to reflect the final terms of the Series 2021 Bonds. The Chair, the Vice-Chair or the Executive Director of OWASA is hereby authorized and directed to execute and deliver the Official Statement, in substantially the form of the Preliminary Official Statement, together with such changes, specifications, and deletions as the Chair, the Vice-Chair or the Executive Director of OWASA, with the advice of counsel, may deem necessary and appropriate; such execution and delivery shall be conclusive evidence of the approval and authorization in all respects of the form and content thereof.

Section 15. LGC Requested to Award the Series 2021 Bonds. OWASA hereby requests that the Local Government Commission of North Carolina award the Series 2021 Bonds at public sale after advertisement and upon sealed and electronic bids, in the amount and at the interest rates fixed pursuant to this Series Resolution, to the bidder offering to purchase the Series 2021 Bonds at the lowest interest cost to OWASA, such cost to be determined in accordance with the true interest cost method, subject to the approval thereof by the Chair, the Vice-Chair or the Executive Director of OWASA.

Section 16. Continuing Disclosure. OWASA hereby undertakes, for the benefit of the beneficial owners of the Series 2021 Bonds, to provide:

(A) by not later than seven months from the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2021, to the MSRB, audited financial statements of OWASA for such Fiscal Year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or, if such audited financial statements of OWASA are not available by seven months from the end of such Fiscal Year, unaudited financial statements of OWASA for such Fiscal Year to be replaced subsequently by audited financial statements of OWASA to be delivered within 15 days after such audited financial statements become available for distribution;

(B) by not later than seven months from the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2021, to the MSRB, (i) the financial and statistical data as of a date not earlier than the end of the preceding Fiscal Year for the type of information included under the following headings and tables in Appendix A to the Official Statement relating to the Series 2021 Bonds to the extent such items are not included in the financial statements referred to in (A) above:

(1) "Rates, Fees and Charges" (tables and other rate information therein, excluding tables showing comparative bills for surrounding municipalities and future rate increases);

(2) "Customer Accounts" (tables therein); and

(3) "Historical Operating Results" (table therein);

(C) in a timely manner, not in excess of ten business days after the occurrence of the event, to the MSRB, notice of any of the following events with respect to the Series 2021 Bonds:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on any debt service reserves reflecting financial difficulties;

(4) unscheduled draws on any credit enhancements reflecting financial difficulties;

(5) substitution of any credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2021 Bonds, or other material events affecting the tax status of the Series 2021 Bonds;

(7) modification to the rights of the beneficial owners of the Series 2021 Bonds, if material;

(8) bond calls, other than bond calls relating to any mandatory sinking fund redemptions, if material, and tender offers;

(9) defeasances;

(10) release, substitution or sale of any property securing repayment of the Series 2021 Bonds, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of OWASA, which shall be considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for OWASA in a proceeding under Title 11 of the United States Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of OWASA, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of OWASA;

(13) the consummation of a merger, consolidation, or acquisition involving OWASA or the sale of all or substantially all of the assets of OWASA, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) appointment of a successor or additional Trustee or the change of name of a Trustee, if material;

(15) incurrence of a financial obligation (as defined below) of OWASA, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of OWASA, any of which affect beneficial owners of the Series 2021 Bonds, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of OWASA, any of which reflect financial difficulties; and

(D) in a timely manner, to the MSRB, notice of a failure of OWASA to provide required annual financial information described in (A) or (B) above on or before the date specified.

For purposes of this Section, "financial obligation" means (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of

payment for, an existing or planned debt obligation, or (c) a guarantee of either clause (a) or (b) above. The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12 issued under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12").

OWASA shall provide the documents referred to above to the MSRB in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

OWASA may discharge its undertaking described above by transmitting the documents referred to above to any entity and any method authorized by the U.S. Securities Exchange Commission.

If OWASA fails to comply with the undertaking described above, the Trustee or any beneficial owner of the Series 2021 Bonds then Outstanding may take action to protect and enforce the rights of beneficial owners with respect to such undertaking, including an action for specific performance; provided, however, that OWASA's failure to comply with the undertaking will not constitute an event of default under the Bond Order and will not result in any acceleration of payment of the Series 2021 Bonds. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of the beneficial owners of the Series 2021 Bonds.

OWASA reserves the right to modify from time to time the information to be provided to the extent necessary or appropriate in the judgment of OWASA, provided that:

(a) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of OWASA; and

(b) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 as of the date of the Official Statement, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any changes in circumstances; and

(c) any such modification does not materially impair the interests of the beneficial owners, as determined either by parties unaffiliated with OWASA (such as bond counsel or the Trustee), or by approving vote of the registered owners of not less than fifty-one percent (51%) in aggregate principal amount of the Series 2021 Bonds then Outstanding pursuant to the terms of the Order, as it may be amended from time to time.

OWASA also agrees that the annual financial information containing the amended operating data or financial information will explain, in narrative form, the reasons for the amendments and the impact of the change in the type of operating data or financial information being provided.

The provisions of this Section shall terminate upon payment, or provision having been made for payment in a manner consistent with Rule 15c2-12, in full of the principal of and interest on all of the Series 2021 Bonds.

Section 17. Authorization to OWASA Officials. The officers, agents and employees of OWASA and the officers and agents of the Trustee and the Bond Registrar are hereby authorized and directed to do all acts and things required of them by the provisions of the Series 2021 Bonds, the Order, this Series Resolution and any other related documents or agreements for the full, punctual and complete performance of the terms, covenants, provisions and agreements therein.

Section 18. Exclusion From Gross Income Covenant. OWASA covenants that it will not take any action which will, or fail to take any action which failure will, cause interest on the Series 2021 Bonds to become includable in the gross income of the owners thereof for federal income tax purposes pursuant to the provisions of the Internal Revenue Code of 1986, as amended.

Section 19. Electronic Communications. The Trustee shall have the right to accept and act upon directions given pursuant to this Series Resolution and delivered using Electronic Means. If OWASA elects to give the Trustee directions using Electronic Means and the Trustee in its discretion elects to act upon such directions, the Trustee's understanding of such directions shall be deemed controlling. OWASA understands and agrees that the Trustee cannot determine the identity of the actual sender of such directions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer have actually been sent by such Authorized Officer. OWASA shall be responsible for ensuring that only Authorized Officers transmit such directions to the Trustee and that all Authorized Officers treat applicable user and authorization codes, passwords and/or authentication keys as confidential and with appropriate care. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such directions notwithstanding such directions conflict or are inconsistent with a subsequent written direction. OWASA agrees: (i) to assume all risks arising out of the use of Electronic Means to submit directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized directions and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions to the Trustee and that there may be more secure methods of transmitting directions; (iii) that the security procedures (if any) to be followed in connection with its transmission of directions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromised or unauthorized use of the security procedures.

Section 20. Effective Date. This Series Resolution shall take effect immediately upon its adoption. Notwithstanding the foregoing, if the Chair, the Vice-Chair, the Executive Director or the Director of Finance and Customer Service of OWASA shall determine that no Series 2021 Bonds shall be Term Bonds, as specified in the Series Certificate required by Section 4 of this Series Resolution, the terms and provisions of this Series Resolution with respect to Term Bonds and the mandatory redemption of Term Bonds pursuant to the Sinking Fund Requirements therefor shall be of no further force and effect.

Adopted this 25th day of February, 2021.

_____
Raymond E. DuBose, P.E.
Chair

ATTEST:

_____
Jo Leslie Eimers
Secretary

APPENDIX A
DESCRIPTION OF THE 2021 PROJECT

1. Replacement of water mains (Jones Ferry Road, Oakwood – Rogerson Neighborhood, Manning Drive / Country Club Road, and Barclay Road / Kensington Drive);

2. Replacement and rehabilitation of sewer mains and lines in downtown Carrboro (East Main Street Sewer Rehabilitation);

3. Replacement and rehabilitation of water and wastewater pumping stations (University Lake and Rogerson Drive-Phase 2);

4. Replacement and rehabilitation of sewer main from Rogerson Drive pumping station;

5. Chemical facility improvements and improvements to the drinking water pumping system, including electrical upgrades and replacing a finished water pump, at the Jones Ferry Road Water Treatment Plant; and

6. Improvements to and rehabilitation of facilities and equipment at the Mason Farm Wastewater Treatment Plant, including fermenter improvements, secondary clarifier rehabilitation, and headworks rehabilitation.

Agenda Item

- Approval of the Guiding Principles for the Development of OWASA's New Strategic Plan

Purpose

- To summarize revisions made by the Board to Guiding Principles for the development of OWASA's Strategic Plan for Board review and approval.

Background

- On February 4, 2021, the OWASA Board of Directors held a Special Meeting to discuss the process to develop a new strategic plan and approve the proposed Guiding Principles in the memorandum dated December 4, 2020.

- The Board provided detailed feedback to the proposed Guiding Principles for the development on a new Strategic Plan and requested a review of the revisions before final approval (revision and clean versions attached).

Action Needed

- Approval of the revised Guiding Principles for the development of OWASA's Strategic Plan and authorize staff to develop a more detailed process, in light of these Principles, for the Board's approval.

February 25, 2021

Updated Guiding Principles for Developing OWASA's Strategic Plan

The following principles will guide the process to develop OWASA's Strategic Plan. For the purposes of the Board's review, the Principles are presented with changes tracked from the previously proposed set of Principles.

1. An updated strategic plan is needed to ensure that we are anticipating and preparing for the future that we want and setting a course for aligning scarce resources with our strategic goals and objectives.
2. The strategic planning process will consider and/or reinforce OWASA's mission, vision, and values.
3. This process is a time to think comprehensively and identify broad-reaching strategic goals and initiatives.
4. The horizon for the strategic ~~goals and objectives~~ plan will be five to six years, during which~~.~~ updates can be proposed by the Board and/or staff leadership, as necessary.
5. The strategic planning process will involve and engage the Board, staff ~~and~~, the community, and other stakeholders. We will actively seek feedback to include and consider diverse perspectives. An active communications strategy will be integral to the process.
6. The strategic planning process will be managed by OWASA staff ~~with the assistance of consultants, as needed~~.
7. Staff leadership will work together with the Board of Directors to develop the strategic plan. The final Strategic Plan will be approved by the Board of Directors.
8. We will set strategic goals that align with our ~~organizational priorities~~mission, vision, and values ~~needed to achieve our long-term vision~~.
9. The plan will be operationalized throughout its implementation ~~with SMART (Specific, Measurable, Attainable, Relevant, and Time-based) strategic~~ goals ~~objectives will be developed for each goal~~.
10. ~~We~~ Staff will define a process for reporting on progress ~~and updating the plan~~, including performance measures.
11. The strategic plan will be used to align resources and guide budgets in the coming decade. ~~Where possible, desired outcomes will be related to budget requests.~~

Updated Guiding Principles for Developing OWASA's Strategic Plan

The following principles will guide the process to develop OWASA's Strategic Plan. For the purposes of the Board's review, the Principles are presented with changes tracked from the previously proposed set of Principles.

1. An updated strategic plan is needed to ensure that we are anticipating and preparing for the future that we want and setting a course for aligning scarce resources with our strategic goals and objectives.
2. The strategic planning process will consider and/or reinforce OWASA's mission, vision, and values.
3. This process is a time to think comprehensively and identify broad-reaching strategic goals and initiatives.
4. The horizon for the strategic plan will be five to six years, during which updates can be proposed by the Board and/or staff leadership, as necessary.
5. The strategic planning process will involve and engage the Board, staff, the community, and other stakeholders. We will actively seek feedback to include and consider diverse perspectives. An active communications strategy will be integral to the process.
6. The strategic planning process will be managed by OWASA staff.
7. Staff leadership will work together with the Board of Directors to develop the strategic plan. The final Strategic Plan will be approved by the Board of Directors.
8. We will set strategic goals that align with our mission, vision, and values.
9. The plan will be operationalized throughout its implementation.
10. Staff will define a process for reporting on progress, including performance measures.
11. The strategic plan will be used to align resources and guide budgets in the coming decade.

Orange Water and Sewer Authority

Virtual Meeting of the Board of Directors

January 28, 2021

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held its duly noticed regular meeting by virtual means in accordance with law, on Thursday, January 28, 2021, at 6:00 p.m. utilizing Microsoft Teams software.

Board Members present: Raymond (Ray) DuBose (Chair), Bruce Boehm (Vice Chair), Jody Eimers (Secretary), Kevin Leibel and John N. Morris. Board Member absent: Yinka Ayankoya, Robert Morgan and Bruce Runberg.

OWASA staff present: Mary Darr, Monica Dodson, Vishnu Gangadharan, Robert Epting, Esq. (Epting and Hackney), Stephanie Glasgow, Robin Jacobs, Esq. (Epting and Hackney), Simon Lobdell, Andrea Orbich, Johnny Riley, Todd Taylor, Mary Tiger, Stephen Winters and Richard Wyatt.

Others present: Ben Poulson, UNC Associate Director of Energy Services.

Motions

1. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Honoring the Service of Melvin Markley to the Orange Water and Sewer Authority and Carrboro-Chapel Hill-Orange County Community. (Motion by Bruce Boehm, second by Jody Eimers and the motion unanimously approved.)

2. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Directing the Filing of an Application with the LGC for Approval of the Issuance and Private sale of Orange Water and Sewer Authority Water and Sewer System Revenue Bonds, Series 2021. (Motion by Bruce Boehm, second by Jody Eimers and the motion unanimously approved.)

3. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Requesting the North Carolina Local Government Commission to Approve the Financing Team to be Used in Connection with the Issuance and Sale of Orange Water and Sewer Authority Water and Sewer System Revenue Bonds, Series 2021. (Motion by Bruce Boehm, second by Jody Eimers and the motion unanimously approved.)

4. Bruce Boehm made a motion to approve the Minutes of the January 14, 2021 Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter, second by Jody Eimers and the motion was unanimously approved.

* * * * * * *

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Announcements

Ray DuBose announced that due to COVID-19 public health concerns, the OWASA Board of Directors held this meeting virtually utilizing Microsoft Teams software. Mr. DuBose stated that Board Members, General Counsel, and staff participated in the meeting remotely.

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

Mr. DuBose announced that the Board of Directors will hold a virtual Special Meeting on Thursday, February 4, 2021 beginning at 5:00 p.m. to Discuss the Process to Develop a Strategic Plan.

Mr. DuBose announced that on January 26, 2021, he, Jody Eimers and Todd Taylor held an OWASA Orientation for Newly Elected Orange County Board of County Commissioners Jean Hamilton and Amy Fowler.

Jody Eimers announced that she and Mr. DuBose met with Todd Taylor, Executive Director, on Friday, January 15, 2021, to provide Mr. Taylor performance related feedback as discussed by the Board in Closed Session on January 14, 2021. Ms. Eimers said they also discussed preparing for the interim performance evaluation for Mr. Taylor, without him present, in Closed Session on April 8, 2021, followed another Closed Session on April 22, 2021 with Mr. Taylor.

John Morris announced a meeting between Chapel Hill Town Council's OWASA Committee and Chapel Hill Appointees to the OWASA Board Appointees on Tuesday, February 23, 2021 at 3:00 p.m. via virtual Zoom meeting.

Mary Tiger said she attended the January 21, 2021, virtual Orange County Climate Council meeting. She said the Climate Council discussed upcoming transition of Council leadership, received updates from individual Committees, and new member recruitment. The next meeting will be held virtually on February 18, 2021.

Bruce Boehm asked if the Board would like to discuss whether to schedule a discussion at a future Meeting of the feedback received from staff and Counsel on the Board Assessment Survey. The Board agreed to schedule this discussion at a future meeting (February 25 or March 11 or 25, 2021) and a facilitator will be hired to assist in the directing the discussion.

Petitions and Requests

Ray DuBose said no petitions or requests were received from the public.

Mr. DuBose asked for petitions and requests from the Board and staff; none were received.

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Item One: 12 Month Board Meeting Schedule

The Board received this as an information item.

Item Two: Capital Improvements Program Semiannual Report

The Board received this as an information item.

Item Three: Resolution Honoring the Service of Melvin Markley to the Orange Water and Sewer Authority and the Carrboro-Chapel Hill Community

Bruce Boehm made a motion to approve the resolution, second by Jody Eimers and the motion was unanimously approved. Please see Motion 1.

