

ASSEMBLY OF GOVERNMENTS
MEETING

PROPOSED AGENDA

Assembly of Governments
September 18, 2008
7:30 – 9:30 PM
Southern Human Services Center
Chapel Hill, NC

1) **CALL TO ORDER / INTRODUCTIONS / OPENING COMMENTS**
CHAIR JACOBS / MAYORS

2) **QUICK REPORTS**

INFORMATIONAL

- a) **Ann Arbor Report**
- b) **Orange County Organizing Committee**
- c) **Introduction of new Orange County Economic Development Directors
(Bradley Broadwell, Orange County & Dwight Bassett. Town of Chapel Hill)**
BARRY JACOBS – Chair, Orange County

WRITTEN

- a) **Schools in Orange County (impact fees)**

3) **LONG TERM WATER SUPPLY AND PROTECTION**

- a) **Update of OWASA's Long-Term Water Supply Plan, Including an Assessment
of Jordan Lake Options**
ED KERWIN – Director, OWASA
- b) **Update from UNRBA**
SIDNEY MILLER – Water Resources Program Manager
- c) **Proposed Chatham/Orange Task Forces**
LAURA BLACKMON – Orange County Manager
BARRY JACOBS – Chair, Orange County
- d) **Discussion**

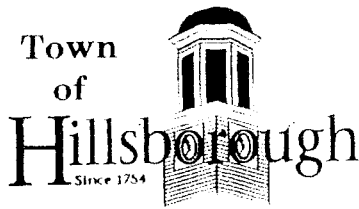
4) **AFFORDABLE HOUSING**

- a) **Recommendation from Land Trust**
- b) **Discussion**

5) **FUTURE AGENDA TOPIC/THEMES**

Library Services
Transportation (long range plan, rail stop, airport, public transportation)
Fire and Emergency Services
Economic Development
Parks, Recreation
Fiscal Sustainability

6) **ADJOURNMENT**



Assmby of Governments

Meeting Date: September 18, 2008

Department: Town Manager

Public Hearing: Yes No

ASSEMBLY OF GOVERNMENT DISCUSSION ITEMS

PURPOSE

To discuss topics of mutual interest among the governing boards of Orange County and the Towns of Carrboro, Chapel Hill, and Hillsborough.

1) CALL TO ORDER / INTRODUCTIONS / OPENING COMMENTS

2) QUICK REPORTS

INFORMATIONAL

- a) Ann Arbor Report
- b) Presentation by the Orange County Organizing Committee
- c) Introduction of new Orange County Economic Development Directors

WRITTEN REPORTS (Attached for information only, will not be discussed unless specifically requested)

a) **Schools in Orange County (impact fees)**

The attached graphs provide historical information regarding the School Construction Impact Fees for Chapel Hill Carrboro City Schools and Orange County Schools.

Attachment 3.1 – Graph 1

Attachment 3.2 – Graph 2

Attachment 3.3 – Graph 3

3) LONG TERM WATER SUPPLY AND PROTECTION

a) **Update of OWASA's Long-Term Water Supply Plan, Including an Assessment of Jordan Lake Options**

Attachment 6.1 – Memorandum from Ed Holland – Status Report

b) **Update from UNRBA**

c) **Proposed Chatham/Orange Task Forces**

BACKGROUND: During the last year, representatives from Orange County, Chapel Hill, and Carrboro met on several occasions with colleagues from Chatham County to discuss shared interests and concerns. (Please see Attachment 1.) The issues discussed generally fall into three categories: water supply/watershed protection, transportation planning/public transportation, and joint planning.

Information from these discussions was shared at the March 31, 2008 Assembly of Governments (AOG) meeting (Attachment 2). A proposed process with a charge and composition for three task forces was subsequently developed to address the topical areas noted above, and the proposed task force processes are provided at Attachment 3.

The Orange County Board of Commissioners was scheduled to initially review the charge and composition for each of the task forces at the Board's September 16, 2008 regular meeting and provide any comments or revisions. The Board was also asked to authorize staff to 1) examine the potential County staff resources needed to participate in these efforts, and 2) forward the proposed task force summaries to the other jurisdictions for approval and respective appointments. It was proposed that following action by the other jurisdictions, the Board of Commissioners would be asked to consider final approval of the three task force processes, as well as make Orange County's appointments to the groups.

Since the Assembly of Governments meeting agenda materials were distributed prior to the September 16, 2008 Board meeting, County Commissioners and/or County staff should be able to provide an update on the Board's discussions at the Assembly of Governments meeting.

It should be noted that the proposed task forces and their respective topical areas as detailed in the attachments were developed to mirror the discussions involving the representatives from Orange County, Chatham County, Chapel Hill, and Carrboro. As a minor variation/alternative, it was suggested that the Board of Commissioners consider the reassignment of the watershed protection topic from the proposed Regional Water Supply/Watershed Protection Issues Task Force to the proposed Joint Planning Task Force.

If the suggestion is accepted, the resulting task forces would be: 1) the Joint Planning Task Force, 2) the Regional Transportation Planning and Public Transportation Task Force, and 3) the Water Supply Task Force. County Commissioners and/or County staff should be able to provide an update on the Board's discussions on this suggestion.

As an additional aspect relating to the proposed task forces, it should be recalled that, at the AOG meeting in March, representatives from the City of Durham spoke about their efforts to develop a long range strategy for ensuring adequate water supply is available under normal rainfall and drought conditions. That effort has expanded to discussions over the summer with other local government entities about regional Jordan Lake water resources planning, new allocation requests and a coordinated western intake facility. (Please see Attachment 4 for a summary of a meeting held in Chapel Hill on August 27, 2008 to discuss this issue.) It was noted for the Board of County Commissioners' September 16, 2008 meeting that the regional approach was being considered and that it would be presented at the Assembly of Governments meeting. Therefore, it was suggested that Commissioners may want to delay consideration of a strictly Chatham/Orange task force on water supply until the concept of a regional approach was further discussed at the Assembly of Governments meeting. County Commissioners and/or County staff should be able to provide an update on the Board's discussions on this issue.

RECOMMENDATION(S): It is recommended that the Boards:

1. review and discuss the proposed joint Chatham/Orange task force proposals;
2. receive any update on the Orange County Board of Commissioners' September 16, 2008 discussions on the proposed task forces;
3. consider delaying consideration of a strictly Chatham/Orange task force on water supply pending discussion of the concept of a regional approach; and
4. provide any direction to staff regarding next steps.

Attachment C.1 – Minutes – Orange County Board of Commissioners Joint Meeting of Orange County/Chatham County/Chapel Hill/Carrboro/OWASA/UNC (August 14, 2007)
Attachment C.2 – Minutes - Orange County Board of Commissioners Assembly of Governments Meeting (March 31, 2008)
Attachment C.3 – Chatham/Orange Joint Planning Task Force Information
Attachment C.4 – September 5, 2008 Memorandum to County Manager Laura Blackmon regarding Jordan Lake Collaboration Working Group Manager's Meeting

d) **Discussion**

4) **AFFORDABLE HOUSING**

- a) **Recommendation from Land Trust Discussion**
- b) **Discussion**

5) **FUTURE AGENDA TOPICS**

Library Services
Transportation (long range plan, rail stop, airport, public transportation)
Fire and Emergency Services
Economic Development
Parks, Recreation
Fiscal Sustainability

6) **ADJOURNMENT**

FINANCIAL IMPACT

There is no direct financial impact associated with discussion of these topics. There are no action items requiring formal Board decisions.

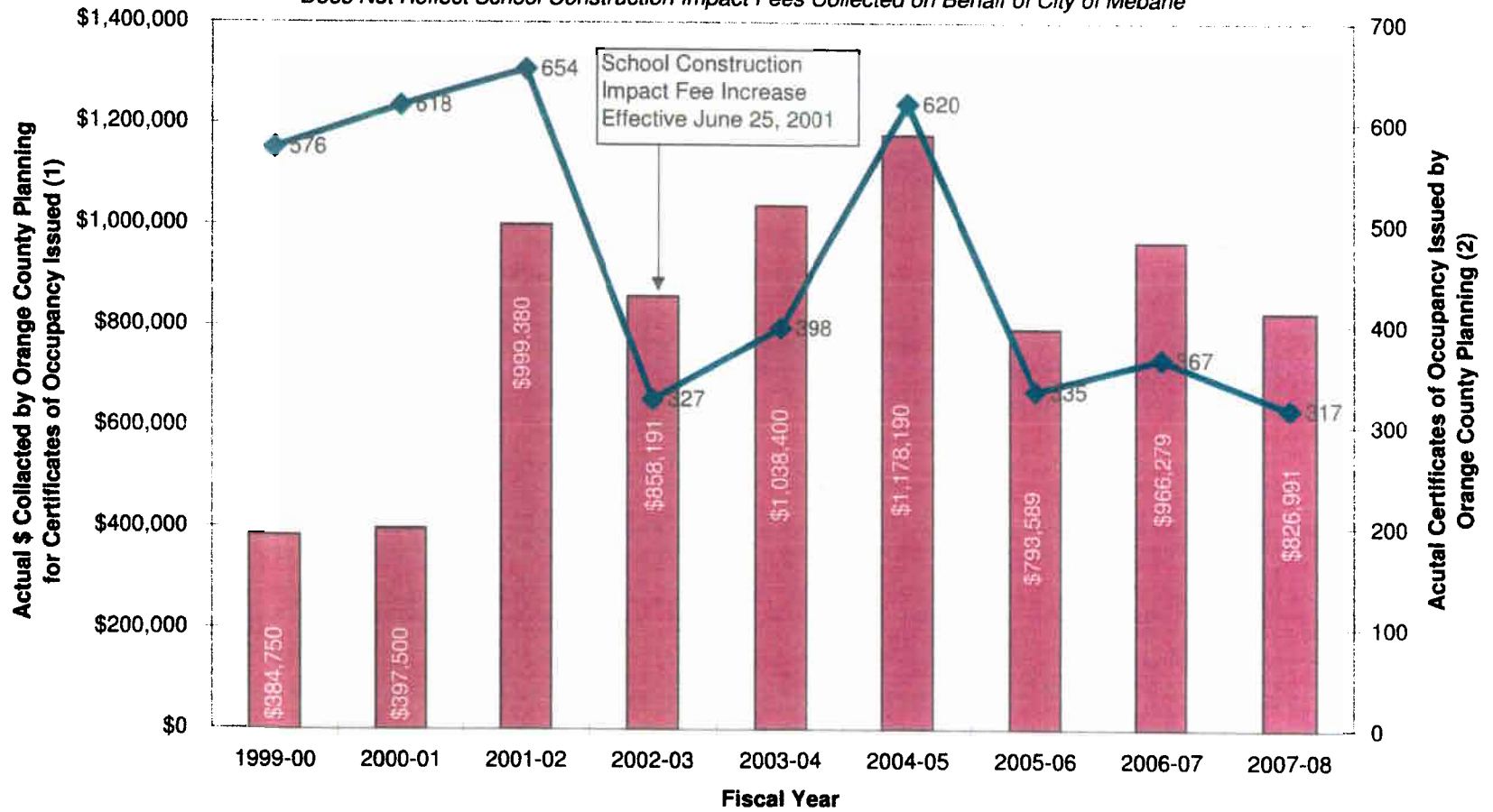
RECOMMENDATIONS

The Manager recommends that the Boards discuss the topics listed and provide appropriate director to the respective staffs.

