



ORANGE WATER & SEWER AUTHORITY

¹ *Quality Service Since 1977*

AGENDA #5b

February 8, 2006

Mayor Kevin Foy
Town of Chapel Hill
405 Martin Luther King Jr.
Boulevard
Chapel Hill, NC 27516

Chair Barry Jacobs
Orange County Board of
Commissioners
Post Office Box 8181
Hillsborough, NC 27278

Mayor Mark Chilton
Town of Carrboro
310 West Main Street
Carrboro, NC 27510

Dear Mayor Foy, Chair Jacobs, and Mayor Chilton:

Enclosed is our quarterly report for October through December, 2005. We believe that this summary of recent and upcoming activities reflects OWASA's commitment to a high level of customer service and environmental stewardship, efficient management, affordable rates, and community collaboration to which you and our customers are entitled.

Please feel free to contact me or our staff if you would like an in-person presentation or further details about any of the items in the enclosed report.

Sincerely,

Mac Clarke, Chair
Board of Directors

Enclosure

- c: Mr. W. Calvin Horton, Chapel Hill Town Manager (with Enclosure)
- Mr. John Link, Orange County Manager (with Enclosure)
- Mr. Steven Stewart, Carrboro Town Manager (with Enclosure)
- OWASA Board of Directors (with Enclosure)
- Ed Kerwin, Executive Director



Quarterly Report to Local Governments February 8, 2005

Background and Purpose

OWASA's September 6, 2005 *Annual Report to Local Governments* summarized major accomplishments and activities for Fiscal Year 2005 (July 2004 – June 2005). This abbreviated report provides new or updated information for the most recent (October – December 2005) quarter. Additional materials are available on request. OWASA Board members and staff will be glad to provide in-person presentations if desired.

Increased Development Density and Demands for OWASA Services – Responding to a request by the Chapel Hill Town Council, OWASA Board members and staff will make a presentation to Council on Monday, February 27, 2006 about the effects of potential increases in allowable development density on OWASA's ability to meet future water and wastewater treatment demands. Similar presentations will be made to the Orange County Board of Commissioners on March 2 and the Carrboro Board of Aldermen on March 14, 2006.

Offsite Odor Elimination at the Mason Farm Wastewater Treatment Plant – OWASA's annual progress report on meeting the offsite odor elimination goal was submitted on January 17, 2006 as required by the Town's Special Use Permit Modifications adopted in 2004. Major improvements to the wastewater plant have generally proceeded according to schedule. The most recent community meeting with wastewater plant neighbors occurred on January 31, 2006 to discuss plans for the odor study and related items.

Other Improvements to the Wastewater Plant – Other milestone objectives at the wastewater treatment plant were completed on schedule. These included start-up of the new deep bed filter complex, which will provide increased levels of total nitrogen and solids removal, a new ultraviolet light disinfection system, which replaces the existing and less environmentally friendly chlorine disinfection system, and additional backup electrical generating capacity to provide continuous operation during future power outages.

OWASA/UNC Water Reuse Project – Negotiations over specific contract provisions between OWASA and UNC are proceeding. Planning and design work for the reclaimed water pumping, storage and pipeline facilities continued during the past quarter. Final design and permitting will be completed and construction is expected to begin during the next fiscal year provided that construction costs are acceptable to the University. Town of Chapel Hill approval will be needed for certain reclaimed water pumping, storage, and

transmission facilities. Of current community interest is the route of a major reuse water transmission line to be installed in conjunction with OWASA's Meeting-of-the-Waters sewer line upgrade in the Manning Drive/Pinetum vicinity. Selection of a final route, design, and construction of the reuse transmission line may affect the timing of the overall reuse project.

Meeting of the Waters Creek Sewer Replacement – Potential routes for the reuse water transmission line from Mason Farm WWTP to the southern campus areas are under evaluation along with alternatives for the Meeting of the Waters sewer replacement in the Manning Drive/Pinetum area. OWASA held neighborhood meetings with stakeholders in July, September, and December 2005 and the Board of Directors received citizen comments on the projects on October 13, 2005 and January 12, 2006. A detailed tree survey was completed, and measures for mitigating project impacts have been investigated. In January 2006 the OWASA Board of Directors decided that the existing sewer line corridor through the Coker Pinetum is the preferred route for both the Meeting of the Waters Sewer Replacement and the Reclaimed Water Transmission Main projects. We will continue to keep the neighbors informed and invite their questions, comments, and suggestions throughout the planning, design, construction and site restoration phases of these projects.