Item Four: Adoption of Preliminary Resolutions for Revenue Bonds

Bruce Boehm made a motion to approve the Resolution Directing the Filing of an Application with the LGC for Approval of the Issuance and Private sale of Orange Water and Sewer Authority Water and Sewer System Revenue Bonds, Series 2021; second by Jody Eimers and the motion unanimously approved. Please see Motion 2.

Bruce Boehm made a motion to approve the Resolution Requesting the North Carolina Local Government Commission to Approve the Financing Team to be Used in Connection with the Issuance and Sale of Orange Water and Sewer Authority Water and Sewer System Revenue Bonds, Series 2021, second by Jody Eimers and the motion was unanimously approved. Please see Motion 3.

Item Five: Minutes

Bruce Boehm made a motion to approve the Minutes of the January 14, 2021 Closed Session of the Board of Directors for the Purpose of Discussing a Personnel Matter, second by Jody Eimers and the motion was unanimously approved. Please see Motion 4.

Item Six: Update on OWASA's COVID-19 Information and Discussion by the Board

Todd Taylor, Executive Director, provided an update on OWASA's response to COVID-19, noting staff continues to take proactive measures to ensure we are providing the community with high-quality and reliable water, wastewater, and reclaimed water services during the pandemic including scheduling employees for the vaccination.

Monica Dodson, Wastewater Treatment and Biosolids Recycling Manager, provided an update on the weekly wastewater samples to researchers with the North Carolina Policy Collaboratory. The goal of this phase of the project, which ended in December, was to perfect the analytical methods and to contribute valuable information to the State of North Carolina on the presence and persistence of COVID-19 in wastewater. A full report is under development and will be available soon and will be shared with the Board of Directors and local government partners. In

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the meantime, Ms. Dodson said North Carolina is one of eight states participating in the National Wastewater Surveillance System being initiated by Centers for Disease Control and Prevention and the United States Department of Health and Human Services. OWASA was contacted by the North Carolina Department of Health and Human Services in December and has agreed to participate in this national wastewater surveillance monitoring.

Mary Tiger, Strategic Initiatives Manager, noted a moratorium on service disconnection for non-payment remains in-place. She provided an update on the extent and severity of past due accounts, including staff's work to contact those customers who are in arrears to provide information on where customers may apply for financial assistance and noted OWASA's commitment to give 30-day notice before resuming standard collection practices. Ms. Tiger noted funding is currently available through OWASA's Care to Share bill-assistance program and will be available in the future through Orange County Emergency Housing Assistance, funded by federal support.

Item Seven: 2020 Annual Lakes Recreation Report

Johnny Riley, Reservoir and Land Resources Supervisor, provided the 2020 annual lakes recreation report on the lake recreation season, including visitors, expenses, revenue, and operational changes due to the pandemic.

Kevin Leibel suggested because of the significant resources of our lakes, perhaps the Board would consider optimizing the amenities of the lakes as part of the new Strategic Plan or in another way to promote the lakes.

Item Eight: Financial Report for the Six-Month Period Ended December 31, 2020

Stephen Winters, Director of Finance and Customer Service, presented the financial report for the six-month period ended December 31, 2020. He noted all but one of OWASA's financial performance targets were met. Total income for the period was about $691,000 greater than budgeted; and operating expenses were about $1.1 million less than budgeted due to non-essential departmental spending being reduced due to the COVID-19 pandemic.

Item Nine: Fiscal Year (FY) 2022 Budget Calendar and Assumptions

Stephen Winters, Director of Finance and Customer Service, provided a verbal update on the draft FY 2022 budget calendar and planning assumptions. On February 11, 2021, the Board will hear presentations from the managers of our operating departments which will provide insight into how the managers are developing their budgets.

Bruce Boehm suggested scheduling various discussions such as rates and employee merit increases earlier in the budget process.

Jody Eimers suggested the Board consider a flat rate merit increase for employees in the next fiscal year.

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Item Ten: Summary of Board Meeting Action Items

Todd Taylor noted the following staff action items and provided an overview of the next two Board meetings;

- Schedule Board discussion and mediator on the feedback received from Staff and General Counsel on the Board Assessment Survey at a future Board meeting (February 25 or March 11 or 25);
- Agenda items for February 4, 2020 virtual Special Meeting of the Board:
    - To discuss the process to develop a new Strategic Plan.
- Agenda items for the February 11, 2020 virtual Work Session:
    - Department Managers Fiscal Year 2022 Budget Presentations
    - Affordability Outreach Program Update
    - Apprenticeship Program Update
    - Closed Session to prepare for the General Counsel's Interim Review

There being no further business to come before the Board, the Chair adjourned the meeting at 7:50 p.m.

Respectfully submitted by:

Andrea Orbich
Executive Assistant/Clerk to the Board

Attachments

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Orange Water and Sewer Authority

Virtual Special Meeting of the Board of Directors

February 4, 2021

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a Special Meeting by virtual means in accordance with law, on Thursday, February 4, 2021, at 5:00 p.m. utilizing Microsoft Teams software.

Board Members present: Raymond (Ray) DuBose (Chair), Bruce Boehm (Vice Chair), Jody Eimers (Secretary), Yinka Ayankoya, Kevin Leibel, Robert Morgan, John N. Morris and Bruce Runberg.

OWASA staff present: Mary Darr, Vishnu Gangadharan, Robert Epting, Esq. (Epting and Hackney), Stephanie Glasgow, Robin Jacobs, Esq. (Epting and Hackney), Andrea Orbich, Dan Przybyl, Ruth Rouse, Todd Taylor, Mary Tiger, Stephen Winters and Richard Wyatt.

Others present: none.

Motions

No Motions were made.

* * * * * * *

Announcements

Ray DuBose announced that due to COVID-19 public health concerns, the OWASA Board of Directors held this meeting virtually utilizing Microsoft Teams software. Mr. DuBose stated that Board Members, General Counsel, and staff participated in the meeting remotely.

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

Item One: Discuss the Process to Develop a New Strategic Plan

Ray DuBose said the purpose of this Special Meeting of the Board is to discuss the process to develop a new Strategic Plan, specifically to review and comment on the Guiding Principles for the process of developing the plan.

Todd Taylor, Executive Director, and Mary Tiger, Strategic Initiatives Manager, provided an overview of the process to develop the new Strategic Plan, the purpose of establishing Guiding Principles, and reviewed each of the 11 Guiding Principles with the Board.

After considerable discussion, the Board provided detailed feedback and revised the proposed Guiding Principles which will be presented for final approval at the February 25, 2021 meeting.

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There being no further discussion on the process to develop a new Strategic Plan, the Chair adjourned the meeting at 6:35 p.m.

Respectfully submitted by:

Andrea Orbich
Executive Assistant/Clerk to the Board

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Orange Water and Sewer Authority

Closed Session of the Board of Directors

February 11, 2021

The Board of Directors of Orange Water and Sewer Authority met virtually in Closed Session on Thursday, February 11, 2021, following the Board meeting.

Board Members present: Ray DuBose (Chair), Bruce Boehm (Vice Chair), Jody Eimers (Secretary), Yinka Ayankoya, Kevin Leibel, Robert Morgan, John N. Morris and Bruce Runberg.

Staff present: None

****

Item One

The Board of Directors met in Closed Session without General Counsel to evaluate the semiannual summary of significant activities of General Counsel from September 2020 to February 2021.

No official action was taken at the meeting.

The meeting was adjourned at 8:24 p.m.

_____
Jo Leslie Eimers, Chair
Human Resources Committee

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Agenda Item

- Approve Conservation Easement on Private Land in Cane Creek Reservoir Watershed

Purpose

- To receive approval from the Board of Directors to execute two conservation easements on private land and a license for access trail on OWASA land in Cane Creek Reservoir watershed.

Background

- Matt and Suzanne Case own two parcels of land near Cane Creek Reservoir. The first parcel is approximately 16 acres, serves as their homesite, and is located within Cane Creek Reservoir watershed.
- The second parcel is approximately 200 acres; approximately 150 acres lies within the Cane Creek Reservoir watershed. This parcel is used for farming, and owned in the name of Clearwind Farm, a Limited Liability Company (LLC) held by the Cases.
- OWASA owns a parcel of approximately 18 acres between the Cases two tracts of land.
- The Cases approached OWASA and asked if we would be willing to allow them access across our property in exchange for conservation easements on their property.
- Staff have worked with the Cases to identify mutually beneficial terms for such an arrangement and believe that the proposed arrangement will provide long-term water quality benefits to Cane Creek Reservoir.
- The Board of Directors received information on the proposed agreement on July 9, 2020. The Board of Directors authorized staff and General Counsel to draft the legal documents to protect riparian buffers on Matt and Suzanne Cases' land and on land owned by Clearwind Farm, LLC in exchange for the use of a trail on OWASA land.

Action Needed

- Approve the Resolution to Accept Conservation Easements in Cane Creek Reservoir Watershed and Allow Limited Access Across OWASA Land

MEMORANDUM

TO: Board of Directors

THROUGH: Todd Taylor, P.E.

FROM: Ruth Rouse

DATE: February 19, 2021

SUBJECT: Conservation Easement on Private Land in Cane Creek Reservoir Watershed

Purpose

To receive approval from the Board of Directors to execute two conservation easements on private land in exchange for a license for an access trail on OWASA land in Cane Creek Reservoir watershed.

Background

Matt and Suzanne Case own two parcels of land near Cane Creek Reservoir on Teer Road near Orange Grove Road. The first parcel is approximately 16 acres and is located within Cane Creek Reservoir watershed. This parcel is their homesite. The second parcel is approximately 200 acres; approximately 150 acres lies within the Cane Creek Reservoir watershed and the other 50 acres lies within the Haw River basin (these 50 acres lie on south side of Teer Road). This parcel is used for farming, and owned in the name of Clearwind Farm, a Limited Liability Company (LLC) held by the Cases. OWASA owns a parcel of approximately 18 acres between the Cases two tracts of land as shown in Figure 1.

The Cases approached OWASA and asked if we would be willing to allow them access across our property in exchange for conservation easements on their property. Staff have worked with the Cases to identify mutually beneficial terms for such an arrangement and believe that the proposed arrangement will provide long-term water quality benefits to Cane Creek Reservoir. The following descriptions summarize the provisions that the Cases and OWASA would make; locations are shown in Figure 2.

Case Homesite (PIN 9830-97-3197)
The Cases would provide a conservation easement in the form of a protected riparian buffer on the northeast portion of their lot. A riparian buffer is the vegetated area adjacent to a water body which filters pollutants, provides habitat, and shades the water. The conservation easement would be located at the edge of a protected riparian buffer easement that the NC Land and Water Fund (formerly the Clean Water Management Trust Fund) holds on OWASA land adjacent to the

Cases (approximately 300 feet off the stream at the northeast corner of the Cases' lot). The buffer on the Case property would then extend in a straight line to a surveyed property corner across their lot. Based on the survey, the protected area of the new riparian buffer would be 1.76 acres. Figure 2 illustrates the location of the proposed protected conservation easement area.

Figure 1: Location of Case and OWASA Properties

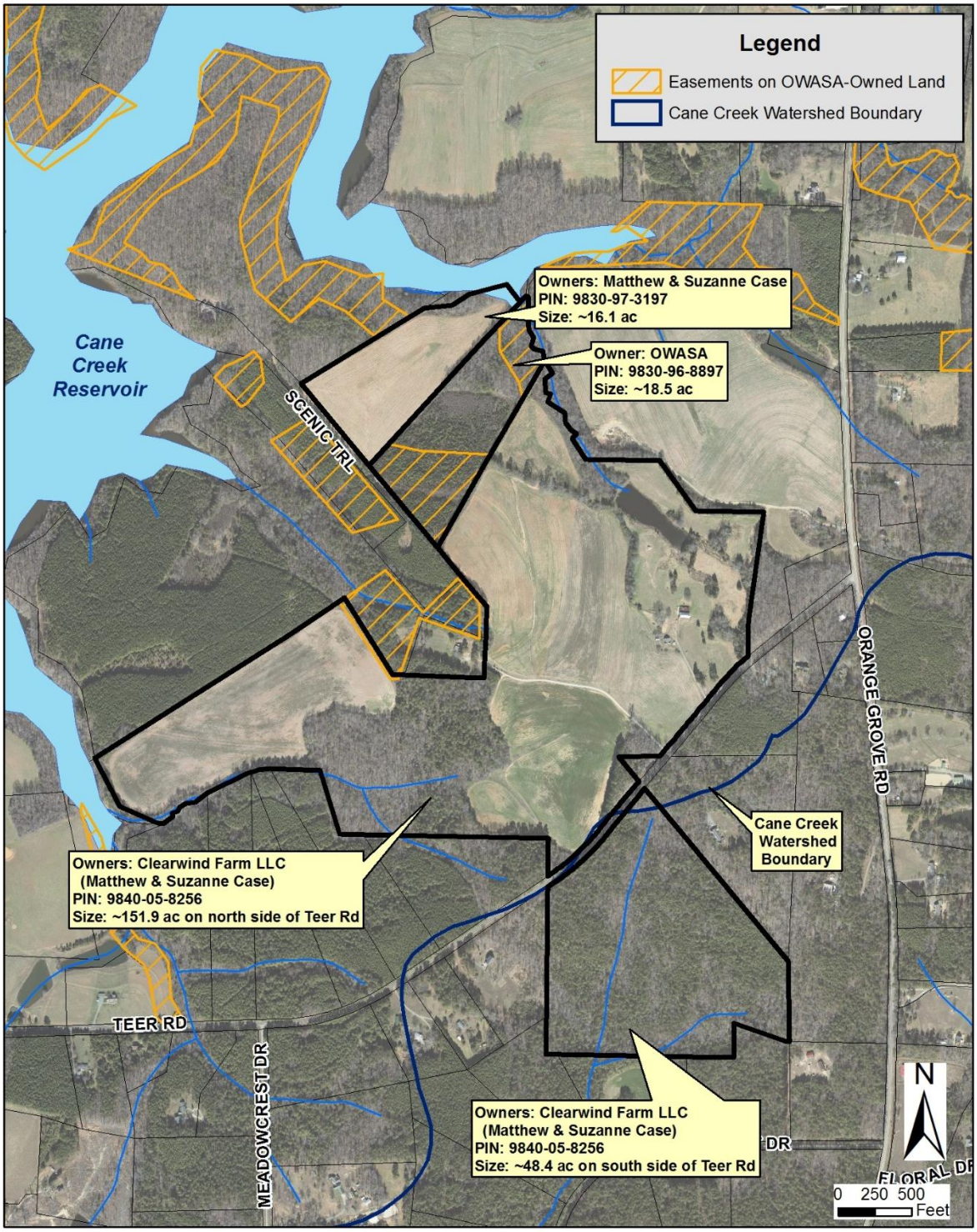
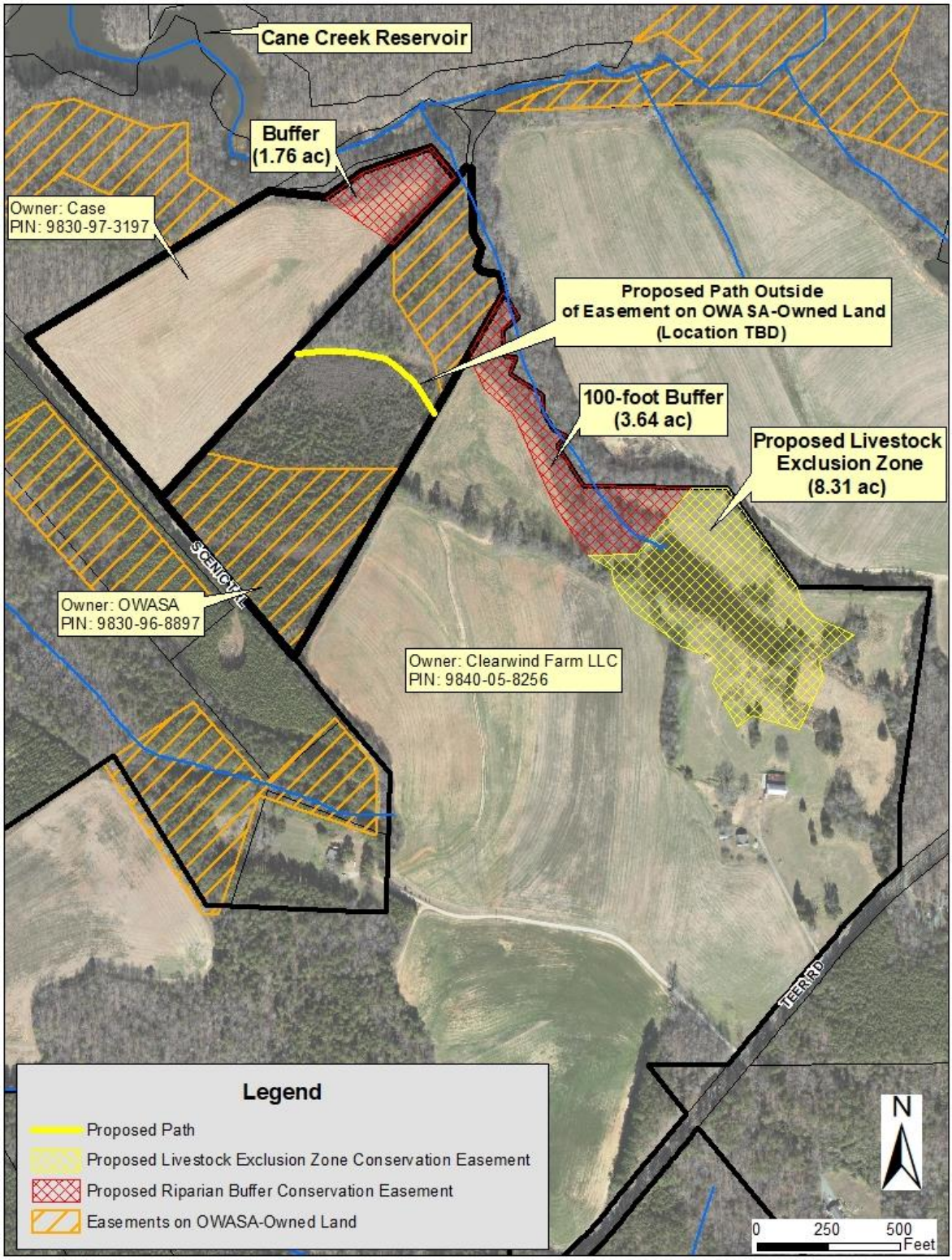