School Construction Impact Fee Orange County Schools

09/16/2008

Does Not Reflect School Construction Impact Fees Collected on Behalf of City of Mebane



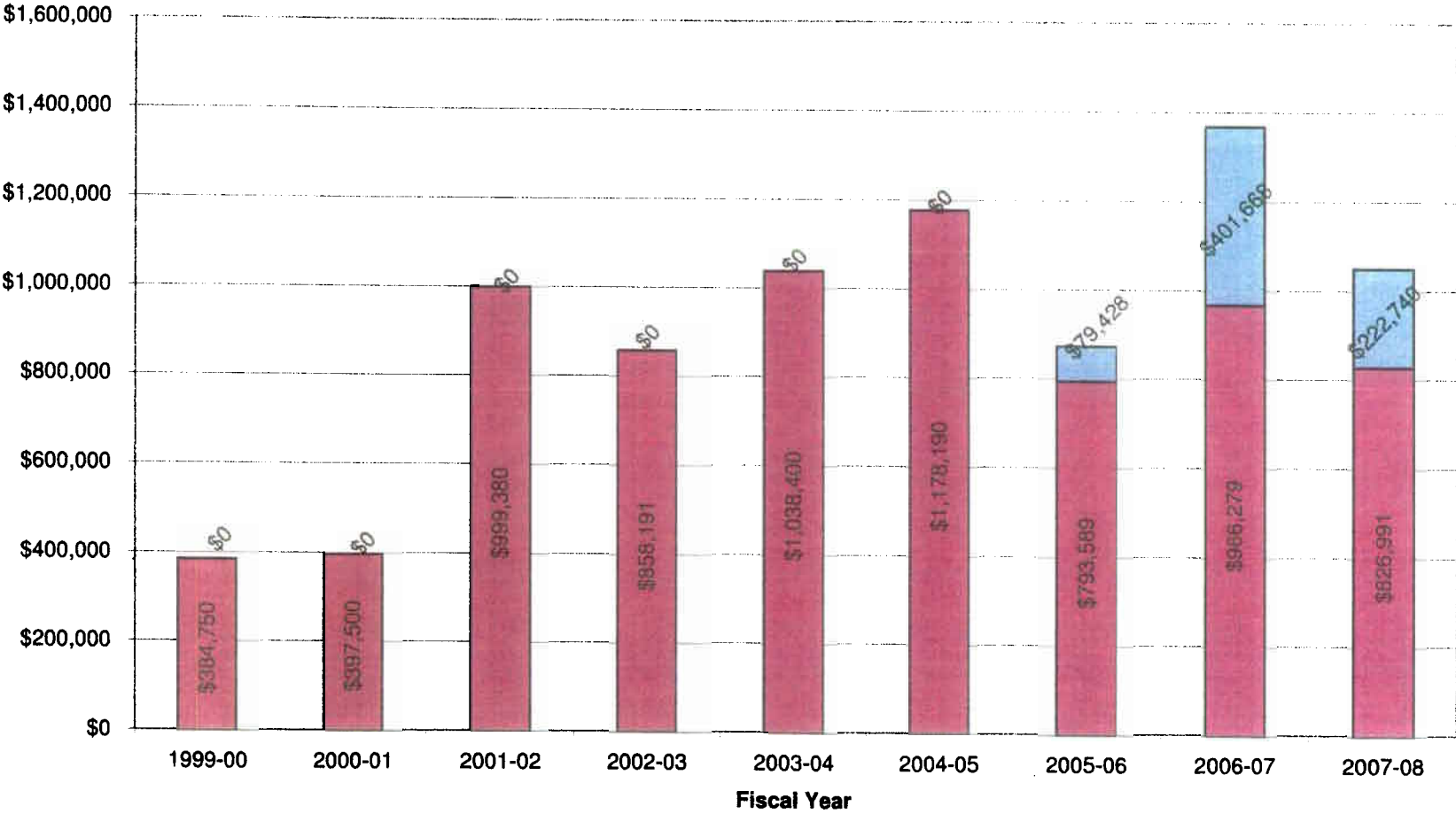
(1) Includes School Construction Impact Fees Collected for Certificates of Occupancy Issued by Orange County Planning Department. **Does not include School Construction Impact Fees collected on behalf of City of Mebane.**

(2) Certificates of Occupancy data provided by Orange County Planning Department.

H.R.

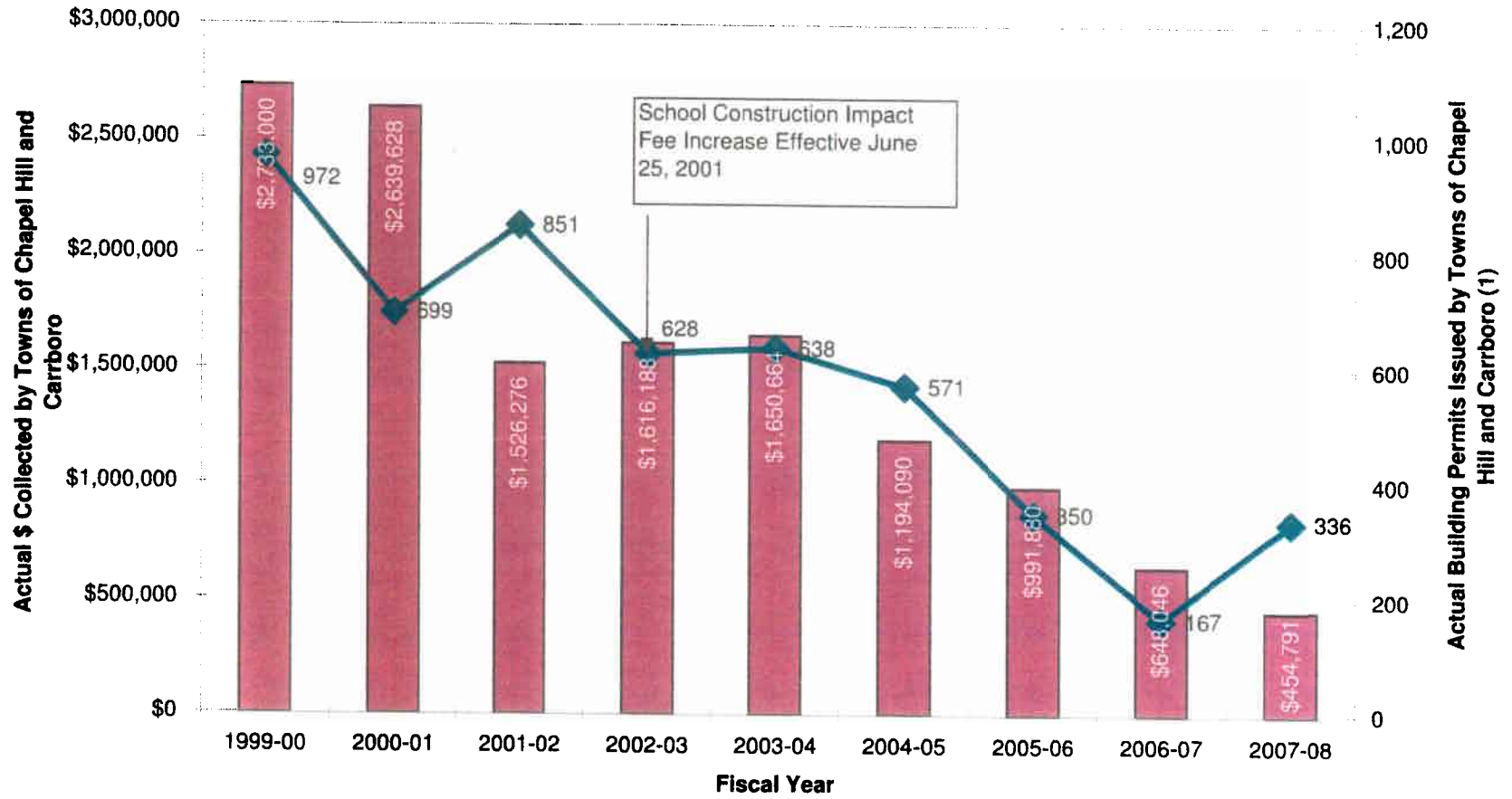
**School Construction Impact Fees
Orange County Schools**

09/16/2008



■ Collected by Orange County Planning for Certificates of Occupancy Issued
 ■ Collected by Orange County Planning on Behalf of City of Mebane

School Construction Impact Fee Chapel Hill Carrboro City Schools



(1) Building permit data provided by Towns of Chapel Hill and Carrboro Planning Departments



ORANGE WATER AND SEWER AUTHORITY

Quality Service Since 1977

MEMORANDUM

TO: Board of Directors
THROUGH: Ed Kerwin *EKL*
FROM: Ed Holland
DATE: September 5, 2008
SUBJECT: Status Report – Update of OWASA’s Long-Term Water Supply Plan, Including an Assessment of Jordan Lake Options

Background

One of OWASA’s highest priorities for the current year is a thorough review of our plans for meeting the long-term water supply needs of Carrboro, Chapel Hill, and UNC through 2060 in a sustainable and cost-effective manner. Portions of our long-range plan have been updated periodically since 2000, but the Board and staff have recognized the need to revisit more comprehensively the underlying assumptions as well as the supply and demand management alternatives that were previously evaluated. We will also explore several options that have not been considered before.

At its July 15, 2008 meeting, the Board’s Natural Resources and Technical Systems (NRTS) Committee reviewed and offered suggestions to a draft scope of work and suggested that staff proceed immediately with procuring a technical consultant and developing a detailed contract/scope of services. The Committee also suggested that staff provide this information to the Board as it is developed.

Key Issues and Questions to Be Addressed

- What scenarios of population growth, density, and development patterns should we anticipate for the planning period?
- What combination of water supply and demand management tools will best meet our community’s needs through 2060?
- What should be the relative roles of reclaimed water, additional conservation, Jordan Lake, or other supply/demand options?
- What are the tradeoffs among financial cost, drought vulnerability/reliability, water quality, local water supply “autonomy,” and other high level concerns?

Current Status

We have selected a highly qualified consultant team to provide technical, economic, and cost-benefit analyses of the new and previously identified water supply and demand management options, and to provide a thorough technical review of the draft Long-Range Water Supply Plan Update that OWASA staff will prepare. We are now developing a detailed scope of services for

the selected firm and expect to issue a contract by October 17th. The technical work is scheduled to be completed in the spring of 2009; but the process of soliciting community/local government feedback and incorporating those comments into a plan that the OWASA Board will eventually consider for adoption will likely require additional months.

Previously Considered Options That Will Be Revisited:

Expanding the Stone Quarry Reservoir to a total capacity of 2.4 to 3.0 billion gallons (this is OWASA's current long-range supply strategy).

Developing Jordan Lake raw water intake, pumping, and transmission facilities independently (i.e., no partnership with others).

Expanding University Lake by removing accumulated sediment.

Expanding University Lake by constructing a new and larger dam.

Expanding the Cane Creek Reservoir by raising the existing dam.

Constructing a new dam and reservoir on Sevenmile Creek south of Hillsborough.

Additional Options (Not Previously Evaluated) Include:

Developing new facilities (to be determined) at Jordan Lake in partnership with others.

Developing new long-term water purchase agreements to make fuller use of existing (or upgraded) facilities that interconnect OWASA's water system with neighboring communities.

Supplementing OWASA's present supply system with permanent facilities to withdraw water from the Haw River.

Examining additional opportunities for raw water re-pump configurations, such as University Lake to existing Quarry Reservoir, University Lake to Cane Creek Reservoir, etc.

Expanding the reclaimed water (RCW) system to serve selected new and perhaps existing development beyond UNC's main campus.

The technical consultants will review the safe yield estimates of existing and potential supply options.

Other tasks:

OWASA staff will revise long-range water supply projections needed to support realistic scenarios of growth and development.

In addition to the consultant work described above, OWASA staff will further analyze the costs and benefits of further conservation initiatives, including financial subsidies for fixture replacement programs, etc.

We will also attempt to determine the community's tolerance for occasional Water Shortage declarations and will use these findings to develop technically credible but flexible trigger points for implementing water conservation restrictions.

Jordan Lake Partnership

There is, of course, an important link between OWASA's water supply plan update and ongoing regional discussions about Jordan Lake partnership opportunities. As we have stated before, it is important that we evaluate the viability of Jordan Lake within the context of our water supply plan update, rather than as a stand-alone issue. We do not believe that the OWASA Board should adopt a position on Jordan Lake before the water supply plan update has been substantially completed.

On February 28, 2008, the Board unanimously supported our staff's participation in a regional effort to evaluate the potential joint use of the Jordan Lake water supply. During the past several months, we have participated in meetings with staff from the City of Durham, Chatham County, Orange County, Town of Cary, and others to discuss how we can all work cooperatively to ensure the region's water supply future. Rather than addressing technical or facility options, most of our discussions have focused on "process" and planning matters, such as identifying key issues and opportunities, principal stakeholders, ways in which we can best work together, etc.

It has not yet been confirmed, but it is likely that the agenda for the September 18th Orange County Assembly of Governments meeting (7:30 p.m. in the Southern Human Services Center in Chapel Hill) will include an item on OWASA's Long-Term Water Supply Plan update and the potential role that Jordan Lake and partnerships with other communities could play in supporting a sustainable and reliable water supply for our community. We will keep the Board apprised of the Assembly of Governments agenda as it is finalized.

Please let us know if you have any further questions at this time.



Edward A. Holland, AICP
Planning Director

MINUTES
Orange County Board of Commissioners
Joint Meeting
Of
Orange County/Chatham County/Chapel Hill /Carrboro/OWASA/UNC
August 14, 2007
6:00 p.m.
Southern Human Services Center

The Chair and Vice-Chair of the Orange County Board of Commissioners met for a Joint Meeting with the Chair/Vice Chair from the Chatham County Board of Commissioners, Chapel Hill Town Mayor and Town Manager, Chair/Vice Chair/Executive Director of OWASA, and a UNC representative on Tuesday, August 14, 2007 at 6:00 p.m. at the Southern Human Services Center in Chapel Hill. N.C.

COUNTY COMMISSIONERS PRESENT: Chair Moses Carey, Jr., and Vice-Chair Barry Jacobs

COUNTY STAFF PRESENT: County Manager Laura Blackmon and Clerk to the Board Donna S. Baker (All other staff members will be identified appropriately below)

CHATHAM COUNTY COMMISSIONERS PRESENT: Vice-Chair George Lucier

CHATHAM COUNTY STAFF PRESENT: County Manager Charlie Home and Public Works Director David Hughes

TOWN OF PITTSBORO MAYOR: Randolph Voller

TOWN OF CHAPEL HILL REPRESENTATIVES PRESENT: Mayor Kevin Foy and Town Manager Roger Stancil

TOWN OF CARRBORO REPRESENTATIVES: Dan Coleman, Board of Aldermen

OWASA REPRESENTATIVES PRESENT: OWASA Board Chair Mac Clarke, Vice-Chair Randy Kabrick, and Executive Director Ed Kerwin

UNC REPRESENTATIVES PRESENT: Carolyn Efland, Associate Vice Chancellor for Campus Services

1. Dinner/Welcome and Introductions

Chair Carey said that this meeting grew out of a joint meeting of the Chatham and Orange County Commissioners in which it was decided to ask the stakeholders to meet and to find out if there is interest to move forward to meet as functional work groups to address specific issues that are of mutual concern.