Public Hunting on OWASA Land – The U.S. Army Corps of Engineers has not yet issued a decision on OWASA's request to modify conditions of the permit under which the Cane Creek Dam and Reservoir construction were authorized. We have asked the Corps to formally recognize OWASA's land acquisition/conservation easement program in the Cane Creek watershed as "exemplary compliance with the primary goal of Wildlife Habitat Replacement required under the original Permit," and to accept this program in lieu of any requirement for hunting on or near the Reservoir. We have also offered to allow the NC Wildlife Resources Commission to implement a limited bow-hunting program for deer on OWASA's 490-acre Mitigation Tract near Buckhorn Road.

CAPITAL IMPROVEMENT PROJECTS

Closing of the **Cleland Drive Pump Station** and replacement of the **Cleland Drive water and sewer lines** will likely begin during the second half of 2006 and will require about four months to complete. This project will involve excavation along **Cleland Drive between Burning Tree Drive and Rogerson Drive**.

A similar sewer project in Carrboro will allow the **Lloyd Street and Starlite Drive Pump stations** to be eliminated and will provide sewer service to several unserved properties. These pump stations were constructed by the Town of Carrboro before OWASA was created. Design has been completed and OWASA staff is acquiring needed easements and permits. Construction will begin during mid-2006 and require several months to complete. The project will include work in Baldwin Park. Approval for construction is still needed from the Town of Carrboro.

More than a mile of sewers needs to be replaced in a major project, **the Bolin Creek Interceptor, along Bolin Creek between Estes Drive Extension and Martin Luther King, Jr. Boulevard.** Property owners in the project area have been notified by letter. OWASA staff has offered to meet with Friends of Bolin Creek representatives to exchange information and listen to concerns. Other neighborhood meetings will be provided in order to receive feedback and answer questions from interested citizens. A preliminary engineering report evaluating alternative sewer alignments is being developed. When completed, the findings will be discussed with stakeholders. Engineering design will likely begin in spring 2006.

The closing of OWASA's Clayton Road sewer pump station will require about 2,000 linear feet of new sewer line, which will be installed between **Clayton Road and Estes Drive** near the **Chapel Hill Library.** Portions of this route will run through **Pritchard Park,** where a sewer easement was reserved several years ago. Zoning Compliance, Engineering, and Resource Conservation District permits will be requested from the Town of Chapel Hill. OWASA staff is working closely with Town staff to minimize the project impacts. Construction is expected to begin sometime in 2006; more precise timing remains uncertain.

As a separate project, the **Bolin Creek Basin Sewer Rehabilitation** is being planned for a larger portion of the OWASA service area. Using a variety of methods, improvements will be made to sections of sewer mains where problems were identified during previous inspections. The public communication plan is in progress, and construction is expected to begin during February 2006. Approval will be required by the Town of Chapel Hill.

A sewer and water main along **East Main Street between Boyd Street and Brewer Lane** will be replaced during Spring 2006. A sewer rehabilitation project also will be constructed at **206 West Cameron Avenue** within a few months. This project currently is being evaluated to determine if a water line replacement will be included.

To improve our ability to transfer water to and from the City of Durham, and new booster pump station will be built at the eastern edge of the OWASA service area, near the intersection of Old Durham Rd and Pope Road. The project, **I-40 Booster Pump Station,** required a Special Use Permit and a Zoning Compliance Permit from the Town of Chapel Hill. The final design is in progress and construction is expected to begin in April 2006. An Engineering Construction permit will be needed in advance of actual construction activities. The application for this permit will occur after a contractor is selected through a formal bidding process.

A water line replacement project is nearing completion on **Michaux Road** and similar upcoming projects over the next few months will occur at **Brookside Apartments,** on **Willow Drive,** and in **Colony Woods.** Further details are available on request.

Reimbursement to Developers Who Install Water or Sewer Infrastructure with Excess Capacity – On December 15, 2005, the OWASA Board endorsed in concept a

staff proposal for reimbursing the incremental cost of excess water or sewer capacity when a developer is required to install lines larger than needed for a particular development. Staff is now drafting specific policy language for the Board's consideration.

Strategic Financial Review and Rate Study – During the coming months, OWASA will begin a comprehensive review of its financial capacity and long-term strategies. This will be done in conjunction with a review and modification, if necessary, of all customer rates and fees. Michael Burton and Associates has been selected to conduct this work, which will be completed later this year. The last such rate study was completed in 1997.