Figure 2: Proposed Conservation Easements on Case Properties and Proposed Path on OWASA Property



The Cases would agree to maintain the existing tree line. Outside the tree line, there could be hay or grasses, but no structures or row crops. Any livestock they wanted on their home site would need to be outside the riparian buffer. This buffer would be protected in perpetuity and convey with the land. If the easement was not there, Orange County regulations would require an 80-foot riparian buffer.

Clearwind Farm Site (PIN 9840-05-8256)

The Cases would provide a conservation easement which consists of two zones: (1) riparian buffer approximately 100 feet wide downstream of the pond on the farm site and (2) a livestock exclusion zone. The proposed riparian buffer is approximately 3.64 acres, and they would agree to maintain the existing tree line. Outside the tree line and within the riparian buffer, they could grow hay. No livestock, row crops, or structures would be allowed within the protected riparian buffer. Since Clearwind Farm is a bona fide farm, Jordan Lake riparian buffer rules would apply which require protection of existing buffers within 50 feet of a stream, but allow removal of trees within the buffer. Figure 2 illustrates the proposed riparian buffer area on Clearwind Farm.

In addition to the protected riparian buffer, the Cases would exclude livestock from coming within 100 feet of the pond; on the north side of the pond, they agreed to extend a portion of the livestock exclusion zone to the property line to protect approximately 8.31 acres (see Figure 2). The Cases would like to use goats outside 50 feet from the pond to remove brushy vegetation for 5 to 10 days one or two times per year (allow goat grazing in a portion of the livestock exclusion area for up to 20 days each year). Staff believe that allowing goats in a portion of the livestock exclusion zone for short periods will not impact water quality. The Jordan Lake rules do not apply to farm ponds so no protection is offered under the state's regulations.

Both the riparian buffer and livestock exclusion zone would be protected conservation easements in perpetuity and convey with the property.

OWASA Land (9830-96-8897)

OWASA would grant the Cases a license to develop a ten foot wide, bush-hogged trail across OWASA's property. There are two 300-foot protected riparian buffer areas (conservation easements) on the land, and the trail must be located outside the protected buffer. The Cases could use the trail to travel between their two properties by foot, horse, bike, or small utility vehicle. It could not be used for road-approved vehicles. The use of the trail would convey to the Case heirs, but if the homesite is sold, the use will be rescinded. Figure 2 illustrates the OWASA land and the existing riparian buffer easement.

Staff note that they periodically receive requests from neighbors to use OWASA's land, and staff considered the precedent that allowing the Cases access could set. Staff have politely declined past requests. If future requests are found to result in a long-term net benefit to water quality as the Case's request has (see section below on Long-Term Water Quality Protection), staff would work with the owner and bring these requests to the Board of Directors for consideration.

Coordination with North Carolina Land and Water Fund

The OWASA parcel has a protected 300 foot riparian buffer conservation easement on it that is held by the North Carolina Land and Water Fund (Fund). Staff have consulted with the Fund to determine if they have any concerns about allowing a trail outside the protected riparian buffer areas. Fund staff responded that they had no concerns as long as the trail is located entirely outside the protected riparian buffer corridors. They requested that OWASA use the survey information to identify the protected buffer corridor boundaries prior to flagging the location of the path and not rely on data in the geographic information system. OWASA has surveyed the riparian buffer boundary and permanently marked its boundaries.

In consulation with Fund staff, OWASA staff has determined that granting this access license will have no adverse impact on water quality.

Long-Term Water Quality Protection

In general, wider riparian buffers provide higher water quality benefits, and as noted above, the Cases are providing wider buffers than would be required under current regulations. These buffers will be protected in perpetuity, convey with the land, and remain in place regardless of any potential future changes in regulation or the continued existance of the license for the access trail.

The riparian buffers will also conserve land in perpetuity. Protected open space is another tool used to help protect water quality, and watershed modeling has shown that it is an effective tool in protecting Cane Creek Reservoir watershed. The table below summarizes the estimated amount of land that will be protected under this easement and the amount that would be protected under existing regulations assuming that Orange County riparian buffer ordinances apply to the homestead site and that the Clearwind Farm site remains in agriculture.

Site	Proposed Protected Acres (based on survey)	Protected Acres Under Existing Regulations (estimated from GIS)
Homestead site	1.76	0.2
Stream on farm site	3.64	1.1*
Pond on farm site	8.31 (includes pond)	0**

*These approximations assumed a 50-foot protected area. The Jordan Lake regulations include many exemptions, particularly for agriculture.

**Per NC Division of Water Resources (DWR), no protection is given to farm ponds under the Jordan Lake regulations.

Staff and Counsel Recommendation and Action Needed

Staff and General Counsel believe that OWASA is receiving water quality benefits that exceed those that would occur under state regulations and Orange County's ordinance requirements and recommend that the Board of Directors move forward with the Conservation Easements and

Access License. If the Board concurs with staff and General Counsel, we recommend that the Board of Directors approve the resolution. Draft motion language follows:

> *Motion that the Board of Directors approve the Resolution to Accept Conservation Easements in Cane Creek Reservoir Watershed and Allow Limited Access Across OWASA Land.*

Please feel free to contact me with any questions concerning this information.

Ruth C. Rouse

_____

Ruth Rouse
Planning and Development Manager

Attachment 1: Deed of Conservation Easement for the Case Homesite
Attachment 2: Deed of Conservation Easement for Clearwind Farm, LLC
Attachment 3: License for Access Trail
Attachment 4: Resolution to Accept Conservation Easements in Cane Creek Reservoir Watershed and Allow Limited Access Across OWASA

Attachment 1

Prepared by Epting & Hackney, Robin Lackey Jacobs
Return to Grantee
NORTH CAROLINA
ORANGE COUNTY

Revenue Stamps: None

PIN: 9830-97-3197

DEED OF CONSERVATION EASEMENT

THIS DEED OF CONSERVATION EASEMENT ("Conservation Easement"), is made and executed on this the _____ day of _____, 2021, by and between **MATTHEW CASE and spouse, SUZANNE CASE** (herein together referred to as "Grantors,"), and **ORANGE WATER AND SEWER AUTHORITY**, (herein "OWASA" or "Grantee"), a public body, politic and corporate, organized and doing business under the provisions of Chapter 162A of the North Carolina General Statutes, whose address is 400 Jones Ferry Road, Carrboro, NC 27510.

RECITALS AND CONSERVATION PURPOSES

A. Grantors are the owners in fee simple of certain real property located in Bingham Township, Orange County, North Carolina, more particularly described in **Exhibit A** attached to and made a part of this Conservation Easement, (the "Property").

B. Grantee OWASA is a public authority, operated primarily for the purpose of providing public water distribution and wastewater collection and treatment in and around the Towns of Chapel Hill and Carrboro in the southern part of Orange County. Grantee OWASA is the owner of the Cane Creek Reservoir located on Cane Creek in Bingham Township, and the lessee/operator of University Lake located on Morgan Creek in Chapel Hill Township, both in Orange County. OWASA owns, manages and operates those Reservoirs and nearby lands, to protect, maintain and provide a high quality, public water supply. As a unit of local government in North Carolina, Grantee OWASA is authorized by the laws of the State of North Carolina to accept, own, hold and administer interests in land, including conservation easements. Grantee OWASA is a "qualified organization" and an "eligible donee" within the meaning of Section 170(h)(3) of the Internal Revenue Code and the regulations promulgated thereunder.

C. Grantors' Property is located adjacent to lands owned by Grantee used for the impoundment of the waters of the Cane Creek Reservoir and for the operation and protection the reservoir, and is crossed by an unnamed stream flowing into the Cane Creek Reservoir. The Property includes land within a zone designated by Orange County as a "critical area" of the protected water supply watershed for the Cane Creek Reservoir.

Grantors have agreed to donate and convey, and OWASA has agreed to accept as Grantee, this Conservation Easement in order to subject 1.76 acres, more or less, of the Property to this Conservation Easement (the "Easement Area") for the purposes of protecting the water quality of the stream flowing through the property into the Cane Creek Reservoir and safeguarding the water resources of the Cane Creek Reservoir. The grant of this Conservation Easement and the protections it includes will serve these "Conservation Purposes" as such term is defined in Section 170 (h)(4)(A) of the Code.

The Easement Area is primarily forested, with some open fields located along the western portion of the area, and is more particularly described in **Exhibit B** attached to and made a part of this Conservation Easement.

D. Grantors and Grantee agree that the current uses of the Easement Area are consistent with the conservation purposes of this Conservation Easement. The characteristics of the Easement Area, its current use, and state of improvement, are described in a report entitled Baseline Documentation Report for the Case Conservation Easement dated February 11, 2021, prepared by the Grantee. The Grantors worked with the Grantee to ensure that the report is a complete and accurate description of the Easement Area as of the date of this Conservation Easement. The report will be used by the Grantors and Grantee to assure that any future changes in the use of the Easement Area will be consistent with the terms of this Conservation Easement. However, the Baseline Report is not intended to preclude the use of other evidence to establish the present condition of the Easement Area if there is a controversy over its use.

E. The Grantors and Grantee have the common purpose of conserving the above-described conservation values of the Easement Area in perpetuity, and the State of North Carolina has authorized the creation of conservation easements pursuant to the terms of the North Carolina Conservation and Historic Preservation Agreements Act, N.C.G.S. §121-34 *et seq.*, which provides for the enforceability of restrictions, easements, covenants or conditions "appropriate to retaining land or water areas predominantly in their natural, scenic or open condition …" and the Grantors and Grantee wish to avail themselves of the provisions of those laws.

NOW, THEREFORE, Grantors, for themselves, their grantees, heirs, successors and assigns hereby unconditionally and irrevocably donate, give, grant and convey forever and in perpetuity to the Orange Water and Sewer Authority, as Grantee, and its grantees, successors and assigns, and the Grantee hereby accepts this conveyance of Conservation Easement over the Easement Area described in **Exhibit B** of the nature and character and to the extent hereinafter set forth.

1. **PURPOSE.** The purposes of this Conservation Easement are to ensure that the Easement Area will be retained forever predominantly in its natural, forested and open space condition with limited agricultural use, and to protect water quality in the Easement Area, while allowing traditional uses of the Easement Area that are compatible with and not destructive of the conservation values of the Easement Area; and to prevent any use of the Easement Area that will significantly impair or interfere with the conservation purposes of the Easement Area.

Grantors will not perform, nor knowingly allow others to perform, any act on or affecting the Easement Area that is inconsistent with the purposes of this Conservation Easement. However, unless otherwise specified below, nothing in this Conservation Easement shall require the Grantors to take any action to restore the condition of the Easement Area after any act of nature or other event over which Grantors had no control. Grantors understand that nothing in this Conservation Easement relieves them of any obligation or restriction on the use of the Easement Area imposed by law.

2. **RETAINED RIGHTS AND RESTRICTIONS.** Any activity on, or use of the Easement Area inconsistent with the purposes of this Conservation Easement is prohibited. The Easement Area shall be maintained in its natural, scenic and open condition and restricted from any development that would significantly impair or interfere with the conservation values of the Easement Area. Without limiting the generality of the foregoing, the following is a listing of activities and uses which are expressly prohibited or which are expressly allowed. Grantors and Grantee have determined that the allowed activities do not impair the conservation values of the Easement Area. Additional retained rights of Grantors are set forth in Paragraph 3 below.

2.1. Recreational Use. Grantors shall have the right to engage in and permit others, to engage in recreational uses of the Easement Area, including, but not limited to, hiking, picnicking, lawful hunting and fishing, and other recreational uses that require no buildings, facilities, surface alteration or other development of the land other than what is allowed herein. Construction of natural surface trails located at a minimum distance of fifteen (15) feet from the top of the stream bank shall be permitted. Pursuit of wildlife by any form of motorized transportation is prohibited.

2.2. Construction. There shall be no constructing or placing of any temporary or permanent structure, improvement, drive or roadway, fence, shed, building, fixture, mobile home, septic tank, drain field, or other waste disposal facility, asphalt, concrete, or other pavement, antenna, utility pole, tower, conduit, line, or facility in the Easement Area.

2.3. Excavation, Dredging and Mineral Use. There shall be no filling, excavation, dredging, mining or drilling; no removal of topsoil, sand, gravel, rock, peat, minerals or other materials; and no change in the topography of the land within the Easement Area in any manner except as necessary to allow construction and maintenance of the improvements expressly permitted in this Conservation Easement.

2.4. Agricultural Use and Grazing. Grantors shall have the right to grow, mow and harvest hay and other grasses within the Easement Area in those parts of the

Easement Area which are not forested as shown in the Baseline Documentation Report.

Except as expressly provided herein Grantors shall not make use of the Easement Area for any agricultural purpose, including but not limited to breeding of foul or livestock; planting, raising or harvesting of crops; or grazing or pasturing of animals. Domestic and farm animals shall be fenced out of the Easement Area and otherwise kept out of all streams, creeks, and other waterways.

2.5. Destruction of Plants. Within the forested areas of the Easement Area Grantors shall have the right to cut and remove diseased trees, shrubs, or other plants, solely to control insects and disease or to prevent personal injury and property damage; provided, however, that non-native invasive plants may be removed in order to protect the habitat of native plants or wildlife with prior written approval from the Grantee. There shall be no planting of invasive, non-native trees, shrubs, or other plants within the Easement Area, nor introduction of non-native animals except as expressly provided herein. Furthermore, except to accommodate the activities expressly permitted in this Conservation Easement, there shall be no disturbance or change in the natural habitat in any manner.

2.6. Timber Harvest. Except as provided in Paragraph 2.5 above, cutting or harvesting of trees shall be prohibited within the Easement Area.

2.7. Water Quality and Drainage Patterns. There shall be no pollution of surface water, natural water courses, marshes, subsurface water or any other water bodies, nor shall activities be conducted on the Easement Area that would be detrimental to water purity or that could alter the natural water level or flow in or over the Easement Area. Except as expressly authorized herein there shall be no alteration, depletion or extraction of surface water, natural water courses, marshes, subsurface water or any other water bodies within the Easement Area. Diking, draining, filling or removal of wetlands is prohibited. Construction of ponds, lakes or other similar water impoundments is prohibited.