Introductions were made.

Chair Carey said that staff was available to answer any questions but no formal presentations would be made.

2. Regional Water/Watershed Protection Issues

- Shared Use of OWASA Jordan Lake Intake site

Chatham County Public Works Director David Hughes said that Chatham County is expanding its water plant. Presently, the allocation is six million gallons per day from Jordan Lake, and there have been discussions with the Division of Water Resources to expand this allocation for Chatham County. To do this, it has to be opened to surrounding jurisdictions that also need allocations from Jordan Lake. He said that this is a long process and there will have to be cooperation from a lot of the stakeholders in order to get more of an allocation from Jordan

Lake. There are also some issues with the intake with Cary. All of Chatham County's water supply comes from Jordan Lake.

Chair Carey asked how long the agreement was with Cary to access water through its intake and David Hughes said 50 years.

Chatham County Commissioner Vice-Chair George Lucier said that Chatham County is interested in a western intake. It is his understanding that there will only be two intakes allowed in the lake, and there is already one from Cary. He said that a strong justification to get an increase would require a regional approach.

Mac Clarke made reference to the statement from OWASA, which was distributed to all.

Commissioner Jacobs asked Mac Clarke to talk about the study that is underway that involves UNC, OWASA, Durham, and Cary. Mac Clarke said that this is a low-level study in that funding has been limited and it is proceeding slowly. It is basically a discussion of utility bodies in the area to see if there can be cooperation.

Ed Holland, OWASA Planning Director, said that OWASA is participating along with Cary and Durham in the study looking at optimizing the interconnected water supplies around Jordan Lake. The work right now is focused on the feasibility of moving enough water around to meet needs and manage risks through existing and enhanced facilities. This is the second year of the study, which is costing \$40,000 a year total, and which is being split between the three utilities.

Commissioner Jacobs asked why it was decided not to include Chatham County and Ed Holland said that his understanding was that Chatham County was contacted. George Lucier said that he is a new Commissioner, but he has no recollection of this.

Chair Carey asked if was too late to involve Chatham County since the study began two years ago and Ed Holland said no, not in his opinion.

George Lucier said that he is interested, but he cannot speak for the other four County Commissioners. George Lucier and Ed Holland will try to facilitate the involvement of Chatham County in the study.

Commissioner Jacobs asked about the work between OWASA and Chatham County. County Manager Charlie Home said that there have been discussions over the years about the potential for a regional water system or an intake on the western side of the lake with a regional partnership.

Ed Kerwin said that from OWASA's point of view, they are working hard not to have to use Jordan Lake, but to use its own local resources (University Lake, Cane Creek reservoir, etc.). He said that it is still prudent for them to hold onto the present allocation. The goal is to have a collaborative process with all jurisdictions involved.

Discussion ensued on the use of chloramine for disinfection of water. Ed Kerwin said that it is a must for OWASA for disinfection purposes.

Chair Carey said that he hopes there will be regional collaboration from this meeting with the interested entities.

George Lucier said that he is hearing that as Chatham County tries to move forward on their water supply issue, that all would be willing to work in an regional format to help them address this issue.

Commissioner Jacobs said that he would like a summary of what Chatham County and OWASA have been discussing over the past eight years on this topic so that there is some framework of what has been on the table. He said that if Chatham County is interested in regional cooperation and the others are too, then this type of information would be helpful to all. He said that Orange County has a 1 million gallon per day allocation that could be used as some kind of leverage maybe with Durham. There is an EDD that needs servicing, and maybe there could be a discounted rate on the water that is supplied.

Charlie Home said that this information could be put together. Ed Kerwin said to start with the letter from Chatham County (David Hughes) to the State. He said that he thinks it is smart that Chatham County wants to have its own allocation.

Randy Kabrick said that OWASA is one of the most forward thinking and Chatham County is ten years behind OWASA in planning.

Commissioner Jacobs pointed out the letter from Orange County regarding the rules for the water supply nutrients.

Chair Carey said that he had hoped this meeting would go in the direction it is going and this is just a start.

Randy Voller said that he thinks they need to move quicker because the private sector will force the hand.

Dan Coleman said that this needs to go back to the respective boards.

Randy Voller said that it is important that they are consistent with the message and cooperative; and the sooner, the better. He said that failure to plan is planning to fail.

2. Joint Parks/Open Space Acquisition/Development

- Chapel Hill Southern Park shared use options

Chair Carey said that all entities are already working together on other things besides Southern Park. Southern Park is imminent.

Mayor Foy made reference to the data sheet on Southern Park. The work has just begun on this 72-acre park. The park will be 60% open space and it is very close to Chatham County. Chapel Hill, Carrboro, and Orange County have collaborated on this park. He made reference to #8 for future phases, which is Future Facility Not Designated, and said that the plan is for this to be a community center. This part would be pretty far into the future. He said that there has been some discussion about whether Chatham County is interested in being a partner with the development of this park, and how this would play out. The Chapel Hill Town Board is interested, but there was a question about what the cooperative effort would look like, given the fact that there is so much pressure with soccer fields. He said that his recommendation is to talk about this, and if Chatham County wants to move it along, then everyone can decide on the points to address in the cooperation.

George Lucier said that Chatham County is in the process of acquiring land for a northeast park as well as in the north central part of the county for another park. He said that it might be helpful to work toward some joint agreement for use of these parks cross-county.

Chair Carey said that it would be good to have the interested parties to have further discussions about this. George Lucier said that it will take the Recreation and Parks Departments getting involved together.

Commissioner Jacobs said that Southern Park would probably be on line 3-4 years ahead of the Chatham County parks. He encouraged the creation of partnerships that can start now. There are three soccer fields at Southern Park that will not have lights, and if there were lights, then the usage could be extended.

Mayor Foy said that these things should be identified and put on the table to discuss.

Mayor Foy and George Lucier agreed to move forward on this collaboration together.

Chair Carey said to make sure that all are involved, including Pittsboro. Mayor Voller said that Pittsboro has land on the other end of the town, and there could be two large parks on this land. He said that the plans for this could be sent to the other parties. This land is on 501.

George Lucier said that, in relation to parks, there is a lot of impetus to create greenways along the Haw River. He would like to help make this happen.

Commissioner Jacobs said that Environment and Resource Conservation Director Dave Stancil was working on something regarding Haw River.

Dave Stancil said that Orange County is a member of the Haw River Trail Partnership. Haw River is the southwestern corner of Orange County.

Laura Blackmon asked Dave Stancil to speak to the purchase of property as a watershed site in this area. Dave Stancil said that this relates to the Jordan Lake Macro Site. This includes part of Chapel Hill, Orange County, and Chatham County. There are opportunities for collaboration on conservation.

George Lucier said that his Board of County Commissioners would be very supportive of this.

Mayor Foy asked Dave Stancil who he shared information with in Chapel Hill about this and Dave Stancil said staff and the Mayor. It has been awhile.

Laura Blackmon asked Dave Stancil to forward this information to the Managers again and Chair Carey asked the Managers to revive the issue on this corridor.

Commissioner Jacobs asked Planning Director Craig Benedict about the density of the part of Orange County in the Haw River watershed and Craig Benedict said that the density is one unit per acre. He pointed this out on a map.

George Lucier asked about the buffer along the river and Craig Benedict said 60-80 feet on either side of the stream and 80 feet along the floodplain.

George Lucier said that Chatham County is having a public hearing next week on updating the stream buffer requirements, especially those that will flow into Jordan Lake. When this process is completed in the next couple of months, the information will be transmitted to Orange County.

3. Transportation Planning/Public Transportation

• OPT/CTN/Chapel Hill Transit Coordination

Chair Carey said there has been some talk about public transportation collaboration between Pittsboro, Chapel Hill, Chatham County, and UNC.

Dan Coleman said that at some point TTA should be in this mix and Commissioner Jacobs said that he has talked with David King of TTA and he wants to come to the next meeting. Commissioner Jacobs said that one of things also is that Chatham County and others need to be brought into the discussions about how Carolina North is going to be served by public transportation.

George Lucier said that this should be pursued sooner rather than later. He said that at the last MPO meeting, it was reported that the eastern part of Chatham County will grow by 83,000 people by 2035 and it will only get 15,000 jobs. He said that, if these projections are correct, most everyone living in Chatham County will be going north into Chapel Hill to work. The projections may turn out not to be correct because the current Board of County Commissioners was elected on a slow growth platform. However, there are currently 16,000 houses that have been approved but not yet built. He thinks that it has to be assumed that something like this will happen.

Mayor Foy said that the Chapel Hill Town Council started talking about this with the Chatham County Commissioners five years ago, and since then, UNC has built one park and ride lot on 501. He said that it is important that a transportation system start and TTA has to be part of this. He said that Chapel Hill Transit needs to decide if it wants to get involved outside its service boundary.

Charlie Home said that it is one thing to provide a service, but another to get people to utilize public transportation.

Mayor Foy said that is the issue Chapel Hill confronted when it went to fare-free. This was the incentive for more people to ride and it doubled ridership in three or four years. He said that society tends to widen roads in response to growth instead of looking at alternatives.

Carolyn Efland said that from a UNC perspective, it only has parking for half the employees and about 10% of the students, most of which are graduate students. She said that UNC is losing population in the Chapel Hill Transit service area. One of the original plans when the current development plan was put forward to the Town, there were targets for transit use from home and targets for transit from park-and-ride. She said that people are moving out of Orange County and into other counties (Chatham and Alamance). She said that TTA's service area does not include Pittsboro proper or Alamance and that it would be good to cooperate with Chatham County. She said that she is not sure that TTA is the solution to the problem.

George Lucier said that he would envision a park-and-ride at Brier Chapel, 64, 501, and downtown Pittsboro. He said that his question is what they can do as these developments are being planned out as part of the application process.

Chair Carey said that this is one reason to put joint planning on this agenda. There must be joint planning in this region.

Mayor Foy said that when Chapel Hill looks at a development proposal, they ask Chapel Hill Transit how that looks for bus service. He said that other jurisdictions do not have this luxury. He said that the issue that this raises is how to get access to this kind of information.

Dan Coleman asked about Chatham County's public transit and George Lucier said that it is more of a public service. Charlie Home said that there are 16-18 passenger vans that take the public for a fee, but primarily it is for Medicaid patients, etc., and it is a scheduled service.

Commissioner Jacobs said that UNC can help drive this discussion. He said that Hillsborough will more likely be the most immediately impacted by Carolina North. Hillsborough has changed its land use plan to anticipate a lot of residential development in the southernmost corridor. There will be a park-and-ride lot at the community college in southern Hillsborough. He would like to try and get ahead of the curve instead of playing "catch up".

Chair Carey asked if UNC could be the focal point to have the next meeting to talk about transportation within the context of the process on the planning issue with the Planning Directors and Managers.

Roger Stancil said that the Chapel Hill Town Council authorized him to work with Chatham County with transit issues. The first thing he did was to talk with TTA and there is a partnership now because TTA cannot currently serve Chatham County with the present contract. The plan is to meet with the Chatham County staff to talk about doing some market studies to understand the need.

Mayor Voller asked if everyone agreed that there is a need to do this and all agreed. He said that he has talked with TTA also to find out how to get Pittsboro involved. At the RPO level, Pittsboro sent a resolution back with Pat Strong to Chair Kinley and the board to look at to say that Pittsboro wants public transportation to be part of the planning. He is now waiting for an answer. He would like to get this done, especially with UNC, because most of the people moving into Pittsboro are working at UNC or are going there for medical services.

Roger Stancil said that Chapel Hill could work with Chatham County and Commissioner Jacobs asked that OPT be included also.

4. Joint Planning

Mayor Foy said that he would like to continue discussions on joint planning and flesh this out.

Chair Carey suggested asking the Planning Directors and Managers to talk and to bring some possibilities back to the boards to benefit from expertise on joint planning.

Mayor Voller asked about the TDR issue and if there is any headway. Chair Carey said that the Planning Director can incorporate that discussion with the joint planning information.

Commissioner Jacobs said that it was suggested to set up a work group before they go back to a joint meeting of the full boards since they are still creating visions and relationships. He asked if there should be this type of meeting again or the full boards.

George Lucier said that he does not think they are quite there yet with the full boards.

Chair Carey suggested having another meeting like this and keeping the full boards informed. He suggested meeting in October.

Commissioner Jacobs said that, in the meantime, the boards could be brought up to speed and OWASA could make a presentation on September 20th at the Assembly of Governments meeting.

5. Other

6. Next Steps

7. Adjournment

With no further items to address, the meeting was adjourned at 8:17:41 PM.