2.8. Use of Motorized Vehicles. Use of motorized vehicles in the Easement Area is prohibited.

2.9. Signage. No signs or billboards or other advertising displays are allowed on the Easement Area, except that signs whose placement, number and design do not significantly diminish the scenic character of the Easement Area may be displayed to identify the conservation values of the Easement Area, to identify the name and address of the Easement Area, to proscribe rules and regulations for recreational use of the Easement Area, and to post the Easement Area against trespassers.

2.10. No Biocides. There shall be no storage or use of pesticides, biocides, or fertilizer within the Easement Area, including but not limited to insecticides, fungicides, rodenticides, and herbicides, except to effect agricultural activities permitted by this

Conservation Easement and/or to control invasive species detrimental to the conservation values of the Easement Area.

2.11. No Dumping. There shall be no storage or dumping of trash, garbage, abandoned vehicles, appliances, or machinery, or other unsightly or offensive material, hazardous substance, or toxic waste on the Easement Area.

2.12. Subdivision. The Easement Area may not be divided, subdivided or partitioned, nor conveyed except in its current configuration.

2.13. Development Rights. Grantors convey to Grantee all development rights that are now or hereafter allocated to, implied, reserved or inherent in the Easement Area, and the parties agree that such rights are terminated and extinguished, and may not be used on or transmitted to any portion of the Property, as it now or hereafter may be bounded or described, or to any other property. The development rights encumbered by this Conservation Easement shall not be transferred to any other land pursuant to a transfer of development rights scheme, a cluster development arrangement, or otherwise. The Grantors and their successors and assigns retain the right to alienate the property subject to this Conservation Easement provided that any instrument conveying title shall be made subject to this Conservation Easement.

3. **ADDITIONAL RIGHTS RETAINED BY GRANTORS.** Grantors retain the following additional rights:

3.1. Existing Uses. The right to undertake or continue any activity or use of the Easement Area not prohibited by this Conservation Easement and that is consistent with the Conservation Purposes of this Conservation Easement. Prior to making any change in use of the Easement Area, Grantors shall notify Grantee in writing to allow Grantee a reasonable opportunity to determine whether such change would violate the terms of this Conservation Easement.

3.2. Transfer. The right to sell, give, mortgage, lease, or otherwise convey the Easement Area subject to the terms of this Conservation Easement.

4. **GRANTEE'S RIGHTS.** To accomplish the purpose of this Conservation Easement, the following rights are granted to Grantee by this Conservation Easement:

4.1. Right to Protect. The right to preserve and protect the conservation values of the Easement Area and enforce the terms of this Conservation Easement.

4.2. Right of Entry. Grantee, its employees, representatives, and agents and its successors and assigns, shall have the right, after 48 hours prior written notice to Grantors, to enter the protected Easement Area at reasonable times for the purposes of: (a) inspecting the protected Easement Area to determine whether the Grantors, their representatives, assigns, heirs and successors are complying with the covenants and purposes of this Conservation Easement; and (b) monitoring and research, education

and management as described below. Such right of entry shall include the right to cross the Property of the Grantors to reach the Easement Area.

4.3. Monitoring and Research. The right, but not the obligation, to monitor water quality, native plant and wildlife populations, plant communities, and natural habitats on the Easement Area. Grantors agree that all monitoring activity, inventory and assessment work or other natural resource research conducted by the Grantors or others shall be reported to the Grantee.

4.4. Management of Exotics and Invasive Species. Grantor and Grantee shall each have the right, but not the obligation, to control, manage or destroy exotic non-native species or invasive species of plants and animals that threaten the conservation values of the Easement Area. The parties will consult with each other to agree on a plan of control prior to either party implementing control activities.

5. **RESPONSIBILITIES OF GRANTORS AND GRANTEE NOT AFFECTED.** Other than as specified herein, this Conservation Easement is not intended to impose any legal or other responsibility on the Grantors, or in any way to affect any existing obligation of the Grantors as owner of the Easement Area. Among other things, this shall apply to:

5.1. Taxes. The Grantors shall be solely responsible for payment of all taxes and assessments levied against the Easement Area.

5.2. Upkeep and Maintenance. The Grantors shall be solely responsible for the upkeep and maintenance of the Easement Area, to the extent it may be required by law. The Grantee shall have no obligation for the upkeep or maintenance of the Easement Area.

6. **ACCESS.** No right of access by the general public to any portion of the Easement Area is conveyed by this Conservation Easement. However, the public has the right to view the Easement Area from adjacent publicly accessible areas such as public roads.

7. **ENFORCEMENT.** The Grantee shall have the right to prevent and correct violations of the terms of this Conservation Easement.

7.1. With advance notice the Grantee may enter the Easement Area for inspection purposes, and without notice if there is probable cause that a violation of the terms of this Conservation Easement has occurred. If the Grantee finds a violation, it may at its discretion take appropriate legal action. Except when an ongoing or imminent violation could substantially diminish or impair the conservation values of the Easement Area, the Grantee shall give the Grantors written notice of the violation and sixty (60) days to correct it (or begin good faith efforts to correct in the event the violation is something which cannot be reasonably corrected in sixty (60) days), before filing any legal actions. If a court with jurisdiction determines that a violation may exist or has occurred, the Grantee may obtain an injunction to stop it, temporarily or permanently. A court may also issue an injunction requiring the

Grantors to restore the Easement Area to its condition prior to the violation. The failure of the Grantee to discover a violation or to take immediate legal action shall not bar it from doing so at a later time.

7.2. Nothing contained in this Conservation Easement shall be construed to entitle Grantee to bring any action against Grantors for any injury or change in the Easement Area caused by third parties resulting from causes beyond the Grantors' control, including, without limitation, fire, flood, storm, and earth movement, or caused by any prudent action taken in good faith by the Grantors under emergency conditions to prevent, abate, or mitigate significant injury to life, damage to property or harm to the Easement Area resulting from such action.

8. **TRANSFER OF EASEMENT.** The parties recognize and agree that the benefits of this Conservation Easement are in gross and assignable. The Grantee shall have the right to transfer or assign this Conservation Easement to any qualified organization that at the time of transfer, is a "qualified organization" under Section 170(h) of the U.S. Internal Revenue Code, and the organization expressly agrees to assume the responsibility imposed on the Grantee by this Conservation Easement. If the Grantee ever ceases to exist or no longer qualifies under Sec. 170(h) or applicable state law, a court with jurisdiction shall transfer this Conservation Easement to another conservation organization or to another qualified organization having similar purposes that agrees to assume the responsibility.

9. **TRANSFER OF EASEMENT AREA.** Any time the Easement Area, or any interest therein, is transferred by the Grantors or their successors in title to any third party, the Grantors or their successors shall notify the Grantee in writing at least thirty (30) days prior to the transfer of the Easement Area, and the document of conveyance shall expressly refer to this Conservation Easement. Failure of Grantors or its successors to do so shall not impair the validity of this Conservation Easement or limit its enforceability in any way.

10. **AMENDMENT OF EASEMENT.** This Conservation Easement may be amended only with the written consent of Grantors and Grantee. Any such amendment shall be consistent with the purposes of this Conservation Easement and shall comply with Sec. 170(h) of the Internal Revenue Code, or any regulations promulgated in accordance with that section. Any such amendment shall also be consistent with the Uniform Conservation and Historic Preservation Agreements Act, N.C.G.S. Section 121-34 *et seq.*, or any regulations promulgated pursuant to that law. The Grantors and Grantee have no right or power to agree to any amendment that would affect the enforceability of this Conservation Easement.

11. **TERMINATION OF EASEMENT.** If it is determined that conditions on or surrounding the Easement Area have changed so much that it is impossible to fulfill the conservation purposes set forth above, a court with jurisdiction may, at the joint request of both the Grantors and Grantee, terminate this Conservation Easement.

If condemnation of a part of the Easement Area or of the entire Easement Area by public authority renders it impossible to fulfill any of these conservation purposes, the Conservation Easement may be terminated through condemnation proceedings.

At the time of the conveyance of the Conservation Easement to the Grantee, this Conservation Easement gives rise to a real property right, immediately vested in the Grantee. If the Conservation Easement is terminated and the Easement Area is sold or taken for public use, then, as required by Sec. 1.170A-14(g)(6) of the IRS regulations, the Grantee shall be entitled to a percentage of the gross sale proceeds or condemnation award (minus any amount attributed to new improvements made after the date of the conveyance, which amount shall be reserved to Grantors), equal to the ratio of the appraised value of this Conservation Easement to the unrestricted fair market value of the Easement Area, as these values are determined on the date of this Conservation Easement. The Grantee shall use the proceeds consistently with the conservation purposes of this Conservation Easement.

12. **INTERPRETATION.** This Conservation Easement shall be interpreted under the laws of North Carolina, resolving any ambiguities and questions of the validity of specific provisions as to give maximum effect to its conservation purposes.

13. **INDEMNIFICATION.** Grantors agree to indemnify and hold Grantee harmless from any and all costs, claims or liability, including but not limited to reasonable attorneys' fees arising from any personal injury, accidents, negligence or damage relating to the Easement Area, or any claim thereof, unless due to the negligence of Grantee or its agents, in which case liability shall be apportioned accordingly. In addition, Grantors warrant that Grantee is a named insured on Grantors' liability property insurance policies covering the Easement Area.

14. **TITLE.** The Grantors covenant and represent that the Grantors are the sole owners and are seized of the Easement Area in fee simple and have good right to grant and convey this Conservation Easement; that the Easement Area is free and clear of any and all encumbrances, including but not limited to, any mortgages not subordinated to this Conservation Easement, and that the Grantee shall have the use of and enjoy all the benefits derived from and arising out of this Conservation Easement.

15. **NOTICES.** Any notices required by this Conservation Easement shall be in writing and shall be personally delivered or sent by first class mail, to Grantors and Grantee, respectively, at the following addresses, unless a party has been notified by the other of a change of address.

To the Grantors:
Matthew and Suzanne Case
8054 Scenic Trail
Chapel Hill, NC 27516

To the Grantee:
OWASA
Attn: Planning and Development Manager
400 Jones Ferry Road
Carrboro, NC 27510

16. **ENVIRONMENTAL CONDITION.** The Grantors warrant that they have no actual knowledge of a release or threatened release of hazardous substances or wastes on the Easement Area and hereby promise to defend and indemnify Grantee against all litigation, claims, demands, penalties, and damages, including reasonable attorney's fees, arising from or connected with any release by Grantors, their agents, assigns, and guests of hazardous waste or violation of federal, state, or local environmental laws.

17. **SEVERABILITY.** If any provision of this Conservation Easement is found to be invalid, the remaining provisions shall not be altered thereby.

18. **PARTIES.** Every provision of this Conservation Easement that applies to the Grantors or Grantee shall also apply to their respective heirs, executors, administrators, assigns, and all other successors as their interest may appear.

19. **RE-RECORDING.** In order to ensure the perpetual enforceability of the Conservation Easement, the Grantee is authorized to re-record this instrument or any other appropriate notice or instrument.

20. **MERGER**. The parties agree that the terms of this Conservation Easement shall survive any merger of the fee and easement interest in the Easement Area.

21. **SUBSEQUENT LIENS ON EASEMENT AREA.** No provisions of this Conservation Easement should be construed as impairing the ability of Grantors to use this Easement Area as collateral for subsequent borrowing, provided that any mortgage or lien arising from such a borrowing would be subordinate to this Conservation Easement.

22. **EXHIBITS AND DOCUMENTATION.**

22.1. Legal Description. **Exhibit A**, Legal Description Grantors' Property, is attached hereto and made a part hereof by reference.

22.2. Legal Description. **Exhibit B**, Legal Description of the protected Easement Area is attached hereto and made a part hereof by reference.

23. **ENTIRE AGREEMENT.** This instrument sets forth the entire agreement of the parties with respect to the Conservation Easement and supersedes all prior discussions, negotiations, understandings or agreements relating to the Conservation Easement. If any provision is found to be invalid, the remainder of the provisions of this Conservation Easement, and the application of such provision to persons or circumstances other than those as to which it is found to be invalid, shall not be affected thereby.

24. **ACCEPTANCE AND EFFECTIVE DATE.** As attested by the signatures of its authorized representatives affixed hereto, the Grantee hereby accepts without reservation the rights and responsibilities conveyed by this Conservation Easement. This Conservation Easement is to be effective upon execution by all of the parties hereto and shall be recorded in the Orange County Registry of Deeds.

TO HAVE AND TO HOLD, this Deed of Conservation Easement unto the Grantee, its successors and assigns, forever.

IN WITNESS WHEREOF, the Grantors have hereunto set their hands and seals, and Grantee, intending to legally bind itself, has caused this Deed of Conservation Easement to be signed by its duly authorized representatives on the date first written above.

GRANTORS:

_____(SEAL)
MATTHEW CASE

_____(SEAL)
SUZANNE CASE

GRANTEE:
ORANGE WATER AN SEWER AUTHORITY

By: _____
TODD TAYLOR
Executive Director

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STATE OF NORTH CAROLINA
COUNTY OF ORANGE

I, a Notary Public in and for the county and state aforesaid, do certify that the following named persons appeared before me this day and acknowledged their execution of the foregoing document for the purposes herein expressed: Mathew Case and Suzanne Case.
Witness my hand and seal this _____ day of _____2021.

_____
Notary Public
Printed Name _____

My commission expires: _____
(Notary Seal)

STATE OF NORTH CAROLINA
COUNTY OF ORANGE

I, a Notary Public in and for the county and state aforesaid, do certify that the following named person appeared before me this day and acknowledged that being duly authorized, they executed the foregoing Deed of Conservation Easement on behalf of Orange Water and Sewer Authority for the purposes herein expressed: Todd Taylor, Executive Director.
Witness my hand and seal this _____ day of _____2021.

_____
Notary Public
Printed Name _____

My commission expires: _____
(Notary Seal)

Exhibit A
Legal Description of the Property of the Grantor

BEING all of that certain tract or parcel of land lying and being in Bingham Township, Orange County NC, more particularly described as follows:

BEGINNING at an iron stake, a corner with the Cheek property in the line of Cates property; running thence with said Cheek property N. 58˚ 23' 14" E. 1,223.39 feet to an iron stake in the line of the Cheek property; continuing with the said Cheek property N. 70˚ 58' 50" 458.04 feet to an iron stake, a corner with the said Cheek property; running thence S. 15˚ 31' 10" E. 138.21 feet to an iron stake; thence S. 9˚ 03' 20" E. 75.99 feet to an iron stake, corner with William E. Teer; running thence with said William E. Teer S. 42˚ 47' 16" W. 1,557.21 feet to an iron stake, a corner with William E. Teer in the line of Cates property; running thence with said Cates property N. 39˚ 44' 40" W. 728.93 feet to the BEGINNING, containing 18.31 acres, based on plat of survey by Fulton & Associates, May, 1975, and the division line was computed by Phillip J. Hall, August 15, 1978.

LESS AD EXCEPT 2.227 acres, more or less, described as Tract Two in the Deed from Thomas Y. Teer and Evelyn Teer to Orange Water and Sewer Authority in Book 624, Page 107, Orange County Registry.

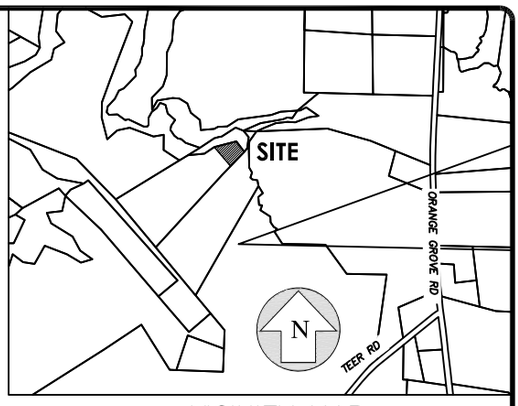
Exhibit B
Legal Description of the Easement Area

BEGINNING at an existing iron pin in a common property line of Grantor's property described in **Exhibit A** (PIN: 9830-97-3197) and property owned by the Grantee described in that deed recorded in Book 627, Page 107, Orange County Registry (PIN: 9830-97-9617), said existing iron pin having NC State Plane Grid Coordinates (NAD 83/2001) N: 807540.9295 us ft and E: 1939879.8917 us ft, and being the Point of Beginning, and running thence with the common line of the parties N 55° 11' 00" E 157.1 feet to an existing iron pipe; thence N 70° 58' 53"E 198.47 feet to an existing iron pipe; N 66° 36' 21" E 58.37 feet to an existing iron pipe; continuing thence with the common line of the parties S 38° 35' 52" W 133.73 feet to an existing iron pipe in the line of other property owned by the Grantee described as Tract Two in that deed recorded in Book 3395, Page 32, Orange County Registry (PIN: 9830-96-8897); running thence with the common line of the parties S 42° 38' 08" W 319.77 feet to a rebar & cap set; running thence a new line N 55° 37' 07" W 287.34 feet to an existing iron pipe, the Point of Beginning, and encompassing an area of 1.76 acres more or less.

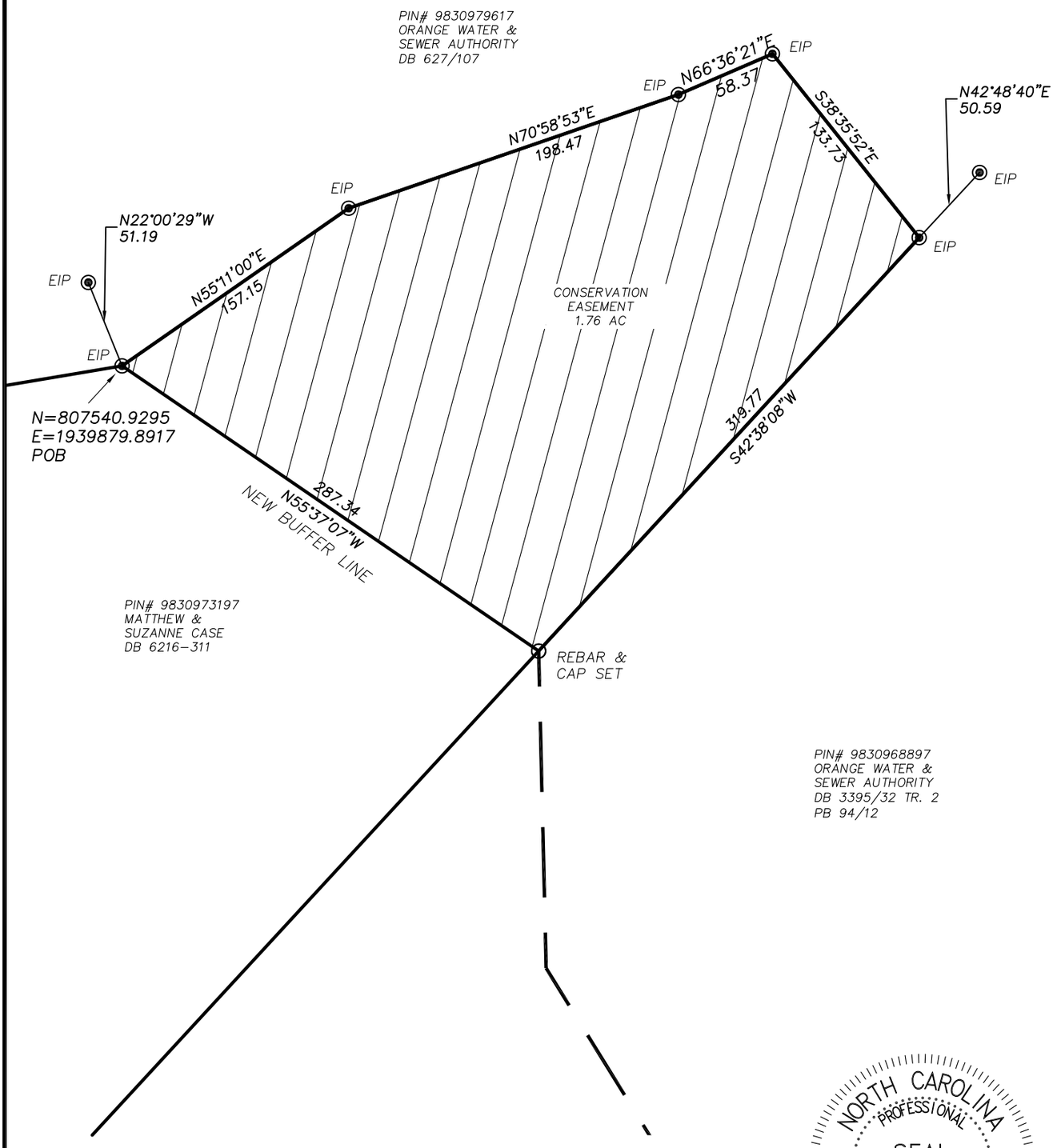
Reference is hereby made to that map of survey by Brantley W. Wells, PLS, Summit Engineering and Design, attached hereto and entitled "EXHIBIT B MAP."

"EXHIBIT B MAP"

THIS MAP MAY NOT BE A CERTIFIED SURVEY AND HAS NOT BEEN REVIEWED BY A LOCAL GOVERNMENT AGENCY FOR COMPLIANCE WITH ANY APPLICABLE LAND DEVELOPMENT REGULATIONS AND HAS NOT BEEN REVIEWED FOR COMPLIANCE WITH RECORDING REQUIREMENTS FOR PLATS.



VICINITY MAP
NOT TO SCALE



PIN 9830973197	JOB #20-0295.030	SCALE 1" = 80'
DRAWN BY BWW	CHECKED BY BWW	

I, BRANTLEY W. WELLS NO. 4544, CERTIFY THAT THIS MAP WAS DRAWN FROM AN ACTUAL FIELD SURVEY AND CORNERS WERE SET OR RECOVERED AS NOTED. THIS MAP DOES NOT CONFORM WITH G.S. 47-30 AS AMENDED. WITNESS MY HAND AND SEAL THIS 29TH DAY OF JANUARY, 2021.

NORTH CAROLINA PROFESSIONAL SEAL L-4544 LAND SURVEYOR BRANTLEY W. WELLS

PROPERTY SURVEYED FOR
MATTHEW & SUZANNE CASE

BINGHAM TWP, ORANGE CO., NORTH CAROLINA
FIELD WORK PERFORMED ON JANUARY 21, 2021
PROPERTY AS DESCRIBED IN D.B. 6216 PAGE 311
STANDING IN THE NAME OF
MATTHEW & SUZANNE CASE

- ○ IRON PIN SET
- ◉ EXISTING IRON
- △ MATHEMATICAL POINT
- UTILITY POLE
- WM ○ WATER METER
- ○CO CLEAN OUT

SUMMIT DESIGN AND ENGINEERING SERVICES
Creatively Inspired - Technically Executed
License #: P-0339
504 Meadowland Drive
Hillsborough, NC 27278-8551
Voice: (919) 732-3883 Fax: (919) 732-6676
www.summitde.net

7.21

Attachment 2

Prepared by Epting & Hackney, Robin Lackey Jacobs
Return to Grantee
NORTH CAROLINA
ORANGE COUNTY

Revenue Stamps: None

PIN: 9840-05-8256

DEED OF CONSERVATION EASEMENT

THIS DEED OF CONSERVATION EASEMENT ("Conservation Easement"), is made and executed on this the _____ day of _____, 2021, by and between **CLEARWIND FARM, LLC** (herein referred to as "Grantor,"), and **ORANGE WATER AND SEWER AUTHORITY**, (herein "OWASA" or "Grantee"), a public body, politic and corporate, organized and doing business under the provisions of Chapter 162A of the North Carolina General Statutes, whose address is 400 Jones Ferry Road, Carrboro, NC 27510.

RECITALS AND CONSERVATION PURPOSES

A. Grantor is the owner in fee simple of certain real property located in Bingham Township, Orange County, North Carolina, more particularly described in **Exhibit A** attached to and made a part of this Conservation Easement, (the "Property").

B. Grantee OWASA is a public authority, operated primarily for the purpose of providing public water distribution and wastewater collection and treatment in and around the Towns of Chapel Hill and Carrboro in the southern part of Orange County. Grantee OWASA is the owner of the Cane Creek Reservoir located on Cane Creek in Bingham Township, and the lessee/operator of University Lake located on Morgan Creek in Chapel Hill Township, both in Orange County. OWASA owns, manages and operates those Reservoirs and nearby lands, to protect, maintain and provide a high quality, public water supply. As a unit of local government in North Carolina, Grantee OWASA is authorized by the laws of the State of North Carolina to accept, own, hold and administer interests in land, including conservation easements. Grantee OWASA is a "qualified organization" and an "eligible donee" within the meaning of Section 170(h)(3) of the Internal Revenue Code and the regulations promulgated thereunder.

C. Grantor's Property is located adjacent to lands owned by Grantee used for the impoundment of the waters of the Cane Creek Reservoir and for the operation and protection the reservoir, and is crossed by an unnamed stream flowing into the Cane Creek Reservoir. The Property includes land within a zone designated by Orange County as a "critical area" of the protected water supply watershed for the Cane Creek Reservoir.

Grantor has agreed to donate and convey, and OWASA has agreed to accept as Grantee, this Conservation Easement in order to subject 11.95 acres, more or less, of the Property to this Conservation Easement (the "Easement Area") for the purposes of protecting the water quality of the stream flowing through the property into the Cane Creek Reservoir and safeguarding the water resources of the Cane Creek Reservoir. The grant of this Conservation Easement and the protections it includes will serve these "Conservation Purposes" as such term is defined in Section 170 (h)(4)(A) of the Code.

The Easement Area consists of two zones, one being a "Stream Buffer Zone" along an unnamed stream, and the other being a "Livestock Exclusion Zone" located around the pond on the Property. The Stream Buffer Zone is primarily forested, with some open fields located along the western portion of the area. The Livestock Exclusion Zone is primarily open field surrounding an existing pond. The Easement Area is more particularly described in **Exhibit B** attached to and made a part of this Conservation Easement.

D. Grantor and Grantee agree that the current uses of the Easement Area are consistent with the conservation purposes of this Conservation Easement. The characteristics of the Easement Area, its current use, and state of improvement, are described in a report entitled Baseline Documentation Report for the Clearwind Conservation, LLC Conservation Easement dated February 11, 2021, prepared by the Grantee. The Grantor worked with the Grantee to ensure that the report is a complete and accurate description of the Easement Area as of the date of this Conservation Easement. The report will be used by the Grantor and Grantee to assure that any future changes in the use of the Easement Area will be consistent with the terms of this Conservation Easement. However, the Baseline Report is not intended to preclude the use of other evidence to establish the present condition of the Easement Area if there is a controversy over its use.

E. The Grantor and Grantee have the common purpose of conserving the above-described conservation values of the Easement Area in perpetuity, and the State of North Carolina has authorized the creation of conservation easements pursuant to the terms of the North Carolina Conservation and Historic Preservation Agreements Act, N.C.G.S. §121-34 *et seq.*, which provides for the enforceability of restrictions, easements, covenants or conditions "appropriate to retaining land or water areas predominantly in their natural, scenic or open condition …" and the Grantor and Grantee wish to avail themselves of the provisions of those laws.

NOW, THEREFORE, Grantor, for itself, its grantees, successors and assigns hereby unconditionally and irrevocably donates, gives, grants and conveys forever and in perpetuity to the Orange Water and Sewer Authority, as Grantee, and its grantees, successors and assigns, and

the Grantee hereby accepts this conveyance of Conservation Easement over the Easement Area described in **Exhibit B** of the nature and character and to the extent hereinafter set forth.

1. **PURPOSE.** The purposes of this Conservation Easement are to ensure that the Easement Area will be retained forever predominantly in its natural, forested and open space condition with limited agricultural use, and to protect water quality in the Easement Area, while allowing traditional uses of the Easement Area that are compatible with and not destructive of the conservation values of the Easement Area; and to prevent any use of the Easement Area that will significantly impair or interfere with the conservation values of the Easement Area.

Grantor will not perform, nor knowingly allow others to perform, any act on or affecting the Easement Area that is inconsistent with the purposes of this Conservation Easement. However, unless otherwise specified below, nothing in this Conservation Easement shall require the Grantor to take any action to restore the condition of the Easement Area after any act of nature or other event over which Grantor had no control. Grantor understands that nothing in this Conservation Easement relieves them of any obligation or restriction on the use of the Easement Area imposed by law.

2. **RETAINED RIGHTS AND RESTRICTIONS.** Any activity on, or use of the Easement Area inconsistent with the purposes of this Conservation Easement is prohibited. The Easement Area shall be maintained in its natural, scenic and open condition and restricted from any development that would significantly impair or interfere with the conservation values of the Easement Area. Without limiting the generality of the foregoing, the following is a listing of activities and uses which are expressly prohibited or which are expressly allowed. Grantor and Grantee have determined that the allowed activities do not impair the conservation values of the Easement Area. Additional retained rights of Grantor are set forth in Paragraph 3 below.

2.1. Recreational Use. Grantor shall have the right to engage in and permit others, to engage in recreational uses of the Easement Area, including, but not limited to, hiking, picnicking, swimming, lawful hunting and fishing, and other recreational uses that require no buildings, facilities, surface alteration or other development of the land other than what is allowed herein. Construction of natural surface trails located at a minimum distance of fifteen (15) feet from the top of the stream bank shall be permitted. Pursuit of wildlife by any form of motorized transportation is prohibited.

2.2. Construction Within the Livestock Exclusion Zone. Except as restricted below, Grantor shall have the right to construct and maintain temporary or permanent fences, sheds, buildings, antenna, utility poles and other structures and facilities within the Livestock Exclusion Zone, including the right to construct and maintain a dock on the pond located within the Easement Area, provided that such dock must be constructed of non-toxic, natural or composite materials. Construction or reconstruction of any building, dock or other facility located within the Livestock Exclusion Zone must comply with all applicable governmental permitting and other regulations.

Grantor shall have the right to maintain and repair the pond located within the 100-foot Livestock Exclusion Zone of the Easement Area in its current location adjacent

to the Stream Buffer Zone and in no greater area than its current size as shown in the Baseline Documentation Report, including maintenance of the dam and culvert associated with the pond. Grantor may also utilize beaver control measures such as the Clemson Beaver Pond Leveler.

Grantor shall have the right to install and maintain an irrigation water intake and pump system in the pond with piping through the Livestock Exclusion Zone to enable pond water to be used for irrigation and to water animals.

Grantor shall have the right to maintain and repair the unpaved access drive or roadway currently located within the Easement Area, and to construct additional unpaved accessways no wider than 15 feet within the Livestock Exclusion Zone necessary or convenient to effect the construction and other activities permitted by this Conservation Easement.

Notwithstanding anything to the contrary set forth hereinabove, there shall be no constructing or placing of any temporary or permanent asphalt, concrete, or other pavement, or any septic tank, drain field, or other waste disposal facility in the Livestock Exclusion Zone.

2.3. Construction Within the Stream Buffer. Grantor shall have the right to maintain and repair the unpaved access drive or roadway currently located within the Easement Area to the extent that it extends into the Stream Buffer Zone. Except as expressly provided herein, there shall be no constructing or placing of any temporary or permanent structure, improvement, fence, shed, building, fixture, mobile home, asphalt, concrete, or other pavement, antenna, utility pole, tower, conduit, line, septic tank, drain field, or other waste disposal facility or any other constructed improvement in the Stream Buffer Zone.

2.4. Excavation, Dredging and Mineral Use. There shall be no filling, excavation, dredging, mining or drilling; no removal of topsoil, sand, gravel, rock, peat, minerals or other materials; and no change in the topography of the land within the Easement Area in any manner except as necessary to allow construction and maintenance of the improvements expressly permitted in this Conservation Easement. Grantor will use its best efforts to minimize any disturbance necessary to maintain the pond located in the Easement Area and/or to construct and maintain the other facilities permitted in paragraphs 2.2 and 2.3 above.