Moses Carey, Jr., Chair

**Donna S. Baker, CMC
Clerk to the Board**

MINUTES
Orange County Board of Commissioners
Joint Meeting
Of
Orange County/Chatham County/Pittsboro/Chapel Hill /Carrboro/OWASA/UNC
October 30, 2007
6:00 p.m.
Southern Human Services Center

The Chair and Vice-Chair of the Orange County Board of Commissioners met for a Joint Meeting with the Chair/Vice-Chair from the Chatham County Board of Commissioners, Chapel Hill, Carrboro and Pittsboro Mayor and Town Manager, Chair/Vice-Chair/Executive Director of OWASA, and a UNC representative on Tuesday, October 30, 2007 at 6:00 p.m. at the Southern Human Services Center in Chapel Hill, N.C.

COUNTY COMMISSIONERS PRESENT: Chair Moses Carey, Jr., and Vice-Chair Barry Jacobs

COUNTY STAFF PRESENT: County Manager Laura Blackmon, Assistant Managers Gwen Harvey and Willie Best and Clerk to the Board Donna S. Baker (All other staff members will be identified appropriately below)

CHATHAM COUNTY COMMISSIONERS PRESENT: Chair Carl Thompson, Vice-Chair George Lucier and Commissioner Tom Vanderbeck

CHATHAM COUNTY STAFF PRESENT: County Manager Charlie Home

TOWN OF PITTSBORO STAFF PRESENT: Town Manager Bill Terry

TOWN OF PITTSBORO REPRESENTATIVES ABSENT: Mayor Randy Voller,

TOWN OF CHAPEL HILL STAFF PRESENT: Town Manager Roger Stancil

TOWN OF CHAPEL HILL REPRESENTATIVES ABSENT: Mayor Kevin Foy

TOWN OF CARRBORO REPRESENTATIVES: Mayor Mark Chilton

TOWN OF CARRBORO STAFF ABSENT: Town Manager Steve Stewart

OWASA REPRESENTATIVES PRESENT: OWASA Board Vice-Chair Gordon Merklein and Executive Director Ed Kerwin

UNC REPRESENTATIVES PRESENT: Carolyn Efland, Associate Vice Chancellor for Campus Services

The meeting began at 6:23 p.m.

1. Dinner/Welcome and Introductions

Introductions were made.

Chair Carey said that at the last meeting they discussed the items below and this is a follow-up meeting. After the previous planning meeting, there was sentiment that jurisdictions would like to meet as full boards in the near future. He said that he would like to leave this follow-up meeting with a direction of where to go from here.

Commissioner Jacobs said that some people thought that this meeting was under the radar, but Chair Carey and Mayor Foy assured them at the Assembly of Governments meeting that this was not the case.

2. Value Added Agricultural Products Processing Center Update and Discussion

Orange County Agricultural Economic Development Coordinator Noah Rannells said that this study began back in 2005 when the Orange County Commissioners requested a citizen board to examine the need for a Value-Added Agricultural Products Processing Center. This spring, after talking with other jurisdictions about participating in this center along with private

sector entities, Orange County acted as the fiscal agent for the contract and contracted with Smithson Mills, who used to work for the North Carolina Department of Agriculture and Consumer Services, and has worked with almost every single value-added facility in the State. The feasibility study is underway and there should be a report in November. The survey accomplishes several things:

1. A survey of potential users for types of products at this facility,
2. Organizational structure of this entity – Orange, Chatham, Alamance, and Durham Counties; Weaver Street Market; and Whole Foods. The consultant will come forward with some ideas of how this facility might be run.
3. Site selection options.

George Lucier asked about the two counties that did not respond and Noah Rannells said that Caswell and Person Counties declined to participate, but they are interested in this idea.

Tom Vanderbeck asked about the value of the study and it was answered \$15,000. He asked how this consultant was chosen and if all entities were involved. Noah Rannells said that input was solicited from the other counties and he spoke with the Chatham Ag Advisory Board. There were then surveys mailed to all participants of the advisory group as well as the representatives from Chatham County. The survey was also distributed among local listservs and was available on Orange County's website.

Commissioner Jacobs asked about the respondents – 64 from four counties - and why this is an indicator. Noah Rannells said that he talked with Smithson Mills today, who said that the response rate was very good and very diverse. The response to the survey indicates a strong demand for this type of facility.

George Lucier asked about the next steps and Chair Carey said that once they get the final report and the recommendations, it would be a good time for the collective group to meet again.

Mayor Chilton asked about the extent of the relationships with community colleges. Noah Rannells said that the last meeting was hosted by Alamance Community College Culinary Program. There has been an effort to invite Durham Tech, but the participation has been nil to this point. Alamance Community College is a strong partner.

Chair Carey asked Noah Rannells what the jurisdictions should do between now and when the report is submitted, and Noah Rannells said that there is opportunity now for informal discussion and thought and not to allow this to lose steam. He said that he understands that Senator Ellie Kinnaird is looking at pulling together a meeting to examine the bill she put in and what it might change to in the next session. There is also an interest in having a representative from each of the County Commissioner bodies to get together in a smaller group to talk about the results of the study.

Commissioner Jacobs said that it would be good to have one Commissioner from each jurisdiction to be engaged in this process. He said that Orange County put in its legislative goals last year \$1.5 million for a value-added agriculture center. He said that there is an opportunity to get 3-4 congressmen involved in this to get this written into the federal budget. It would be a lot more effective if multiple Commissioners from multiple counties were involved.

George Lucier volunteered Tom Vanderbeck to be part of this advisory board for the Value Added Agricultural Products Processing Center. Chair Carey volunteered Commissioner Jacobs. Dan Engals was volunteered from Alamance County.

3. Regional Water/Watershed Protection Issues

- Review of documents requested and provided by Chatham County and OWASA

George Lucier said that his understanding is that the Chatham County staff is working with OWASA and other entities to see what needs to be done to facilitate a regional water supply out of Jordan Lake for the western intake.

Ed Kerwin said that there has not been recent activity on the intake issue, but there has been some work on the other study that was discussed about connections.

OWASA Director of Planning Ed Holland said that at the August 14th meeting, there was information about a small study that OWASA was participating in with the City of Durham and the Town of Cary. This study is about how the interconnections between OWASA, Cary, and Durham might be optimized or upgraded for these three jurisdictions. Chatham County expressed an interest in possibly participating. There has been some work on this. The discussions were left that Chatham County would not be a formal participant in this study, because some of the information does not exist yet, but they would approach how Chatham County could be served with this interconnection. The work is moving forward.

George Lucier left at 6:54 p.m.

Ed Kerwin said that this is a very important topic with the drought. Last week's rain only increased OWASA's water supply by less than one percent. It is important to discuss water issues all the time and not just when there is a drought.

Charlie Home said that, in his mind, what Chatham County is faced with is riparian rights and issues surrounding that. He said that Jordan Lake is seen as full and all are going to look at it as the answer to their water problems.

Commissioner Jacobs asked what sense of urgency OWASA was getting from the State for regional planning for Jordan Lake. Ed Kerwin said that the Governor's Office is taking the strategy seriously, and the Policy Advisor facilitated a meeting last week that he attended along with others to discuss the water crisis and the need for a more unified message about conservation. He said that utilities do not have a simple answer for this. The other issue is funding for regional water systems.

Carolyn Efland said that UNC was asked to send copies of its water bills to the State immediately. Today the responsibility was put under Crime Control and Public Safety that the State's emergency response group is now managing the drought. She thinks the message is that the State takes it seriously. She said that right now the reservoir is way lower than it was before the 2002 drought, so by next summer, the State could be in dire straits. She is worried that the citizenry does not realize this. She said that there was so much discussion about reclaimed water use, and after the 2002 drought, there was a lot of serious work on it. This is just now under construction and will not be ready until 2009. She said that this is seven years from when they really got serious about reclaimed water use.

Mayor Chilton said that seven years is good for developing anything of this magnitude.

Mayor Chilton made reference to the western intake issue and asked, if they were able to work on this together, what kind of timetable would Chatham County need.

Charlie Home said that Chatham's need for water will be quicker than Durham and OWASA's need, and the timeframe at this point is that Chatham will need it within the next 10-15 years. There is an effort now to increase the allocation from Jordan Lake.

Mayor Chilton said that Chatham County, OWASA, Orange County, and the City of Durham have an allocation from Jordan Lake.

Ed Kerwin said that OWASA is working hard to not ever need water from Jordan Lake, but it wants to keep the allocation. Based on the current planning, there is a greater risk of shortage before the quarry reservoir comes online in the 2030's. OWASA's interest is preserving some future flexibility and minimizing any expense for that.

Chair Carey asked if there has been any facilitation of discussion at the State level about decisions on the intake and Charlie Home said that he is not aware of anything at this point. Chatham County is in active discussions with the State about increasing the allocation.

Mayor Chilton said that it seems that all want to work with Chatham County to make something happen and that there ought to be an interconnection. The question is how to move toward addressing details. He asked about the Army Corps' interest in having only one large intake. Ed Kerwin said that he thinks it was for good resource management.

Mayor Chilton said that the bottom-line goal of this process should be that the actions of the local governments would increase the quality of water in Jordan Lake and Haw River. He said that eventually it would be good if Pittsboro's drinking water supply came from Jordan Lake rather than directly from Haw River. This would allow a larger section of Haw River to become free-flowing.

Tom Vanderbeck said that this drought has highlighted the preciousness of drinking water and he would like to highlight the need for better reuse of water. He thinks that UNC and OWASA have set the bar high as far as reuse water.

Chair Carey asked about the collective action and next steps.

Mayor Chilton said that it might be helpful to have a conversation with elected officials in Chatham County about the land use plans for northeast Chatham County.

Charlie Home said that Chatham County is hard at work revising land use plans to get a better standard. He said that there should be more information in about 3-4 months.

Commissioner Jacobs said that it might be worth asking that Chatham County and OWASA staff give a few immediate requests that Orange County could make to the State government that might move some of the decision-making forward. He suggested putting together a letter from the elected officials to the Governor. He said that the drought situation could be thought of as the state of affairs as opposed to a crisis just this year.

Carl Thompson arrived at 7:28 p.m.

Chair Carey said that it seems that some of the watershed protection issues are premature and there are some processes that are working their way through the pipeline. When these have been put in place, there can be more discussion.

4. Joint Parks/Open Space Acquisition/Development

- Update on Chapel Hill Southern Park/Chatham shared use discussions

Roger Stancil said that Mayor Foy and George Lucier have not had time to work on this yet.

5. Transportation Planning/Public Transportation

Update on OPT/CTN/Chapel Hill Transit Coordination discussions

Al Terry said that in May 2007, Steve Spade, Chapel Hill Transit Director, and he met with a consulting firm to discuss the opportunity to be included in the Regional Triangle Development Plan, which is the Durham-Wake-Orange County consolidation/coordination effort between the community transportation systems. The goal is to include Chapel Hill Transit's EZ-Rider service in an effort to coordinate or consolidate Orange Public Transportation and EZ-Rider into one service for one county. Wake and Durham Counties have one community transportation system. Orange County has two because of the rural and urban sectors. He said that there was a very successful discussion, and it will be included in the recommendations that NCDOT look at this and pass it down to the governing bodies of each area. Since then, the

Triangle Regional Development Plan process has been watered down due to the fact that the Assistant Director of DOT retired, and the two consultants changed firms.

Three weeks ago, he met with Steve Spade and decided to continue this conversation to see how Orange Public Transportation could coordinate its efforts with EZ-Rider since OPT is encroaching into the urban area every day. At this time, the costs of the two services are being compared. There is a lot of difference in the costs because of the overhead. He has not had any discussions with Chatham Transit Network representatives because there have not been any requests from Orange Public Transportation to encroach into Chatham County.

Tom Vanderbeck said that Chatham Transit Network is in Orange County on a daily basis. He suggested that there might be some economies of scale and coordination.

Al Terry said that one of the first things to look at is the computer software package for the transportation system. The different systems must be compatible if this is going to work.

Carl Thompson asked if the entities wanted to work together on the door-to-door service.

Charlie Home said that he and Steve Spade have met and the discussion up to now has been centered on UNC employees. There is some initial groundwork.

Al Terry distributed a brochure – TTA 420 – and said that the coordinated efforts between two different transit agencies can be handled through a process. He said that TTA funds Orange County 75% of this route. The route is operated by Orange County because the overhead is so low.

Mayor Chilton said that Chapel Hill's EZ-Rider program is so well run and he would hope that this would not result in a decrease in the quality of service provided to the Chapel Hill clients.

Al Terry said that there is a big difference in fixed route service and community transportation. Community transportation is very personal, and urban transit systems are not. He said that this effort could do nothing but widen the mobility of the same clients and not reduce the service level.

Al Terry said that another issue is that there is a certification process that all transit agencies have to have for DSS clients, elderly clients, or disabled clients. None of the certification processes are the same for the agencies. He said that he and Steve Spade are going to formulate a very similar process between Chapel Hill Transit and Orange Public Transportation.