2.5. Agricultural Use and Grazing. Grantor shall have the right to grow, mow and harvest hay and other grasses within the Easement Area in those parts of the Easement Area which are not currently forested as shown in the Baseline Documentation Report, and to grow and harvest vegetables and other garden crops, as well as fruit and nut bearing bushes and trees, within the Livestock Exclusion Zone. Notwithstanding the prohibition in paragraph 2.6 against planting non-native plants in the Easement Area, vegetables, fruits, and nuts planted within the Livestock Exclusion Zone for agricultural purposes may include non-native and hybrid plants.

Grantor shall have the additional right to allow goats to graze and remove brushy vegetation around the pond within the 100-foot Livestock Exclusion Zone for up to 20 days each year, provided that the goats are excluded from the area closer than 50 feet from the pond.

Except as expressly provided herein Grantor shall not make use of the Easement Area for any agricultural purpose, including but not limited to breeding of foul or livestock; planting, raising or harvesting row crops; or grazing or pasturing of animals. Domestic and farm animals shall be fenced out of the Easement Area and otherwise kept out of all ponds, streams, creeks, and other waterways.

2.6. Destruction of Plants. Within the forested areas of the Easement Area Grantor shall have the right to cut and remove diseased trees, shrubs, or other plants, solely to control insects and disease or to prevent personal injury and property damage; provided, however, that non-native invasive plants may be removed in order to protect the habitat of native plants or wildlife with prior written approval from the Grantee. Except as expressly permitted in paragraph 2.5, there shall be no planting of invasive, non-native trees, shrubs, or other plants within the Easement Area, nor introduction of non-native animals or fish except as expressly provided herein. Furthermore, except to accommodate the activities expressly permitted in this Conservation Easement, there shall be no disturbance or change in the natural habitat in any manner.

2.7. Timber Harvest. Except as provided in Paragraph 2.6 above, cutting or harvesting of trees shall be prohibited within the Easement Area.

2.8. Water Quality and Drainage Patterns. There shall be no pollution of surface water, natural water courses, marshes, subsurface water or any other water bodies, nor shall activities be conducted on the Easement Area that would be detrimental to water purity or that could alter the natural water level or flow in or over the Easement Area. Except as expressly authorized in the Conservation Easement there shall be no alteration, depletion or extraction of surface water, natural water courses, marshes, subsurface water or any other water bodies within the Easement Area. Diking, draining, filling or removal of wetlands is prohibited. Except as expressly permitted in this Conservation Easement, construction of ponds, lakes or other similar water impoundments is prohibited.

2.9. Use of Motorized Vehicles. Motorized vehicles shall be permitted within the Livestock Exclusion Zone. Vehicles, and motorized equipment necessary to effect the activities and construction permitted by this Conservation Easement in paragraphs 2.2 and 2.3 shall also be allowed within the Stream Buffer. All other use of motorized vehicles in the Stream Buffer Zone is prohibited.

2.10. Signage. No signs or billboards or other advertising displays are allowed on the Easement Area, except that signs whose placement, number and design do not significantly diminish the scenic character of the Easement Area may be displayed to identify the conservation values of the Easement Area, to identify the name and address of the Easement Area, to proscribe rules and regulations for recreational use of the Easement Area, and to post the Easement Area against trespassers.

2.11. No Biocides. There shall be no storage or use of pesticides, biocides or fertilizers within the Easement Area, including but not limited to insecticides, fungicides, rodenticides, and herbicides, except to effect agricultural activities permitted by this Conservation Easement and/or to control invasive species detrimental to the conservation values of the Easement Area.

2.12. No Dumping. There shall be no storage or dumping of trash, garbage, abandoned vehicles, appliances, or machinery, or other unsightly or offensive material, hazardous substance, or toxic waste on the Easement Area.

2.13. Subdivision. The Easement Area may not be divided, subdivided or partitioned, nor conveyed except in its current configuration.

2.14. Development Rights. Grantor conveys to Grantee all development rights that are now or hereafter allocated to, implied, reserved or inherent in the Easement Area, and the parties agree that such rights are terminated and extinguished, and may not be used on or transmitted to any portion of the Property, as it now or hereafter may be bounded or described, or to any other property. The development rights encumbered by this Conservation Easement shall not be transferred to any other land pursuant to a transfer of development rights scheme, a cluster development arrangement, or otherwise. The Grantor and its successors and assigns retain the right to alienate the property subject to this Conservation Easement provided that any instrument conveying title shall be made subject to this Conservation Easement.

3. **ADDITIONAL RIGHTS RETAINED BY GRANTOR.** Grantor retains the following additional rights:

3.1. Existing Uses. The right to undertake or continue any activity or use of the Easement Area not prohibited by this Conservation Easement and that is consistent with the Conservation Purposes of this Conservation Easement. Prior to making any change in use of the Easement Area, Grantor shall notify Grantee in writing to allow Grantee a reasonable opportunity to determine whether such change would violate the terms of this Conservation Easement.

3.2. Transfer. The right to sell, give, mortgage, lease, or otherwise convey the Easement Area subject to the terms of this Conservation Easement.

4. **GRANTEE'S RIGHTS.** To accomplish the purpose of this Conservation Easement, the following rights are granted to Grantee by this Conservation Easement:

4.1. Right to Protect. The right to preserve and protect the conservation values of the Easement Area and enforce the terms of this Conservation Easement.

4.2. Right of Entry. Grantee, its employees, representatives, and agents, and its successors and assigns, shall have the right, after 48 hours prior written notice to Grantor, to enter the protected Easement Area at reasonable times for the purposes of: (a) inspecting the protected Easement Area to determine whether the Grantor, its representatives, assigns, and successors are complying with the covenants and purposes of this Conservation Easement; and (b) monitoring and research, education and management as described below. Such right of entry shall include the right to cross the Property of the Grantor to reach the Easement Area.

4.3. Monitoring and Research. The right, but not the obligation, to monitor water quality, native plant and wildlife populations, plant communities, and natural habitats on the Easement Area. Grantor agrees that all monitoring activity, inventory and assessment work or other natural resource research conducted by the Grantor or others shall be reported to the Grantee.

4.4. Management of Exotics and Invasive Species. Grantor and Grantee shall each have the right, but not the obligation, to control, manage or destroy exotic non-native species or invasive species of plants and animals that threaten the conservation values of the Easement Area. The parities will consult with each other to agree on a plan of control prior to either party implementing control activities.

5. **RESPONSIBILITIES OF GRANTOR AND GRANTEE NOT AFFECTED.** Other than as specified herein, this Conservation Easement is not intended to impose any legal or other responsibility on the Grantor, or in any way to affect any existing obligation of the Grantor as owner of the Easement Area. Among other things, this shall apply to:

5.1. Taxes. The Grantor shall be solely responsible for payment of all taxes and assessments levied against the Easement Area.

5.2. Upkeep and Maintenance. The Grantor shall be solely responsible for the upkeep and maintenance of the Easement Area, to the extent it may be required by law. The Grantee shall have no obligation for the upkeep or maintenance of the Easement Area.

6. **ACCESS.** No right of access by the general public to any portion of the Easement Area is conveyed by this Conservation Easement. However, the public has the right to view the Easement Area from adjacent publicly accessible areas such as public roads.

7. **ENFORCEMENT.** The Grantee shall have the right to prevent and correct violations of the terms of this Conservation Easement.

7.1. With advance notice the Grantee may enter the Easement Area for inspection purposes, and without notice if there is probable cause that a violation of the terms of this Conservation Easement has occurred. If the Grantee finds a violation, it may at its discretion take appropriate legal action. Except when an ongoing or imminent violation could substantially diminish or impair the conservation values of the Easement Area, the Grantee shall give the Grantor written notice of the violation and sixty (60) days to correct it (or begin good faith efforts to correct in the event the violation is something which cannot be reasonably corrected in sixty (60) days), before filing any legal actions. If a court with jurisdiction determines that a violation may exist or has occurred, the Grantee may obtain an injunction to stop it, temporarily or permanently. A court may also issue an injunction requiring the Grantor to restore the Easement Area to its condition prior to the violation. The failure of the Grantee to discover a violation or to take immediate legal action shall not bar it from doing so at a later time.

7.2. Nothing contained in this Conservation Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury or change in the Easement Area caused by third parties resulting from causes beyond the Grantor's' control, including, without limitation, fire, flood, storm, and earth movement, or caused by any prudent action taken in good faith by the Grantor under emergency conditions to prevent, abate, or mitigate significant injury to life, damage to property or harm to the Easement Area resulting from such action.

8. **TRANSFER OF EASEMENT.** The parties recognize and agree that the benefits of this Conservation Easement are in gross and assignable. The Grantee shall have the right to transfer or assign this Conservation Easement to any qualified organization that at the time of transfer, is a "qualified organization" under Section 170(h) of the U.S. Internal Revenue Code, and the organization expressly agrees to assume the responsibility imposed on the Grantee by this Conservation Easement. If the Grantee ever ceases to exist or no longer qualifies under Sec. 170(h) or applicable state law, a court with jurisdiction shall transfer this Conservation Easement to another conservation organization or to another qualified organization having similar purposes that agrees to assume the responsibility.

9. **TRANSFER OF EASEMENT AREA.** Any time the Easement Area, or any interest therein, is transferred by the Grantor or its successors in title to any third party, the Grantor or its successors shall notify the Grantee in writing at least thirty (30) days prior to the transfer of the Easement Area, and the document of conveyance shall expressly refer to this Conservation Easement. Failure of Grantor or its successors to do so shall not impair the validity of this Conservation Easement or limit its enforceability in any way.

10. **AMENDMENT OF EASEMENT.** This Conservation Easement may be amended only with the written consent of Grantor and Grantee. Any such amendment shall be consistent with the purposes of this Conservation Easement and shall comply with Sec. 170(h) of the Internal Revenue Code, or any regulations promulgated in accordance with that section. Any such amendment shall also be consistent with the Uniform Conservation and Historic Preservation Agreements Act, N.C.G.S. Section 121-34 *et seq.,* or any regulations promulgated pursuant to

that law. The Grantor and Grantee have no right or power to agree to any amendment that would affect the enforceability of this Conservation Easement.

11. **TERMINATION OF EASEMENT.** If it is determined that conditions on or surrounding the Easement Area have changed so much that it is impossible to fulfill the conservation purposes set forth above, a court with jurisdiction may, at the joint request of both the Grantor and Grantee, terminate this Conservation Easement.

If condemnation of a part of the Easement Area or of the entire Easement Area by public authority renders it impossible to fulfill any of these conservation purposes, the Conservation Easement may be terminated through condemnation proceedings.

At the time of the conveyance of the Conservation Easement to the Grantee, this Conservation Easement gives rise to a real property right, immediately vested in the Grantee. If the Conservation Easement is terminated and the Easement Area is sold or taken for public use, then, as required by Sec. 1.170A-14(g)(6) of the IRS regulations, the Grantee shall be entitled to a percentage of the gross sale proceeds or condemnation award (minus any amount attributed to new improvements made after the date of the conveyance, which amount shall be reserved to Grantor), equal to the ratio of the appraised value of this Conservation Easement to the unrestricted fair market value of the Easement Area, as these values are determined on the date of this Conservation Easement. The Grantee shall use the proceeds consistently with the conservation purposes of this Conservation Easement.

12. **INTERPRETATION.** This Conservation Easement shall be interpreted under the laws of North Carolina, resolving any ambiguities and questions of the validity of specific provisions as to give maximum effect to its conservation purposes.

13. **INDEMNIFICATION.** Grantor agrees to indemnify and hold Grantee harmless from any and all costs, claims or liability, including but not limited to reasonable attorneys' fees arising from any personal injury, accidents, negligence or damage relating to the Easement Area, or any claim thereof, unless due to the negligence of Grantee or its agents, in which case liability shall be apportioned accordingly. In addition, Grantor warrants that Grantee is a named insured on Grantor’s property liability insurance policies covering the Easement Area.

14. **TITLE.** The Grantor covenants and represents that the Grantor is the sole owner and is seized of the Easement Area in fee simple and has good right to grant and convey this Conservation Easement; that the Easement Area is free and clear of any and all encumbrances, including but not limited to, any mortgages not subordinated to this Conservation Easement, and that the Grantee shall have the use of and enjoy all the benefits derived from and arising out of this Conservation Easement.

15. **NOTICES.** Any notices required by this Conservation Easement shall be in writing and shall be personally delivered or sent by first class mail, to Grantor and Grantee, respectively, at the following addresses, unless a party has been notified by the other of a change of address.

To the Grantor:
Matthew Case
8054 Scenic Trail
Chapel Hill, NC 27516

To the Grantee:
OWASA
Attn: Planning and Development Manager
400 Jones Ferry Road
Carrboro, NC 27510

16. **ENVIRONMENTAL CONDITION.** The Grantor warrants that it has no actual knowledge of a release or threatened release of hazardous substances or wastes on the Easement Area and hereby promises to defend and indemnify Grantee against all litigation, claims, demands, penalties, and damages, including reasonable attorney's fees, arising from or connected with any release by Grantor, its agents, assigns, and guests of hazardous waste or violation of federal, state, or local environmental laws.

17. **SEVERABILITY.** If any provision of this Conservation Easement is found to be invalid, the remaining provisions shall not be altered thereby.

18. **PARTIES.** Every provision of this Conservation Easement that applies to the Grantor or Grantee shall also apply to their respective heirs, executors, administrators, assigns, and all other successors as their interest may appear.

19. **RE-RECORDING.** In order to ensure the perpetual enforceability of the Conservation Easement, the Grantee is authorized to re-record this instrument or any other appropriate notice or instrument.

20. **MERGER**. The parties agree that the terms of this Conservation Easement shall survive any merger of the fee and easement interest in the Easement Area.

21. **SUBSEQUENT LIENS ON EASEMENT AREA.** No provisions of this Conservation Easement should be construed as impairing the ability of Grantor to use this Easement Area as collateral for subsequent borrowing, provided that any mortgage or lien arising from such a borrowing would be subordinate to this Conservation Easement.

22. **EXHIBITS AND DOCUMENTATION.**

22.1. Legal Description. **Exhibit A**, Legal Description Grantor's Property, is attached hereto and made a part hereof by reference.

22.2. Legal Description. **Exhibit B**, Legal Description of the protected Easement Area is attached hereto and made a part hereof by reference.

23. **ENTIRE AGREEMENT.** This instrument sets forth the entire agreement of the parties with respect to the Conservation Easement and supersedes all prior discussions, negotiations, understandings or agreements relating to the Conservation Easement. If any provision is found to be invalid, the remainder of the provisions of this Conservation Easement, and the application

of such provision to persons or circumstances other than those as to which it is found to be invalid, shall not be affected thereby.

24. **ACCEPTANCE AND EFFECTIVE DATE.** As attested by the signatures of its authorized representatives affixed hereto, the Grantee hereby accepts without reservation the rights and responsibilities conveyed by this Conservation Easement. This Conservation Easement is to be effective upon execution by all of the parties hereto and shall be recorded in the Orange County Registry of Deeds.

TO HAVE AND TO HOLD, this Deed of Conservation Easement unto the Grantee, its successors and assigns, forever.

IN WITNESS WHEREOF, the Grantor and Grantee, intending to legally bind themselves, have caused this Deed of Conservation Easement to be signed by their duly authorized representatives on the date first written above.

GRANTOR:
CLEARWIND FARM, LLC

By:_____
MATTHEW CASE
Manager

GRANTEE:
ORANGE WATER AND SEWER AUTHORITY

By: _____
TODD TAYLOR
Executive Director

[Remainder of Page Intentionally Left Blank]

STATE OF NORTH CAROLINA
COUNTY OF ORANGE

I, a Notary Public in and for the county and state aforesaid, do certify that the following named person(s) appeared before me this day and acknowledged that being duly authorized, they executed the foregoing Deed of Conservation Easement on behalf of Clearwind Farm, LLC for the purposes herein expressed: Matthew Case, Manager.
Witness my hand and seal this _____ day of _____2021.

_____
Notary Public
Printed Name _____

My commission expires: _____
(Notary Seal)

STATE OF NORTH CAROLINA
COUNTY OF ORANGE

I, a Notary Public in and for the county and state aforesaid, do certify that the following named person(s) appeared before me this day and acknowledged that being duly authorized, they executed the foregoing Deed of Conservation Easement on behalf of Orange Water and Sewer Authority for the purposes herein expressed: Todd Taylor, Executive Director.
Witness my hand and seal this _____ day of _____2021.