Tom Vanderbeck asked if Chatham County was part of the feasibility study that fell apart and Al Terry said no, that it was the elected officials of Durham, Wake, and Orange Counties that made the decision to have the study and DOT is funding the study 100%. He said that DOT is looking to regionalize many transit agencies within the State. There will be some funding incentives for agencies that have regionalization efforts in transportation.

Commissioner Jacobs said that one of the possibilities would be to have all three agencies combined to be under TTA. Durham and Wake seem really different from the way Orange County does things.

Mayor Chilton said that one of the issues is that Chatham County is not part of TTA's service area. Also, UNC has a park-and-ride lot just in Chatham County. He asked about this service and Carolyn Efland said that they did run their own buses until this year, and now Chapel Hill runs the buses.

Roger Stancil said that Chapel Hill Transit is talking with Chatham County about a fixed route service between Chapel Hill and Pittsboro. This is being coordinated with TTA.

Chair Carey asked about the next steps.

Carl Thompson said that his Chatham board needs to look at the options to become more involved, and task the Transit Director and Manager to make a recommendation to the Chatham County board. The ball is in Chatham County's court.

Charlie Horne said that there are a lot of things to consider in setting up public transit, such as land use management. There are some fundamental questions to answer as Chatham County is growing.

6. Joint Planning

Planning Director Craig Benedict said that the Managers and Planning Directors have met a few times since the last joint meeting to discuss who could be involved in joint planning, the topics of interest, etc. He reviewed the handout, as shown below.

Joint Planning

1. Who are the potential partners?

Orange County

County
Chapel Hill
Carrboro
Hillsborough

Chatham County

County
Pittsboro
Siler City
Cary
Goldston

Other

UNC OWASA Durham City/County Planning

2. Who should work on this? Orange and Chatham County Planners can take the lead to initiate the program.

3. Methods of Sharing Information among Governments

Bi-Monthly Staff Meetings- Planners meet and/or conference call on a Bi-monthly basis.

Discussions include primarily two areas;

- sharing of planning concepts and possible coordinated government efforts
- discussion of developments, projects and the respective impacts. Other department staff may also attend depending on the topic.

Shared Website- Orange County Planning will be asking County Information Tech Department if there is a host website that can house updates from multiple jurisdictions. Reports will be posted regarding meeting topics.

Development Updates- Development activity and proposals will be posted in a timelier manner and adjacent GIS can forward my email to everyone for comment

Special Work Groups- If government staff is meeting or directed to meet on a particular topic (i.e. UNC transportation-park and ride, Jordan Lake Intake, parks). A briefing of the meeting and participants will be included on the website.

Tiered Priorities/What Topics? At this time planners are not proposing thresholds of review/impact or specific areas of information exchange but a pilot program to share growth management information.

Collaborative Planning Topics

- 1) Transportation**
- 2) Utilities**
- 3) Land Use Planning**
- 4) Water Resources**
- 5) Parks and Environment**
- 6) Mapping/GIS**
- 7) Housing**

Commissioner Jacobs said that at TJCOG meetings, there have been discussions of developments of regional impact. He said that it would be nice to be able to discuss issues at a more formal level. Developments at county lines are perfect examples.

Chair Carey said that the suggestion of a phased approach is good.

Craig Benedict said that a representative from OWASA and UNC also came to one of the regional planning meetings. The intent is to keep these important players involved.

Carl Thompson agreed that there should be discussions between the jurisdictions, because growth in western Chatham County is coming fast.

Mayor Chilton said that this issue is woven into the previous issues of water supply and transit. He said that there should be a shared vision for what the 15-501 corridor will be like and what kind of transportation should be here. He said that public transportation would be affected by what type of developments will be built along this corridor route.

Tom Vanderbeck said that Chatham County is working on a corridor ordinance and 15-501 is one of the corridors. Development along there got ahead of the current County Commissioners, so they are playing catch up.

Commissioner Jacobs said that years ago there was a meeting with elected officials from Chatham and Orange Counties and some of the people from Orange County were basically saying that they would not help Chatham County grow irresponsibly and that they would not help Chatham County with water. He said that Orange County realizes that the current Chatham County Board of Commissioners is a different group and there is a change. He said that both Chapel Hill and Carrboro Boards want to facilitate communication with Chatham County also. He said that he has confidence that the Chatham County Board of Commissioners is working to get someplace good. All other elected officials need to know that Orange County and Chatham County are partners in spirit as well as geography.

Tom Vanderbeck said that the next meeting with Chatham County and TTA is November 1st.

Carl Thompson said that the current land conservation and development plan has been a guiding light, and the board is intent on following that plan because this plan does outline areas in their county where there should be conservation, etc.

Mayor Chilton said that he represents Carrboro on the MPO-TAC, and one of the items Chatham County has put forward to the TAC for federal funding is the Northeast Chatham Roadway/Bicycle Plan. He would like to learn more about this plan.

Charlie Home said that when DOT does road widening or other modifications, as part of the expansion, it would widen the roadway to accommodate bicyclists.

Mayor Chilton said that it would be good for the two counties to bring a more systematic approach to bicycle facilities between the Chapel Hill/Carrboro area and Pittsboro, and to identify a specific corridor between the two areas targeting for widening projects, but not along 15-501. He would suggest Jones Ferry Road.

Mayor Chilton said that another issue is the Haw River as a recreational resource. It is a State natural area now and it might become a State park. He has observed that there have been some significant improvements for public access to the river along the bridges in Chatham

and Alamance Counties. He would like to work on improving the access point that is in Orange County.

Chair Carey said that both of those projects could be topics that staff can informally discuss.

Tom Vanderbeck said that Alamance County is also looking at this and there have been a lot of improvements on the access points. He said that this is worth looking into.

4. TDR Update –Strategic Growth and Rural Conservation (Orange County will be responsible for update)

Chair Carey said that Mayor Voller from Pittsboro said at the last meeting that he was interested in TDR. He distributed and reviewed a brochure about this entitled, "Strategic Growth & Rural Conservation Plan." This has been discussed in Orange County for some time, but small steps are being taken in order to do this in a manner that uses what the State can give (i.e., density bonuses). The goal is not to slow growth, but to direct it to the appropriate areas.

Charlie Horne asked if there was a formula for the swap and Craig Benedict said that there are ratios that have been developed. It is an elaborate program and the entire math has not been calculated yet.

Tom Vanderbeck said that this would have been useful in Chatham County years ago. He sees Chatham County going with purchase of development rights.

7. Next Organizational Steps

Chair Carey said that at the last meeting, there was discussion of having certain joint meetings of full boards. He thinks that this may be appropriate at some point. He asked how to approach this.

Mayor Chilton said that some items are short-term and some are not.

Chair Carey said that there is a need to keep appropriate groups informed as to what is happening. He asked if it would be appropriate to have the staffs meet, the Chairs and Vice-Chairs to meet informally, or to have the Chairs, Mayors, and Managers meet.

Carl Thompson said that if the Chairs, Vice-Chairs, and Mayors continue to meet on a regular basis, there will be a decision at some point that the full boards could meet. He does not think that a meeting of the full boards is needed yet.

Commissioner Jacobs suggested considering a steering committee. There is an Assembly of Governments meeting in April, and maybe Chatham County could join this to focus on a mechanism such as sub-committees, etc.

Mayor Chilton suggested going with a shorter list of topics to be covered in more depth.

All agreed.

8. Adjournment

The meeting was adjourned at 8:52 p.m.

Moses Carey, Jr., Chair

Donna S. Baker
Clerk to the Board

1 DRAFT

MINUTES

2
3 Joint Meeting
4 Of

5 Carrboro/Chapel Hill/Chatham County/Orange County/OWASA/Pittsboro/UNC

6 February 21, 2008

7 7:00-9:00 p.m.

8 Southern Human Services Center
9

10
11 This meeting is a follow-up to our October 30, 2007 joint meeting, in preparation for a
12 presentation to the Orange County Assembly of Governments. That meeting will
13 occur on Monday, March 31, 2008 at 7:30pm in the Southern Human Services Center
14 in Chapel Hill.
15

16
17 The Chair and Vice-Chair of the Orange County Board of Commissioners met for a Joint
18 Meeting with the Chair/Vice-Chair from the Chatham County Board of Commissioners, Chapel
19 Hill, Carrboro and Pittsboro Mayor and Town Manager, Chair/Vice-Chair/Executive Director of
20 OWASA, and a UNC representative on Thursday, February 21, 2008 at 7:00pm at the Southern
21 Human Services Center in Chapel Hill. N.C.
22

23 **COUNTY COMMISSIONERS PRESENT:** Chair Barry Jacobs and Vice-Chair Valerie Foushee

24 **COUNTY STAFF PRESENT:** County Manager Laura Blackmon, Assistant Managers Gwen
25 Harvey and Willie Best, and Clerk to the Board Donna S. Baker (All other staff members will be
26 identified appropriately below)

27 **CHATHAM COUNTY COMMISSIONERS PRESENT:** Chair George Lucier, Vice-Chair Mike
28 Cross, and Commissioner Tom Vanderbeck

29 **CHATHAM COUNTY STAFF PRESENT:** County Manager Charlie Home

30 **TOWN OF PITTSBORO STAFF PRESENT:** **TOWN OF PITTSBORO REPRESENTATIVES**

31 **ABSENT:** Mayor Randy Voller and Town Manager Bill Terry
32

33 Town Manager Roger Stancil

34 **TOWN OF CHAPEL HILL REPRESENTATIVES ABSENT:** Mayor Kevin Foy

35 **TOWN OF CARRBORO REPRESENTATIVES:** Mayor Mark Chilton

36 **TOWN OF CARRBORO STAFF ABSENT:** Town Manager Steve Stewart

37 **OWASA REPRESENTATIVES PRESENT:** Executive Director Ed Kerwin

38 **UNC REPRESENTATIVES PRESENT:** Carolyn Efland, Associate Vice Chancellor for Campus
39 Services
40

41 **1. Welcome and Introductions**

42 Chair Jacobs said that one of the purposes is to have an agenda at the next Assembly of
43 Governments meeting on March 31st. He said that there was some talk of forming a sub-group
44 of elected officials in the future. This may come up at the AOG meeting.
45
46
47

48 **2. Regional Water/Watershed Protection Issues**

49 **a. Drought - OWASA**

50 Chair Jacobs said that the Orange County Commissioners do not know what has
51 transpired since the last meeting.

1 OWASA Executive Director Ed Kerwin said that the OWASA Chair had a family
2 emergency and sends his regrets. He said that one of the outcomes of the earlier meeting of
3 this group was the request for Orange County and Chatham County staff to meet to see if there
4 was something that could be done in Raleigh about Jordan Lake. This meeting happened in
5 early February, and the outcome of that meeting, which included officials from Chatham County,
6 Orange County, Town of Cary, OWASA, City of Durham, and State staff, was that the City of
7 Durham expressed strong desire to develop Jordan Lake as its next major increment of supply.
8 The Deputy City Manager of Durham said that Durham wanted to move quickly and was
9 planning to present this recommendation to the City Council, which happened today. There is a
10 draft resolution, which was well received by the City Council, and it will act on the resolution at
11 the March 3rd meeting. The resolution states support of Durham asking for additional allocations
12 from Jordan Lake and directs the City Manager to work with potential partners in Orange
13 County, OWASA, and Chatham County in looking at developing an intake on the western side
14 of Jordan Lake. Also, since one of Durham's water treatment plants is nearing the end of its
15 useful life, Durham may be interested in having the water treatment facility at this site also. If
16 the resolution is passed, it will be sent to potential partners. He said that the OWASA board
17 next week would discuss this. He said that it is worth noting now that Jordan Lake is full.
18 George Lucier said that he thinks this is great and Chatham County has been interested
19 in getting a western intake. With this regional approach, he is supportive of this proposal.
20 Mark Chilton said that he does not share in this enthusiasm because he is concerned
21 about what will be done with the water from a joint intake. He said that Chatham County has
22 shown a wise usage of water that may come from this lake and he does not get the same
23 feeling from local governments in Durham and Wake Counties. He said that there needs to be
24 a connection between the notion of a shared intake at Jordan Lake and a good land use plan
25 that emphasizes sustainable growth. He said that Orange and Chatham Counties are moving
26 toward this type of growth, but he is not sure about Durham and Wake Counties. He is excited
27 about collaboration with Chatham County on water sharing, but he has a lot of reservations with
28 the City of Durham getting involved. Until he sees the governments in Durham committing to a
29 pattern of growth that is more oriented towards pedestrians, bicycles, public transportation, etc.,
30 then he will not be comfortable. He said that to provide water to those entities with no vision for
31 sustainable growth would be a mistake. He said that if this is going to move forward with an
32 intake on Jordan Lake, it is not just a decision of the OWASA board, but one that should be
33 made by all boards – OWASA, Orange County, Chapel Hill, and Carrboro. He said that a
34 resolution is needed from each board supporting this before it should happen.
35 Chair Jacobs said that he wants to start making a list of things the entities would want to
36 accomplish by entering into a partnership like this. It is in Orange County's and Triangle's
37 legislative goals that if the State is going to give money toward water and sewer infrastructure,
38 that it should require that those who use the State money enact permanent conservation for
39 water supplies. He said that Durham has already started to lower its restrictions because the
40 water level has come up a little bit. He would like to have some constructive conversation about
41 this. It will be an issue in the Durham County Commissioners' race. He said that he knows that
42 Chatham County Commissioners are conscious of the growth.
43 George Lucier said that he agreed with Mark Chilton's comments, and sustainable land
44 use plans are important in a project of this magnitude.
45 Ed Kerwin said that he is not in a rush to see the OWASA system drawing water out of
46 Jordan Lake, but it is good to know that if they need it, it will be there.
47 Mark Chilton said that these conversations have been going on for about a year with
48 Orange and Chatham, and if Durham is added, it does open up a lot of additional questions. He
49 is not comfortable with the proposed resolution at this time. He sees that the overall philosophy
50 and approach is that environmental protection and smart growth are a complete afterthought for
51 many colleagues to the east.