_____
Notary Public
Printed Name _____

My commission expires: _____
(Notary Seal)

Exhibit A
Legal Description of the Property of the Grantor

BEING all of that lot or parcel of land consisting of 200.2915 acres, more or less, exclusive of right of way, consisting of Areas 1, 2A1, 2B1 and 2D, as shown on that plat of survey by Brantley Wells, PLS, Summit Engineering and Design, recorded in Plat Book 117, Pages 137 and 138, Orange County Registry, to which reference is hereby made for a more particular description, and being the same real property described in that deed recorded in Book 6132, Page 32, Orange County Registry,

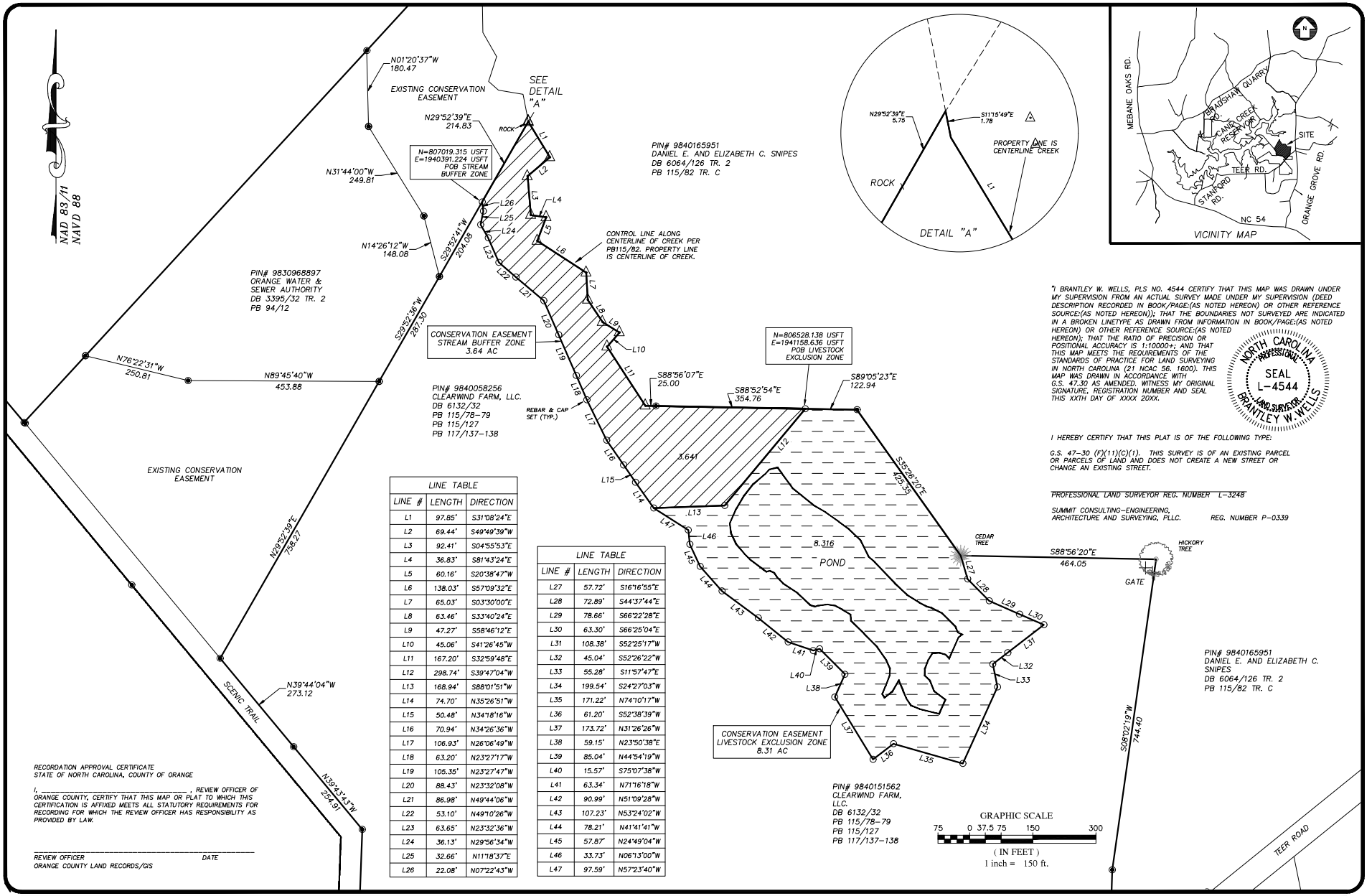
Exhibit B

Legal Description of the Easement Area

Stream Buffer Zone:
BEING all of that 3.64-acre area shown and described as "Stream Buffer Zone" on that plat of survey by Brantley W. Wells, PLS, Summit Engineering and Design, entitled CONSERVATION EASEMENTS SURVEYED FOR CLEARWIND FARM, LLC recorded in Plat Book _____, Page _____, Orange County Registry, to which reference is hereby made for a more particular description, a copy of which is attached hereto for illustration purposes and entitled EXHIBIT B MAP;

TOGETHER WITH

Livestock Exclusion Zone:
BEING all of that 8.316-acre area shown and described as "Livestock Exclusion Zone" on that plat of survey by Brantley W. Wells, PLS, Summit Engineering and Design, entitled CONSERVATION EASEMENTS SURVEYED FOR CLEARWIND FARM, LLC recorded in Plat Book _____, Page _____, Orange County Registry, to which reference is hereby made for a more particular description, a copy of which is attached hereto for illustration purposes and entitled EXHIBIT B MAP.



LINE TABLE		
LINE #	LENGTH	DIRECTION
L1	97.85'	S31°08'24"E
L2	69.44'	S49°49'39"W
L3	92.41'	S04°55'53"E
L4	36.83'	S81°43'24"E
L5	60.16'	S20°38'47"W
L6	138.03'	S57°09'32"E
L7	65.03'	S03°30'00"E
L8	63.46'	S33°40'24"E
L9	47.27'	S58°46'12"E
L10	45.06'	S41°26'45"W
L11	167.20'	S32°59'48"E
L12	298.74'	S39°47'04"W
L13	168.94'	S88°01'51"W
L14	74.70'	N35°26'51"W
L15	50.48'	N34°18'16"W
L16	70.94'	N34°26'36"W
L17	106.93'	N26°06'49"W
L18	63.20'	N23°27'17"W
L19	105.35'	N23°27'47"W
L20	88.43'	N23°32'08"W
L21	86.98'	N49°44'06"W
L22	53.10'	N49°10'26"W
L23	63.65'	N23°32'36"W
L24	36.13'	N29°56'34"W
L25	32.66'	N11°18'37"E
L26	22.08'	N07°22'43"W

LINE TABLE		
LINE #	LENGTH	DIRECTION
L27	57.72'	S16°16'55"E
L28	72.89'	S44°37'44"E
L29	78.66'	S66°22'28"E
L30	63.30'	S66°25'04"E
L31	108.38'	S52°25'17"W
L32	45.04'	S52°26'22"W
L33	55.28'	S11°57'47"E
L34	199.54'	S24°27'03"W
L35	171.22'	N74°10'17"W
L36	61.20'	S52°38'39"W
L37	173.72'	N31°26'26"W
L38	59.15'	N23°50'38"E
L39	85.04'	N44°54'19"W
L40	15.57'	S75°07'38"W
L41	63.34'	N71°16'18"W
L42	90.99'	N51°09'28"W
L43	107.23'	N53°24'02"W
L44	78.21'	N41°41'41"W
L45	57.87'	N24°49'04"W
L46	33.73'	N06°13'00"W
L47	97.59'	N57°23'40"W

"I BRANTLEY W. WELLS, PLS NO. 4544 CERTIFY THAT THIS MAP WAS DRAWN UNDER MY SUPERVISION FROM AN ACTUAL SURVEY MADE UNDER MY SUPERVISION (DEED DESCRIPTION RECORDED IN BOOK/PAGE:(AS NOTED HEREON) OR OTHER REFERENCE SOURCE:(AS NOTED HEREON)); THAT THE BOUNDARIES NOT SURVEYED ARE INDICATED IN A BROKEN LINETYPE AS DRAWN FROM INFORMATION IN BOOK/PAGE:(AS NOTED HEREON) OR OTHER REFERENCE SOURCE:(AS NOTED HEREON); THAT THE RATIO OF PRECISION OR POSITIONAL ACCURACY IS 1:10000+; AND THAT THIS MAP MEETS THE REQUIREMENTS OF THE STANDARDS OF PRACTICE FOR LAND SURVEYING IN NORTH CAROLINA (21 NCAC 56. 1600). THIS MAP WAS DRAWN IN ACCORDANCE WITH G.S. 47.30 AS AMENDED. WITNESS MY ORIGINAL SIGNATURE, REGISTRATION NUMBER AND SEAL THIS XXTH DAY OF XXXX 20XX.

NORTH CAROLINA PROFESSIONAL SEAL L-4544 LAND SURVEYOR BRANTLEY W. WELLS

I HEREBY CERTIFY THAT THIS PLAT IS OF THE FOLLOWING TYPE:

G.S. 47-30 (F)(11)(C)(1). THIS SURVEY IS OF AN EXISTING PARCEL OR PARCELS OF LAND AND DOES NOT CREATE A NEW STREET OR CHANGE AN EXISTING STREET.

PROFESSIONAL LAND SURVEYOR REG. NUMBER L-3248

SUMMIT CONSULTING-ENGINEERING, ARCHITECTURE AND SURVEYING, PLLC. REG. NUMBER P-0339

RECORDATION APPROVAL CERTIFICATE
STATE OF NORTH CAROLINA, COUNTY OF ORANGE

I, _____, REVIEW OFFICER OF ORANGE COUNTY, CERTIFY THAT THIS MAP OR PLAT TO WHICH THIS CERTIFICATION IS AFFIXED MEETS ALL STATUTORY REQUIREMENTS FOR RECORDING FOR WHICH THE REVIEW OFFICER HAS RESPONSIBILITY AS PROVIDED BY LAW.

_____ DATE
REVIEW OFFICER
ORANGE COUNTY LAND RECORDS/GIS

GRAPHIC SCALE
75 0 37.5 75 150 300
(IN FEET)
1 inch = 150 ft.

COPYRIGHT © 2016 SUMMIT DESIGN AND ENGINEERING

DRAWING ALTERATION

IT IS A VIOLATION OF LAW FOR ANY PERSON, UNLESS ACTING UNDER THE DIRECTION OF LICENSED ARCHITECT, PROFESSIONAL ENGINEER, LANDSCAPE ARCHITECT, OR LAND SURVEYOR TO ALTER ANY ITEM ON THIS DOCUMENT IN ANY WAY. ANY LICENSEE WHO ALTERS THIS DOCUMENT IS REQUIRED BY LAW TO AFFIX HIS OR HER SEAL AND THE NOTATION "ALTERED BY" FOLLOWED BY HIS OR HER SIGNATURE AND SPECIFIC DESCRIPTION OF THE ALTERATIONS.

OWNERS ADDRESS:
3908 FERN CREEK LANE
CHAPEL HILL, NC 27514

PIN 9840058256
REFERENCES SEE PLAT
PROJECT MANAGER BWW
DRAWN BY BWW

LEGEND:
- IRON ROD OR PIPE SET
- EXISTING MONUMENT FOUND; IRON ROD OR PIPE UNLESS OTHERWISE DESCRIBED
- MATHEMATICAL POINT; NO MONUMENT SET
- CONCRETE MONUMENT
- EIP EXISTING IRON PIPE
- UTILITY POLE

CONSERVATION EASEMENTS SURVEYED FOR
CLEARWIND FARM, LLC

BINGHAM TWP., ORANGE CO., NORTH CAROLINA
FIELD WORK PERFORMED JANUARY, 2021
PROPERTY AS DESCRIBED IN DEED BOOK 6132 PAGE 32
STANDING IN THE NAME OF
CLEARWIND FARM. LLC

SUMMIT DESIGN AND ENGINEERING SERVICES
Creatively Inspired - Technically Executed
License #: P-0339
504 Meadowland Drive
Hillsborough, NC 27278-8551
Voice: (919) 732-3883 Fax: (919) 732-6676
www.summitde.net

PROJECT NO.
20-0295
DRAWING
20-0295_CLEARWIND

Attachment 3

STATE OF NORTH CAROLINA
COUNTY OF ORANGE

PINS: 9840-05-8256
9840-05-8256
9830-96-8897

LICENSE FOR ACCESS TRAIL

THIS LICENSE is made and granted this ____ day of _____, 2021, by and between **ORANGE WATER AND SEWER AUTHORITY**, Licensor, (herein "OWASA"), a public body, politic and corporate, organized and doing business under the provisions of Chapter 162A of the North Carolina General Statutes, whose address is 400 Jones Ferry Road, Carrboro, NC 27510 and **MATTHEW CASE and spouse, SUZANNE CASE**, Licensees, (herein together referred to as "the Cases"), whose address is 8054 Scenic Trail, Chapel Hill, NC 27516.

STATEMENT OF PURPOSE

The Cases are the owners of that real property located in Bingham Township, Orange County, North Carolina, acquired by deed recorded in Book 6216, Page 311, Orange County Registry (PIN: 9830-97-3197).

The Cases also are Members and Managers of the NC limited liability company known as Clearwind Farm, LLC, which is the owner of that real property located in Bingham Township, Orange County, North Carolina, acquired by deed recorded in Book 6132, Page 32, Orange County Registry (PIN: 9840-05-8256).

OWASA is the owner of that real property located in Bingham Township, Orange County, North Carolina, acquired by deed recorded in Book 3395, Page 32, Orange County Registry, and described therein as Tract Two. OWASA's property is encumbered by a Conservation Easement to the State of North Carolina acting through the North Carolina Clean Water Management Trust Fund, now the North Carolina Land and Water Fund, recorded in Book 3469, Page 126, Orange County Registry, and and shown on that plat of survey recorded in Plat Book 94, Page 12, Orange

County Registry, which establishes two Riparian Buffer Areas shown as "A" and "B" on at the northeastern and southwestern ends of the property, respectively. (PIN: 9840-05-8256).

OWASA's property lies between and adjoins the properties of the Cases and Clearwind Farm, LLC, and the parties wish to establish a limited access right of way across OWASA's property connecting the Cases' property and the property of Clearwind Farm, LLC for use by the Cases and their family members, Members and Managers of Clearwind Farm LLC, and guests, employees, agents, tenants, contractors, and invitees of the Cases and Clearwind Farm, LLC.

NOW, THEREFORE, for and in consideration of the mutual benefits to the parties, the receipt and sufficiency of which are hereby acknowledged, OWASA, Licensor, does hereby grant and convey to the Cases as Licensees, a non-exclusive License and easement for access between the above-described property of the Cases and the property of Clearwind Farm, LLC over an across an unpaved trail ten feet (10') in width to be established and located on the above-described property of OWASA, said License being granted upon the following terms and conditions:

1. The Cases may bushhog, clear, and otherwise create and establish a trail ten feet in width through the property of OWASA between their property and the property of Clearwind Farm, LLC at a location convenient for their intended use, provided that the trail shall be located outside, and not within, the Riparian Buffers protected by Conservation Easement as shown on the plat recorded in Plat Book 94, Page 12, Orange County Registry. Once the trail has been established it shall remain in the same location, and not be re-established in a different location.

2. The surface of the trail shall be limited to soil or grass, and shall not be paved with asphalt, concrete, stone, gravel or other material imported to the site. The Cases will be solely responsible for construction and maintenance of the trial.

3. The trail may be traversed by foot, horse, bike, or small utility vehicle. No vehicles approved for use upon a public road shall be used on the trail. For so long as this License is in effect, the trail may be used by the Cases and their family members, Members and Managers of Clearwind Farm LLC, and guests, employees, agents, tenants, contractors, and invitees of the Cases and Clearwind Farm, LLC.