1 Mayor Foy said that, from Chapel Hill's point of view, it has a very strong interest in land
2 use planning collaboration. He said that Briar Chapel will have an impact on Chapel Hill, but
3 Chapel Hill has no say-so in that development. To the east of Chapel Hill is prime, developable
4 land, and Chapel Hill has a very strong interest in getting Durham to listen because it has a
5 huge impact on NC 54, I-40, etc. He said that if water is the catalyst for the ability to have
6 influence, then it is fine with him. He thinks that regional planning takes place on a theoretical
7 level and not a practical level. He does not want to miss an opportunity with this possible
8 collaboration.

9 Mark Chilton said that he is not saying to not have the conversation with Durham, but the
10 timeline may be a long one. He said that this intake could very well happen without Durham.

11 George Lucier said that he does not believe that is the case, and there needs to be a
12 regional approach with Durham.

13 It was said that any intake would be managed by DENR and it will not be owned by one
14 entity.

15 Ed Kerwin said that is consistent with his understanding, but it could be owned and
16 operated by a single entity with agreements in place that assures equal and fair access. He
17 said that, with or without OWASA, he believes that this is going to happen and Durham is going
18 to do this. This is why it is important to work hard with the elected officials. He does not want to
19 be left behind.

20 Chair Jacobs agreed with Mark Chilton's views of the way Durham grows. He said that
21 he has always seen this discussion as an opportunity for OWASA to have another source of
22 water. He also sees it the way Mayor Foy does regarding collaboration and leverage with
23 Durham.

24 Mayor Foy said that if OWASA runs out of water, then it would pull water out of Haw
25 River, which is Jordan Lake. He said that Ed Kerwin mentioned that it would cost \$8 million to
26 get them to a place where they would have water in an emergency.

27 Ed Kerwin said that there would be very little infrastructure needed for OWASA because
28 it is already interconnected with the City of Durham's water system. The worst-case scenario is,
29 if rainfall remains extremely low this year, that when the reservoirs reach a 15% level, OWASA
30 would put a temporary above-ground system to pump water from the Haw River to Cane Creek
31 Reservoir. The upfront costs to install that would be over \$2 million. He said that the OWASA
32 board is fully committed to making the best use of the local resources.

33 In answer to a question from Chair Jacobs about adding Pittsboro to the partnership as
34 they move forward, George Lucier said yes.

35 Mark Chilton said that the goal of this process should be to eliminate Pittsboro's intake
36 on the Haw River, which is one of the things that causes the need to keep in place the dam at
37 Bynum, which is not an environmental benefit to the Haw River. George Lucier agreed.

38 Chair Jacobs said that this is another thing to add to the list of negotiating factors.

39 Mark Chilton said that he worries that certain State entities in Orange County that are
40 only modestly under the regulations of the local governments will see this as a justification for
41 more growth in their activities. There will be a consequential result on school systems, road
42 infrastructure, etc.

43 Chair Jacobs asked about the next steps staff is envisioning for this process. He asked
44 if everyone would be asked to endorse this resolution.

45 Ed Kerwin said that when and if the Durham City Council approves this at the March 3rd
46 meeting, then it will be communicated to the elected boards involved. He needs the OWASA
47 board to authorize him to engage in these discussions with local entities.

48 Chair Jacobs said that he would like to add this to the agenda of the AOG on March 31st.
49 He said that OWASA should be at the AOG meeting.

1 Mark Chilton said that local governments outside of the region are also looking at Jordan
2 Lake for their water supply and this concerns him. An example is the Piedmont Triad Regional
3 Water Authority.

4 Chair Jacobs said that the News and Observer had an editorial last week about how
5 Raleigh better go and get some water out of Jordan Lake.

6 Charlie Home said that when this allocation process opens up, those entities
7 downstream on the Cape Fear will also have a chance to be involved.

8 George Lucier said that Chatham County would be meeting with its legislative delegation
9 and will discuss this draft, and he will also discuss this with his board. He said that this could
10 also be discussed with the Town of Pittsboro and its Council.

11
12 **b. Jordan Lake – Coordinated Water Allocation and Planning**

13 **c. Jordan Lake Rules**

14 Environment and Resource Conservation Director Dave Stancil said that he would speak
15 to these rules, but as of today they got word from the Division of Water Quality that there is a
16 plan to take the Jordan Lake rules to the May 8th meeting of the Environmental Management
17 Commission. He anticipates that those revised rules will be available in early April.

18 Chair Jacobs said that Orange County, Chapel Hill, and Chatham County have spoken
19 against these revised rules. Orange County also had some specific concerns about how it
20 might affect some of the open space. Some of the requirements imposed might make it more
21 difficult to pursue agriculture, especially in the rural buffer.

22 Chair Jacobs suggested that staff compile the similarities and differences of the
23 comments from these boards about the Jordan Lake rules, so that the differences could be
24 discussed, in the spirit of building partnerships.

25
26 **d. Regional Water/Watershed Protection Issues**

27 Craig Benedict showed a map of the County with the Cape Fear basin. With these new
28 rules coming forward, it is likely that Orange County will have to have additional land use
29 regulations. He said that it will be difficult to achieve the 35% reduction level that is being
30 proposed.

31 Chair Jacobs said that at the AOG, there will be a presentation on the process and there
32 will be discussion and direction for OWASA.

33 Mayor Foy verified that the list of comments from each board on the Jordan Lake rules
34 would be written. Chair Jacobs suggested that the Manager could get together with Ed Kerwin.

35 Mayor Foy asked George Lucier about anything written from Cary and George Lucier
36 said yes. Mayor Foy said that this would be good background information to have.

37 Mark Chilton said that it would be helpful to summarize each local government's water
38 conservation measures.

39
40 **3. Value Added Agricultural Products Processing Center Update and Discussion**

41
42 **a. February 19, 2008 Board of County Commissioners Resolution-Support for
43 a Piedmont Regional Share Use, Value-Added Food and Agricultural Processing Center**

44 Chair Jacobs said that four counties, Whole Foods, and Weaver Street contributed to
45 doing a feasibility study regarding this facility. The consultant did a nice job and made some
46 recommendations. A Commissioner from each of the four counties met to discuss the
47 recommendations. Alamance County passed a resolution indicating its support to continue.
48 Orange County's was on the blue sheet. The consultant identified the old Orange Enterprise
49 building in Hillsborough as the best location for this facility. The Board agreed to set aside this
50 building for the facility. Orange County is waiting to hear back from Chatham and Durham
51 Counties. There could possibly be a meeting between Orange County representatives, Senator

1 Kinnaird, and Representative Faison, who have introduced separate bills in the legislature to
2 fund this center. Orange County has also approached Congressman Price.

3 Noah Rannels said that that some assistance has been received from the American
4 Farm Trust Southeast Representative Jerry Cohn in helping to build a strategy. He pointed out
5 the backside of the resolution, which has 13 points provided by the consultant to help move the
6 process forward. The target dates were put in by Orange County staff. From a producer
7 perspective, the plan is to have 501(c)3 status and begin trying to get some commitment from a
8 project manager to help steer this forward.

9 George Lucier said that Tom Vanderbeck has been attending these meetings and he will
10 be reporting to the Chatham County Commissioners on this.

11 Noah Rannels said that Durham is trying to get this issue on one of the upcoming
12 agendas.

13 Chair Jacobs pointed out that Orange County has been working on this for nine years.

14 Mark Chilton said that there is a UNC student organization that is interested in this.

15 The resolution is shown below:

16 17 **RESOLUTION**

18 **Support for a Piedmont Regional Shared Use, Value Added, Food and Agricultural** 19 **Processing Center**

20
21 **WHEREAS, the recent tobacco buyout program has left many farmers seeking economically**
22 **profitable alternative enterprises to allow them to remain farming; and,**

23
24 **WHEREAS, the proximity of Alamance, Chatham, Durham, and Orange Counties to markets for**
25 **value added products is significant given existence of local farmers' markets, grocers,**
26 **restaurateurs, and food service managers that buy local farm products; and,**

27
28 **WHEREAS, added value products provide a means to retain economically viable, thriving farms**
29 **in Alamance, Chatham, Durham, and Orange Counties, benefiting our rural character and**
30 **agricultural heritage, and contributing to the health and high quality of life; and,**

31
32 **WHEREAS, shared use value added processing centers require careful planning and strong**
33 **collaborations to be successful; and,**

34
35 **WHEREAS, a feasibility study funded by Alamance, Chatham, Durham, and Orange Counties,**
36 **as well as Weaver Street Market and Whole Foods, was completed in November 2007, and,**

37
38 **WHEREAS, the survey respondents included 36 percent fruit and vegetable growers, 27**
39 **percent livestock producers, and 28 percent specialty food producers, caterers, or**
40 **restaurateurs, who together currently produce 74 food items, and in the future desire to produce**
41 **112 distinct products; and,**

42
43 **WHEREAS, the feasibility study indicates client use at the facility can reach 142 production**
44 **hours per week in one year and would generate more than \$150,000 in fees in years 2 and 3 of**
45 **operation, and gross income generated by clients using the facility would be between \$800,000**
46 **and \$1.2 million per year; and,**

47
48 **WHEREAS, the feasibility report detailed 13 action items that will ensure that the center can**
49 **open in 2009;**

50
51 **NOW, THEREFORE BE IT RESOLVED that the Orange County Board of Commissioners:**

- 1
2 1) Agree to participate in a regional, multi-county, value-added shared-use food and
3 agricultural processing center;
4 2) Formally allocate the former Orange Enterprise Building on Valley Forge Road in
5 Hillsborough for development of a regional value-added shared-use food and agricultural
6 processing center;
7 3) Recommend that the governing board of the Center become a 501(c)3; and
8 4) Agree that the shared monetary compensation for the Valley Forge Road property (item
9 2 above) will be determined later and request that equitable fiscal support among
10 partners be pursued that recognizes the allocation of the Orange Enterprise building
11 owned by Orange County.
12

13 This the 19th day of February 2008.

14
15 **4. Joint Parks/Open Space Acquisition/Development**

16 **a. Southern Park**

17 Mayor Foy said that it is almost finished, but there is a hold up on the fields because of
18 the watering issue.

19 Roger Stancil said that the staff is looking at drilling a well, artificial turf, or trucking water
20 in.

21 Mayor Foy said that he and George Lucier were supposed to talk and George Lucier
22 said that the respective Recreation and Parks Departments were supposed to get together and
23 discuss this.

24 Chair Jacobs suggested having a report by March 31st for the AOG meeting and Mayor
25 Foy agreed. Chair Jacobs said there is a U. S. Communities entity that counties can use to get
26 a group rate for different products, and the newest product is artificial turf. Orange County has
27 been talking about putting artificial turf at Smith Middle School fields, and it is about \$1.5 million.
28

29 **b. Potential Greenway between Chatham and UNC**

30 Dave Stancil said that Recreation and Parks Director Lori Taft had told him that there
31 had been some conversation about a pedestrian corridor/greenway tying into the Southern
32 Village area of Chapel Hill. He did not know anything further about this.
33

34 **c. Jordan Lake Natural Area (macro-site)**

35 Dave Stancil said that staff is continuing to work with some property owners. This would
36 build on existing open space. This natural area extends into Chatham and Durham. There is
37 slow but sure progress.
38

39 **5. Transportation Planning/Public Transportation**

40 **- Regional Planning Organization**

41 **- Special Transportation Advisory Committee**
42

43 Roger Stancil distributed a memo from Steve Spade, Transit Director, to him about an
44 update on staff activities related to Chatham County Transit Service. Several service options
45 are considering modifications to the current Chatham County Express to serve the University,
46 operation of an express route reaching further into Chatham County from Chapel Hill, and the
47 introduction of vanpool service. There should be a more complete report in late March.

48 Chair Jacobs asked when Orange County and Hillsborough would be engaged regarding
49 Carolina North. Roger Stancil said that he is having conversations with OPT about cooperative
50 arrangements between Chapel Hill Transit and OPT.

1 Al Terry said that there have been several meetings with Steve Spade, and one of the
2 options is using some new Freedom Funds from the Metropolitan Planning Organization that
3 would give an inner-city senior route that would get the seniors to more populated areas and
4 ease up on the EZ-Rider service that normally carries the senior adults. There is no discussion
5 with OPT and Chatham County at the moment.