4. This License is personal in nature and not intended to be a perpetual license or easement, and shall remain in effect only until the first event to occur of either of the following events, at which time it shall terminate:

    i. The property of the Cases described in that deed recorded in Book 6216, Page 311, Orange County Registry (PIN: 9830-97-3197) is no longer owned, solely or in part, by any one or more of the following: (i) Matthew Case, (ii) Suzanne Case, (iii) any child or other lineal descendant of either Matthew or Suzanne Case, (iv) one or more trusts, whether revocable or irrevocable, whose beneficiaries include Matthew Case,

Suzanne Case, or any child or other lineal descendant of either of them, or (v) by a limited liability company or other business entity the owners of which consist of persons other than Matthew Case, Suzanne Case, one or more children or other lineal descendants of Matthew Case or Suzanne Case, or one or more trusts, revocable or irrevocable, for the benefit of Matthew Case, Suzanne Case or one or more of their children or other lineal descendants.

ii. Any of the terms and restrictions described in Paragraphs 1, 2 or 3 above are violated.

The Cases shall hold OWASA harmless from any liability, loss, cost, damage or expense (including reasonable attorneys' fees) arising out of or in any way connected with the use of the trail or this License by them, their family members, Members or Managers of Clearwind Farm LLC, and guests, employees, agents, tenants, contractors, or invitees of them or Clearwind Farm, LLC.

TO HAVE AND TO HOLD the aforesaid rights and easements unto Matthew Case and Suzanne Case, personally, as set forth hereinabove.

IN WITNESS WHEREOF, Matthew and Suzanne Case have hereunto set their hands and seals to acknowledge their obligations under the terms of this License, and OWASA, intending to legally bind itself, has caused this License to be signed by its duly authorized representatives on the date first written above.

ORANGE WATER AND SEWER AUTHORITY

By: _____
TODD TAYLOR
Executive Director

_____(SEAL)
MATTHEW CASE

_____(SEAL)
SUZANNE CASE

[Remainder of Page Intentionally Left Blank]

STATE OF NORTH CAROLINA
COUNTY OF ORANGE

I, a Notary Public in and for the county and state aforesaid, do certify that the following named person(s) appeared before me this day and acknowledged that being duly authorized, they executed the foregoing Deed of Conservation Easement on behalf of Orange Water and Sewer Authority for the purposes herein expressed: Todd Taylor, Executive Director.
Witness my hand and seal this _____ day of _____2021.

_____
Notary Public
Printed Name _____

My commission expires: _____
(Notary Seal)

STATE OF NORTH CAROLINA
COUNTY OF ORANGE

I, a Notary Public in and for the county and state aforesaid, do certify that the following named persons appeared before me this day and acknowledged their execution of the foregoing document for the purposes herein expressed: Mathew Case and Suzanne Case.
Witness my hand and seal this _____ day of _____2021.

_____
Notary Public
Printed Name _____

My commission expires: _____
(Notary Seal)

RESOLUTION TO ACCEPT CONSERVATION EASEMENTS IN CANE CREEK RESERVOIR WATERSHED AND GRANT LIMITED ACCESS LICENSE ACROSS OWASA LAND

Whereas, in order to protect water quality in the Cane Creek Reservoir watershed, Orange Water and Sewer Authority (OWASA) supports efforts to preserve and protect properties crossed by streams and wetlands tributary to the Cane Creek Reservoir; and,

Whereas, Matthew and Suzanne Case are the owners of a parcel of land bordered by an unnamed tributary stream to Cane Creek Reservoir; and,

Whereas, Matthew and Suzanne Case also have ownership in Clearwind Farm, LLC which owns another parcel of land that borders the same unnamed tributary stream to Cane Creek Reservoir; and,

Whereas, Matthew and Suzanne Case, individually and through Clearwind Farm, LLC, propose to donate to OWASA a perpetual Conservation Easement on each of the properties in exchange for a limited access license to cross property owned by OWASA which borders the same unnamed tributary stream to Cane Creek Reservoir and which lies between the Case and Clearwind Farm, LLC properties; and,

Whereas, OWASA has determined that the proposed conservation easements on the Case and Clearwind Farm, LLC properties will result in water quality benefits that will exceed those that would occur under state regulations and Orange County's ordinances and will ensure that the areas protected by the conservation easements will be maintained in their undeveloped state, forever; and,

Whereas, Matthew and Suzanne Case have agreed that the proposed license for an access trail will be for an unpaved, natural trail that is no more than 10 feet in width, which can be traversed only by foot, horse, bike, or small utility vehicle not approved for use on public roads, and that the location of the trail must be entirely outside of the NC Land and Water Fund conservation easement on OWASA's property and approved by OWASA before it is cleared; and,

Whereas, Matthew and Suzanne Case have agreed that the License for Access Trail across OWASA land will terminate if the Case property is no longer owned, solely or in part, by either Matthew Case or Suzanne Case, or any child or other lineal descendant of either of them, whether individually or through a trust or family owned LLC, or if any of the terms and conditions of the access license are violated; and,

Whereas, OWASA has determined that the proposed License for Access Trail will have no adverse impact on water quality.

Now, therefore be it resolved:

1. That the Board of Directors of the Orange Water and Sewer Authority, having been fully advised of the details and terms of the Conservation Easements proposed to be conveyed to the Authority by Matthew and Suzanne Case and Clearwind Farm, LLC and of the License for Access Trail proposed to be granted by the Authority to the Cases, and having found that acceptance of the proposed Conservation Easements will afford material protection to the water resources of the Cane Creek Reservoir Watershed, and that granting the proposed License for Access Trail will have no adverse impact on water quality, hereby accepts the conveyance to OWASA of the proposed Conservation Easements on the Case and Clearwind Farm, LLC properties, and grants to Matthew and Suzanne Case the proposed License for Access Trail to connect their two properties; and,

2. That the Executive Director be, and hereby is, authorized and directed to execute the said Conservation Easements and License for Access Trail for and on behalf of the Orange Water and Sewer Authority

Adopted this 25th day of February 2021.

_____
Raymond E. DuBose, P.E., Chair

ATTEST:

_____
Jo Leslie Eimers, Secretary

Agenda Item

- Update on OWASA's COVID-19 Information and Discussion by the Board

Purpose

- To provide the Board of Directors and public an update on OWASA's response to COVID-19 to ensure we continue to provide the Carrboro and Chapel Hill communities with high-quality and reliable water, wastewater, and reclaimed water services during the pandemic.

- Staff will provide a verbal update on activities since January 28, 2021.

Action Needed

- Discussion and questions by the Board of Directors.

February 25, 2021

Agenda Item

- Opportunity for Stream and Wetland Mitigation Banking Project

Purpose

- To summarize a potential opportunity for OWASA to participate in a public-private partnership for the benefit of water quality and seek Board feedback on and interest in pursuing this partnership.

Background

- In the Fall of 2020, OWASA was approached by Restoration Services, LLC, a stream and wetland mitigation banking company, to inquire about OWASA's interest in a stream and wetland mitigation project for the purposes of generating (and selling) mitigation banking credits.

- The proposed project would to restore Collins Creek and the adjacent floodplain from vertical erosion and generate mitigation credits to be sold through North Carolina's Stream and Wetland Mitigation Program.

- OWASA's participation in the public-partnership would involve initial contract negotiation, project management, community engagement, and ongoing maintenance. There would be no direct financial expense to OWASA.

Action Needed

- Discuss the opportunity and provide feedback on whether or not this opportunity is of-interest to OWASA

MEMORANDUM

TO: Board of Directors

THROUGH: Todd Taylor

FROM: Mary Tiger

DATE: February 19, 2021

SUBJECT: Opportunity for Stream and Wetland Mitigation Banking

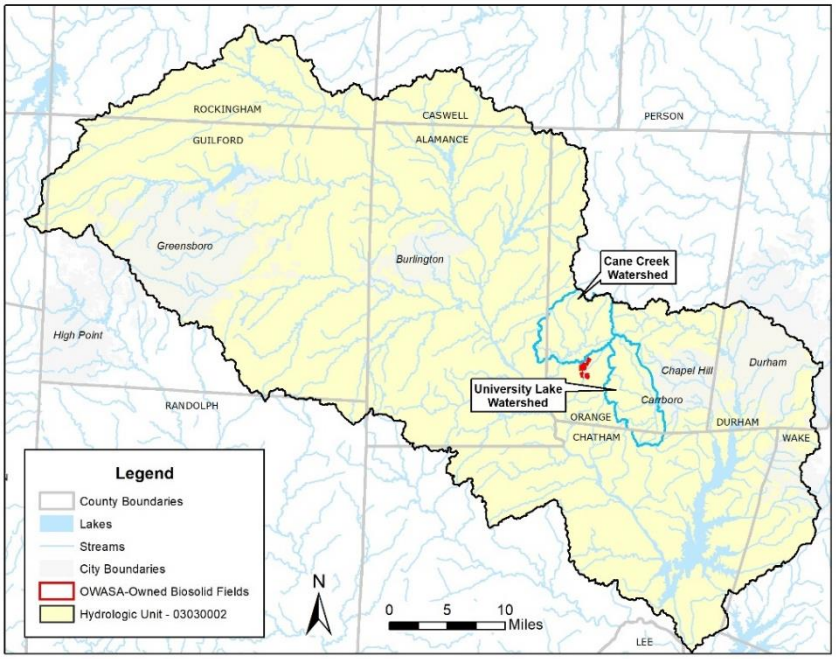
Purpose

The purpose of this memo is to summarize a potential opportunity for OWASA to participate in a public-private partnership for the benefit of water quality. Staff seek the Board of Director's feedback on and interest in pursuing stream and wetland restoration through mitigation credit trading.

Background

OWASA owns about 300 acres of land east of the corner of Highway 54 and Orange Grove Road. The purpose of this land holding is to assist in the management of our biosolids recycling efforts. Approximately 30 acres are agricultural fields, and over 200 acres are forested (see attached map). The land also holds two large mixing tanks for biosolids, as well as a 150-kW solar array. Collins Creek flows through this land; portions of the riparian area are designated as FEMA floodplain.

This land is in the Cape Fear 02 River Basin (8-digit Hydrologic Unit Code (HUC): 03030002). The map below shows an approximate location of the biosolids property within the HUC, as well as its relation to Jordan Lake.



Potential for Stream and Wetland Mitigation: In the Fall of 2020, OWASA was approached by Restoration Services, LLC, a stream and wetland mitigation banking company, to inquire about OWASA's interest in a stream and wetland restoration project for the purposes of generating (and selling) mitigation banking credits.

Under North Carolina's Stream and Wetland Mitigation Program, developers (primarily the North Carolina Department of Transportation) have an option to purchase mitigation credits to offset the environmental impact of a project within a given hydrologic unit (HUC). The option of mitigation credits is available only after a developer has considered methods for on-site mitigation, which are preferred from an environmental perspective. For the benefit of water quality, an established mitigation ratio requires that a developer purchase more mitigation credits than are being disturbed in a project[1].

Although OWASA's land has not been mismanaged, Restoration Systems identified a restoration opportunity due primarily to the upstream impacts of Highway 54 on Collins Creek. Portions of Collins Creek have vertically eroded, causing increased sediment and the isolation of wetlands from the waterway.

The greatest values of OWASA's participation in such a project is the sheer volume of FEMA floodplain that exists on the property, as well as its regional location. Given the growth in the area and importance of water quality in Jordan Lake, it is easy to see why water quality credits in this particular region are in high demand.

Based on a preliminary assessment of the potential, the primary benefit of the proposed restoration work would be a reduction in sediment, streambank stabilization, wetland restoration, improved instream habitat, and nutrient reduction. Restoration work would use natural materials, such as rocks and logs, to help slow down stream flow and restore the natural meander curve pattern found in stable streams. Construction-type work would be required to re-route the stream and connect it to the floodplain. Restoration projects are permitted through the federal wetland permitting program and requirements are put in place to protect water quality during the actual restoration.

Under mitigation banking, the sale of mitigation credits can more than cover the cost of the restoration, as well as the costs of design, permitting, etc. Once the restoration is complete, these credits are sold to developers that need to mitigate the impact of their project within the HUC. The costs of the restoration work would be covered by Restoration Systems by selling about 75% of the credits generated from the work. OWASA would maintain approximately 25% of the credits and would have the opportunity to sell them, use them (for our own construction projects where mitigation is required), or cache them for the greater benefit of water quality protection. OWASA would not be required to provide any financial investment to the project.

In addition to the initial sell of credits, it is required that the stream and wetland mitigation work be maintained in perpetuity. In order to ensure this, the mitigation bank establishes an endowment that exists to fund ongoing maintenance of the water way.

[1] For more information on stream and wetland mitigation banking, visit the NC Department of Environmental Quality website, Restoration Services, Inc. website, and read the report: Compensatory Mitigation on Federal Lands.

Staff Perspective

Staff believe this to be an intriguing opportunity to improve water quality with minimal cost to OWASA rate payers; the only cost would be staff focus and time. Staff effort would largely be weighted on the front-end and, potentially, in the on-going monitoring of the project once complete. The primary tasks for OWASA staff would include:

(1) Establishment of agreement (including considerations to ensure that the long-term intended use of this property is not compromised with this project)
(2) Relatively minor level of project management and coordination
(3) Potentially, on-going monitoring of the project once restoration is complete to maintain credits

Ultimately the project would take about three years to plan, permit, and construct, with only six of the thirty-six months spent on actual construction.

Questions on Which Staff Request Board Feedback

- Is this an opportunity that the Board would give priority to, given the myriad of demands on staff time?
- If this is of interest to the Board, does the Board have any concerns or questions?

Staff have invited Dr. Todd Bendor, the Distinguished Professor of Sustainable Community Design in the UNC-Chapel Hill Department of City and Regional Planning and the UNC Institute for the Environment, to attend the February 25, 2021 Board Meeting. Dr. Bendor has researched stream and wetland mitigation banking and has offered to help answer any questions that the Board on the process.

Next Steps

If this is an opportunity that is of-interest to the Board, the next step for staff will be to determine how to staff the effort and to begin negotiations with Restoration Systems on a draft agreement. The negotiated agreement will be returned to the Board for approval at a later date.

Attachment

Overview of restoration potential, as estimated by Restoration Systems, LLC.

Mary Tiger
Strategic Initiatives Manager

Attachment

Legend

- OWASA Owned Parcels
- OWASA - Stream Res./Enh./Pres. Potential: 15,000+ L. Ft.
- OWASA - Wetland Res./Enh. Potential: 14.94+ Acres
- OWASA - REV. Conservation Easement: +/-112.5 Acres

Stream Verified

Stream Verified

5.38 Acres of Wetland Res./Enh./Pres.

Biosolid Mixing Tanks

Highway 54

Stream Origin To-Be Verified

Stream Origin To-Be Verified

AREA OF MINIMAL FLOOD HAZARD Zone X

PANEL 3710973900K eff. 11/17/2017

60-Foot Break for Long-term Access

3.1 Acres of Wetland Res./Enh./Pres.

Collins Creek FEMA Floodplain

1983 FEET

503.8 FEET

507

503

502

506.4 FEET

Zone AE

509.5 FEET

526

Stream Origin To-Be Verified

Stream Verified

Detailed Soil Mapping Required in Collins Creek Floodplain to Determine Acreage of Wetland Res./Enh./Pres.

Opportunity to Restore/Enhance +/- 25 Acres of FEMA Floodplain on OWASA Property

Highway 54

Orange Grove Rd.

AREA OF MINIMAL FLOOD HAZARD

PANEL 3710974900K eff. 11/17/2017

6.46 Acres of Wetland Res./Enh./Pres.

544 FEET

542

554

Stream Origin To-Be Verified

RESTORATION SYSTEMS, LLC
1101 HAYNES ST, SUITE 211
RALEIGH, NC 27604
PHONE : 919.755.9490
FAX : 919.755.9492

This map and all data contained within are supplied as is with no warranty. Restoration Systems, LLC expressly disclaims responsibility for damages or liability from any claims that may arise out of t he use or misuse of this map. It is the sole responsibility of the user to determine if the data on this map is compatible with the user's needs. This map was not created as survey data, nor should it be used as such. It is the user's responsibility to obt ain proper survey data, prepared by a licensed surveyor, where required by law.

SCALE: 1:5,000
DATE: 11 - 2020
SITE: CF-02-OWSA

OWASA: 11/30/2020
Stream and Wetland Restoration
Orange Grove Rd. & Hwy. 54

Feet
0 100 200 400 600 800

Aerial Imagery:
Coordinate System:
NAD_1983_SP_NC_FIPS_3200_Ft.