6 Chair Jacobs said that, as far as Carolina North, this would be non-senior. Mayor Foy
7 said that Chapel Hill is just about finished with its long-range transit plan, and it has implications
8 for the broader region.

9 Carolyn Effland said that there are some modeling issues with Carolina North and it may
10 be April before there is any more information on the transit issue.

11 Mayor Foy said that it turns out that the regional model numbers are bad because it says
12 that no one is riding the bus on Martin Luther King Boulevard, and this is wrong. The next step
13 will be engaging Orange and Chatham Counties.

14 Chair Jacobs said to make sure and engage Hillsborough.

15 Craig Benedict said that Orange County put together an Orange Unified Transportation
16 Advisory Board last year, and some of these topics could be broached at these meetings.
17 There are representatives from Chapel Hill, Carrboro, and Hillsborough.

18 Mayor Foy said that UNC is very interested in Alamance County because it has a lot of
19 employees there.

20 Al Terry said that Alamance County Transit Authority accesses Chapel Hill through US
21 70 and NC 86. There is another transit agency that goes into Chapel Hill called Piedmont Area
22 Regional Transit, which is an express route for commuters. This is an option of looking at
23 another agency coming into our area.

24 25 **6. Joint Planning**

26 **Method of sharing information among governments**

- 27 **▪ BI-monthly meetings**
- 28 **▪ Shared website**
- 29 **▪ Special word groups**
- 30 **▪ Tiered Priorities**
 - 31 **○ Collaborative Planning Topics**
 - 32 **○ Transportation/Utilities Land Use Planning**
 - 33 **▪ Water resources**
 - 34 **▪ Housing**
 - 35 **▪ Parks and environment**
 - 36 **▪ Mapping/GIS**

37
38 Chair Jacobs asked where this was left off last time and Roger Stancl said that Planning
39 Directors have been meeting.

40 Craig Benedict said that they have been working on a shared website for joint planning.
41 There have been discussions with the Information Technology departments. The Planning
42 Directors are meeting on a regular basis to talk about these topics in general.

43 Chair Jacobs asked how to move forward with making something happen. Craig
44 Benedict said that there could be a resolution at the AOG meeting.

45 Mayor Foy said that he is interested in Cary and Chatham and what they are doing, and
46 their joint planning. There is also a work group with Durham. He would like to know what could
47 be done in this regard.

48 George Lucier said that the work with Cary came out of the annexation issue. He said
49 that at one time Cary was more environmentally conscious about planning than Chatham and
50 now it is the other way around. He thinks there are some river protection issues with the Haw
51 River. There are some areas that the governmental entities need to work on together.

1 Craig Benedict said that he would try and have a scope by the AOG meeting.
2 Mayor Foy said that there are elected people in both counties that view their obligations
3 similarly and there are mutual interests. He said that Chapel Hill's agreement with Orange
4 County makes them stick to their borders and there should be something like this with Chatham
5 County.

6 George Lucier said to identify specific areas and have a Memorandum of Understanding,
7 which establishes a precedent. Mayor Foy agreed.

8
9 **7. Next Organizational Steps**

10 Chair Jacobs said that this information will be brought to the Assembly of Governments
11 meeting. He asked if the boards wanted to set up a group to talk about issues, or create
12 something like this that is ongoing without the Mayors/Chairs/Managers.

13 Commissioner Foushee said that it was discussed to create something that did not have
14 to be the Mayors/Chairs/Managers.

15 Chair Jacobs said that it would be other elected officials on the respective boards.
16 It was suggested to leave it to the AOG to discuss. Everyone agreed.

17
18 **8. Adjournment**

19 The meeting was adjourned at 8:55:10 PM.

20
21 Barry Jacobs, Chair

22
23 Donna S. Baker, CMC
24 Clerk to the Board

Attachment 2

APPROVED 6/24/2008

**MINUTES
ORANGE COUNTY BOARD OF COMMISSIONERS
ASSEMBLY OF GOVERNMENTS
March 31, 2008**

The Orange County Board of Commissioners met in regular session for an Assembly of Governments meeting on Monday, March 31, 2008 at 7:30 p.m. at the Southern Human Services Center in Chapel Hill, North Carolina.

COUNTY COMMISSIONERS PRESENT: Chair Barry Jacobs and Commissioners Moses Carey, Jr., Valerie P. Foushee, and Alice M. Gordon

COUNTY COMMISSIONERS ABSENT: Mike Nelson

COUNTY ATTORNEYS PRESENT: Geoffrey Gledhill

COUNTY STAFF PRESENT: County Manager Laura Blackmon and Assistant County Managers Gwen Harvey and Willie Best and Clerk to the Board Donna S. Baker (All other staff members will be identified appropriately below)

CHAPEL HILL TOWN COUNCIL MEMBERS PRESENT: Mayor Kevin C. Foy and Council Members Sally Greene, Mark Kleinschmidt, Jim Ward, Bill Strom, Bill Thorpe, and Ed Harrison and Laurin Easthom, Matt Czajkowski

CHAPEL HILL TOWN COUNCIL MEMBERS ABSENT:

CARRBORO BOARD OF ALDERMEN MEMBERS PRESENT: Mayor Mark Chilton and Aldermen Joal Hall Broun, Dan Coleman, Rande Havel-O'Donnell, and Jacquelyn Gist, Lydia Lavelle and John Herrera

CARRBORO BOARD OF ALDERMEN MEMBERS ABSENT:

HILLSBOROUGH TOWN COMMISSIONERS PRESENT: Mayor Tom Stevens and Council Members Frances Dancy, Brian Lowen, Michael Gering, and Eric Hallman

HILLSBOROUGH TOWN COMMISSIONERS ABSENT: Evelyn Lloyd

CHATHAM COUNTY COMMISSIONERS PRESENT: Chair George Lucier and Vice Chair Mike Cross

OWASA REPRESENTATIVES PRESENT: Chair Randy Kabrick and Executive Director Ed Kerwin

MEBANE CITY COUNCIL REPRESENTATIVE: Everette Green

DURHAM CITY REPRESENTATIVE: Mayor Bill Bell

NOTE: All other participants are listed in the text as appropriate.

NOTE: ALL DOCUMENTS REFERRED TO IN THESE MINUTES ARE IN THE PERMANENT AGENDA FILE IN THE CLERK'S OFFICE.

Call to Order/Introductions/Opening Comments

Introductions were made.

The pink sheets were meeting agendas from three joint meetings of Orange County and Chatham County/OWASA/UNC/Chapel Hill/Carrboro. There was also a map envisioning cooperative planning between Chatham and Orange Counties, as well as a simple Buckhorn Village map.

1) Orange/Chatham County Regional Planning Collaboration Report

Chair Jacobs said that the topic of Orange/Chatham regional planning was raised at the last AOG meeting. Those present wished to know what was discussed at the joint meetings and they asked for a more formal structure. It was promised that a more full report would be brought back at the next AOG meeting. Staff will make initial presentations and then the elected officials present at the joint meetings could speak on these items, if they wish.

Planning Director Craig Benedict said that, based on some previous meetings, staffs were asked to meet and discuss regional planning with Hillsborough, Chapel Hill, Carrboro, UNC, OWASA, Chatham County, and Pittsboro. During the discussions, it was realized that this regional perspective could also include such entities as the City of Durham, Durham County, and Cary. The areas of interest include land use planning, transportation, parks, open space, environment, and GIS information and mapping. Some of the areas of joint interest include Jordan Lake Watershed, Haw River Watershed, 15-501 Transportation Corridor, development of regional impact, and the regional value-added shared-use food and agricultural processing center. There was discussion about how best to share this information among staffs, elected officials, etc., as new information becomes available. He made reference to Attachment 1-a.

Chair Jacobs said that the three main topics were regional watershed protection issues, transportation planning and public transportation issues, and joint planning. He said that part of that discussion will include joint use of Jordan Lake water supply. There were also discussions about trying to get a compilation of the similarities and differences between the comments made on the Jordan Lake rules proposed.

George Lucier said that the group talked about selecting specific projects rather than going too global in terms of the joint planning exercise. These could include the Haw River Watershed, Jordan Lake Watershed, 15-501 corridor, and planning for local parks - Southern Park would be an example.

Chair Jacobs said that there was discussion about the interest of working together on some of these issues, and Chatham's Board was interested in the same things as Chapel Hill and Orange County, and this has not been the case in the past. Some of the discussions involved Carolyn Elfland from UNC, and public transportation was a major topic.

George Lucier said that there are 12,000 houses that have been approved but not yet built in Chatham County, and many of them would use the 15-501 corridor.

Jim Ward asked if there was interest in talking about a possible bypass around Chapel Hill coming from the south. He said that 15-501 is already a parking lot at times and there needs to be relief, and public transit cannot take all of these trips.

George Lucier said that there is not enough financial capital, and this would have to get on the Transportation Improvement Plan with DOT. He said that DOT is deeply over committed and it is starting to delay projects.

Jim Ward said to try and at least get it on the DOT's agenda.

Commissioner Gordon said that she is a member of the Durham-Chapel Hill-Carrboro Metropolitan Planning Organization (MPO), and in the next two meetings, the results of the transportation study will be available, which will address some of this area. She said that it would be timely to bring up the issue of a bypass when this study comes out.

George Lucier said to bring it up at the next meeting of the MPO and Commissioner Gordon said that it would probably be in May.

Bill Strom asked about an interlocal agreement. Craig Benedict said that in 1989 there was a proposed courtesy review agreement and he said with the boards' approvals, they could implement something like this and he said they could work towards a joint planning agreement.

Bill Strom said that there should really be a joint planning agreement discussion on the table because there are joint interests.

George Lucier suggested working towards a Memorandum of Understanding, or several MOAs. There could be one overarching agreement that would identify specific areas and then have subheadings.

Chair Jacobs said that the AOG could direct staff to do this, but the subgroup did not feel that it was within its purview to do this.

Dan Coleman said that the first step is to specify the details.

Jacqueline Gist said that the horse is out of the barn and Carrboro's issue is how it is going to deal with the water and transportation issues. She is concerned about the commercial development along the 15-501 corridor, because it will impact Carrboro in many ways.

George Lucier said that the Triangle J Council of Governments did a study that estimates that eastern Chatham County's population will grow by three to four fold over the next 25 years. There is a building moratorium right now on large residential developments that is scheduled to be lifted in June. During the year of moratorium, Chatham County has established a Major Corridor Ordinance, zoned all major corridors, completed four lanes on some highways, modified some subdivision ordinances and watershed ordinances, etc.

Commissioner Gordon urged the AOG to implement a more formal process for these joint meetings than has been done in the past few months. She would like to see the meetings rotate among the various jurisdictions with a more formalized structure that allows more people to come and participate. Bill Strom said that if transportation is being discussed, then Triangle Transit should be brought to the table.

Commissioner Gordon said that the Special Transit Advisory Commission is coming out with a new report about proposed transit routes. Regarding the joint meetings, she suggested that the elected officials who wished to attend should be able to attend.

Chair Jacobs said that when staff comes back with a proposed Memorandum of Understanding, then it could include how to involve elected officials.

2) Potential Joint Use of the Jordan Lake Water Supply

Executive Director of OWASA Ed Kerwin said that Jordan Lake has been in OWASA's contingency planning efforts for about 20 years. In 2005, the OWASA Board adopted a goal, which said that it would work hard to maximize the local water resources. Key elements of that would be more proactive conservation and alternative supplies such as reclaimed water, which is a system that is now under construction and being funded by UNC. He said that they have also learned with the droughts that maximizing the existing resources will be a challenge. He said that the drought has continued since this group met last fall. Another key element is that the City of Durham on March 3rd passed a resolution, which is incorporated in the package, authorizing the staff to proceed with discussions with Orange County, Chatham County, and OWASA staff to explore the possible costs and benefits of a regional approach to Jordan Lake.

Chair Jacobs said that this issue was raised originally at the first joint meeting to see if Chatham wanted to access water at Jordan Lake as opposed to going through Cary. Over the course of the conversations, at the last meeting it was learned that there was a discussion about Durham and Chatham working with OWASA to try and develop a regional intake because it is the best way for planning.

Mark Chilton arrived at 8:06 pm.

Dan Coleman asked to hear from former OWASA Chair, Mark Marcoplos, on the strategic plan that was adopted in 2005 when he was chair.

Joal Hall Broun said that she understood that the state had begun a procedure of reallocation of water in Jordan Lake, and she asked if this allocation process has been completed.

Ed Kerwin said that there is not an open allocation process at this time, but there may be in the near future.

George Lucier said that there are about 38 million gallons per day that have not been allocated out of Jordan Lake. He thinks that the allocation from Jordan Lake will only happen if it is a regional intake with agreement among the major parties.

Mayor Foy asked what happens if Greensboro gets an allocation. Ed Kerwin said that he does not believe that Jordan Lake is in Greensboro's plans. The key players are the City of Durham, Chatham County, and OWASA or Orange County.

Kevin Foy said that he keeps hearing of conflicting verbiage about Greensboro and Raleigh wanting the water, but there are only two sites. He does not know how this will work.

George Lucier said that having an intake and plan on the west side of the lake would simplify things for Chatham County. There will have to be decisions about this soon.

Chair Jacobs said that some concerns were raised about Durham's participation and Mayor Bill Bell was in attendance for that reason.

Bill Strom said that he has heard different scenarios with OWASA's allocation. He asked if OWASA does not use its 5 million gallon allocation, would it lose the allocation. Ed Kerwin said that he does not know. He said that the State was clear that there will only be one west intake on the lake and it needs to be through joint arrangement. He said that he does not believe that OWASA needs Jordan Lake for daily demands, but more as a backup supply.

Bill Strom said that it is ironic and disturbing that, as good conservers, it puts OWASA at risk of losing its 5 million gallon allocation. He said that something is wrong if their conservation and land use planning is causing them to lose their "insurance policy" of the 5 million gallon allocation.

Chair Jacobs said that when this issue was first raised, he understood that as long as Orange County was a part of this facilitation, it was perceived that they would have access to this allocation. The idea is that there is a continuum of possibilities. He agreed with Bill Strom that there should be some type of strategy so that Orange County is not totally excluded from yet another water supply and it is protecting it for the benefit of others.

Mayor Chilton said that his concern about all of this is that OWASA has taken a good look at its future water usage. He asked if anyone knew how long Jordan Lake would sustain the demands of the Triangle municipal governments in meeting the water supply demands in the future. He said that it does not seem likely to him that the additional water supply in Jordan Lake will sustain the Triangle's demand for water for anything like the length of time for which OWASA has planned for water in the future. He said that once local governments have tapped into Jordan Lake and are drawing water out daily, there will not be any additional options for more water in the future. He does not want to mistake Jordan Lake in the region for a long-term solution to the water supply. He thinks that there is a water consumption problem and not a water supply problem. He said that, in looking at OWASA's own projections, there will not be a serious water problem for about 20 years, and this only depends on how fast the service area grows. If the area grows less rapidly and conserves more, then OWASA might not have to tap into Jordan Lake at all. He wants to commit to avoid having to go to Jordan Lake except for an extreme emergency.

Dan Coleman said that he is hearing that Jordan Lake should not be a permanent part of the regular water diet. He said that he would like to suggest the possibility to be clearer in the intentions to not have even the emergency access to the lake. He said that the middle of a drought might be a really good time to do growth planning.

Jim Ward asked Ed Kerwin about OWASA's confidence level and Ed Kerwin said that a lot of experts believe that the climate change in the southeast is that there will be more precipitation, but there have been two record droughts in the last five years. He said that he is a bit uneasy about these predictions and OWASA will be revisiting its water planning and will align its tools with the government entity tools.

Jacqueline Gist said that Mayor Chilton's comments were very well thought out and on target. She wants to know how these comments interface with what OWASA is doing.

Ed Kerwin said that a key theme was conservation and management and this will remain a key element in OWASA's plans.

Chair Jacobs said that there was discussion at the school collaboration meeting that both school districts are looking at xeriscaping and reexamining the policy on watering lawns at schools.

Bill Strom said that he wants to hear from Mark Marcoplos. He said that OWASA's plans are in response to Chapel Hill's land use plans. He said that if they want to take these steps to close that period of time where they are vulnerable to having a water shortage, etc., then they need to look at their land use plans, growth patterns, and ordinances and see how to adjust them in a sustainable way.

Joal Hall Broun suggested that if boards want to participate, then each should go back and discuss this issue as to what they would or would not agree to and then determine whether or not they would like to come back and discuss it as a group. She does not have an opposition for staff to continue to talk about this, but she does not think that the issue of the positions of all five jurisdictions will be solved in this discussion.

Chair Jacobs said that there seems to be general agreement that no one is proposing changing any policies within Orange County governments in relation to how supply is used. What has been raised is looking at use. He made reference to Resolution 9532 in the packet that proposes the idea that there continue to be work on some kind of intake on the west side, and whether or not OWASA is a party to the discussion.

George Lucier said that the water conservation issue is essential, but in Chatham County there is an immediate issue of water use. Chatham County has to put out \$15 million to upgrade the plant to use the current allocation out of Jordan Lake and then up to another \$15 million to upgrade the distribution lines so that it can deliver the water. This will increase Chatham's water supply by about 2 ½ fold. This decision has to be made this summer and cannot be made any later than this.

Mayor Bell said that he understands Mark Chilton's concerns. He said that Durham has no interest in using Jordan Lake except on an extreme emergency basis. He said that each entity needs to start planning, and the proposed resolution addresses this. He said that he would hope that the boards would agree to allow the discussions to continue.

Randy Kabrick, Chair of OWASA Board, said that the board approved unanimously to cooperate with Chatham and Durham to look at a regional intake from Jordan Lake strictly as part of the water planning. There is no intention by the board to take allocations as part of a base load. He said that this is a long-term process. He encouraged all participants to support long-range planning, even if it involves a portion of Jordan Lake for emergency purposes.

Mark Marcoplos said that he was on the OWASA board from 1999 to 2006 and went through the first drought and helped to craft the new conservation measures. He said that, after the drought of 2001-2002, he looked around astounded that OWASA was the only utility that was treating this as a very serious, highly changing event. As soon as possible after the drought, OWASA instituted year-round conservation and no other jurisdiction did this and it also began the discussions that led to tiered rates to encourage conservation. He said that the entities need to get the conservation and sustainability issues out there. He firmly believes that OWASA has the know-how to get through to when the quarry is available in 2030 with conservation, efficiency, use of storm water, sealing leaks in the system, etc. He does not think that Jordan Lake will be needed from OWASA's standpoint.

Mark Kleinschmidt said that it is not in the AOG's interest to not participate in these discussions. He said that he would like to see them at the table discussing what efforts are being made in the neighboring counties and cities for water conservation and efforts. He would like to hear more about the water reuse plans and other plans.

Bill Strom said that all understand that this conversation is going to take awhile to sift through and the Chapel Hill Town Council needs the opportunity to put its thoughts in a

resolution. There should be no action tonight. He wants to be able to give OWASA clear direction.

Mayor Foy said that there should be acknowledgement and everything should be written down so that OWASA has a clear understanding of each entity's intentions.

Mark Chilton said that if you read through all of the resolution there is only a passing mention of land usage and conservation. He said that he does not see the local government entities passing a resolution that speaks to the question of water supply without addressing conservation and efficiency as a simple part of the water supply plan.

Chair Jacobs listed the elements that he has heard: whatever direction that is given to OWASA be written; address the issue of emergency access to Jordan Lake; compilation/discussion of current conservation efforts; and Chatham County would like some kind of answer this summer in order to move forward. He said that, in listening to the last part of the conversation, it might be useful for the boards in Orange County to draft an alternative resolution that addresses the same partnership, but in terms that make people feel more comfortable about a partnership.

Ted Voorhees, Deputy City Manager of Durham, said that he was the author of the resolution. He said that it was Durham's intention to call out the fact that responsible land use planning will be an integral part. He apologized for not saying this well. He thinks that the City Council fully understood the relationship between land use planning and water demand. He said that Durham has been doing water conservation for a long time.

Clarifying questions of various board members were answered by Ted Voorhees.

3) Buckhorn Village

Craig Benedict said that Buckhorn Village is a planned development zoning proposal that was submitted to Orange County for a 130-acre parcel located on I-85/I-40. He showed this area on a map. It is located within a land use designation of an Economic Development District. There is a public information process tomorrow night.

Dan Coleman asked when action would be taken and Chair Jacobs said not tomorrow night. There is no deadline yet because neither the County Commissioners nor the Planning Board has had a chance to ask questions or make comments.

Dan Coleman asked if transportation improvements had been identified yet and if the developer would pay for those and Chair Jacobs said that this has not been discussed yet.

Chair Jacobs said that on April 29th the JPA public hearing is scheduled, and there is almost always no item for this, and he would like to talk about the Greene Tract within the AOG. He suggested scheduling an AOG meeting on this date. All must bring forward some funding to the Solid Waste Enterprise Fund if they are going to access this property.

Commissioner Carey suggested that staff make a list of issues that need to be discussed at this next meeting so that there is a clear focus of discussion.

Commissioner Gordon suggested that each jurisdiction may want to discuss the Greene Tract ahead of time.

The next meeting will be hosted by the Town of Hillsborough.

4) Greene Tract Update

DEFERRED

5) Update on the 2035 Long Range Transportation Plan (LRTP)

DEFERRED

6) Written Updates (No Staff Presentations)

- a. County Comprehensive Plan
- b. Solid Waste Transfer Station Siting Process
- c. Land Trust Affordable Housing Maintenance Task Force
- d. County Capital Projects

7) Adjournment

The meeting was adjourned at 9:33 pm.

Barry Jacobs, Chair

Donna S. Baker, CMC
Clerk to the Board

Chatham/Orange Regional Water Supply/Watershed Protection Issues Task Force Proposal

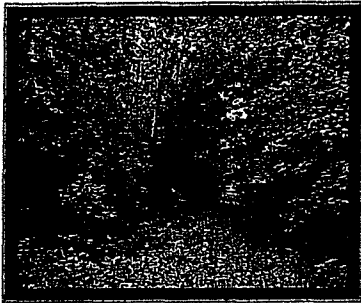
Proposed Committee Charge

- 1) To review and assess current watershed protection efforts in northern Chatham County and southern Orange County for both individual and regional watersheds, including, but not limited to, watershed zoning overlays, stream buffers, impervious requirements, stormwater controls, and land uses;
- 2) To monitor and discuss ongoing Jordan Lake regional water allocation and access initiatives, and strategize opportunities for participating jurisdictions to jointly improve watershed protection efforts that link water allocations, watershed protection, water conservation, and smart growth through a joint/regional approach, and Haw River topics; and
- 3) To monitor and discuss the impending Jordan Lake nutrient management rules and consider potential collaboration opportunities, and
- 4) To provide a report to all participating jurisdiction governing boards on these matters by March 1, 2009.

Proposed Committee Membership

<u>Chatham/Orange Regional Water Supply/Watershed Protection Issues Task Force</u>	<u>Member Name</u>
Chatham County Elected Official	
Orange County Elected Official	
Town of Pittsboro Elected Official	
Town of Chapel Hill Elected Official	
Town of Carrboro Elected Official	
At Large Member – Chatham	
OWASA Board of Directors member	

Task Force Staff: Orange County Environment & Resource Conservation (administrative lead)
 Orange County Planning Department
 Chatham County Public Works Department
 Chatham County Planning Department
 OWASA



The Seven Mile Creek Preserve

Orange County
Environment & Resource Conservation
306-A Revere Road / PO Box 8181
Hillsborough, NC 27278
Phone: (919) 245-2590, Fax: (919) 644-3351

MEMORANDUM

TO: Laura Blackmon, County Manager

FROM: David Stancil, Environment and Resource Conservation Director

DATE: September 5, 2008

RE: Jordan Lake Collaboration Working Group Manager's Meeting

On August 27, a briefing was held by the Jordan Lake Collaboration Working Group for managers from the stakeholder jurisdictions. The meeting was attended by County Managers from Chatham and Orange, and City Managers of Durham, Chapel Hill, Carrboro, Pittsboro, Cary and Apex. The OWASA Executive Director (who is a member of the Working Group) was also present, as were staff members from Durham, Chatham, Orange, Cary and TJCOG.

As you may recall, the Jordan Lake Collaboration Working Group is an effort sponsored and funded by the City of Durham to discuss and identify means for a collaborative regional mechanism for Jordan Lake water resources planning, new allocation requests and a coordinated western lake intake. Beau Mills, former aide to Governor Hunt and now a partner in the consulting firm of FountainWorks, was hired this spring to coordinate the effort.

The purpose of the briefing was to inform the managers of the Working Group activity to date, provide context on the many challenges and opportunities that relate to the long-term use of Jordan Lake as a water supply, and request advice on a "gameplan" for approaching elected boards with a three-part proposal for further work:

1. A Memorandum of Agreement for regional water resource planning (including cost-shares for retaining FountainWorks in the coordinating role). This would include a regional water supply and demand strategic plan.
2. A strategy and sequence of activities toward new water allocation requests to the State Department of Water Resources, and
3. A strategy and sequence of activities toward a future water intake on the west side of the lake.

Background materials on the working group and the contextual discussions to date are attached, as is a map of the regional water interconnections and a description from Triangle J COG on the allocation request process. It was noted that this western regional intake, the concept of which has been favorably received to date by the NC Division of Water Resources, may be the 'last major water investment before buildout of the region.'

After reviewing the history of Jordan Lake and the rationale behind the Working Group, a number of suggestions were offered by the Managers.

- Ways to tie the proposed water infrastructure and allocations to smart growth and conservation were discussed at some length, and the Orange County jurisdictions all noted that this was a key consideration from their perspective. It was agreed that a compilation of current water conservation and green building measures should be created, and that the Memorandum of Agreement should include language that addresses how the parties would ensure conservation and growth management while pursuing increased allocations and a western intake.
- The NC Division of Water Resources has new leadership, but has been very positive about the potential for a regional, collaborative solution for this matter.
- The Corps of Engineers has been contacted about the proposal and do not have any opposition (having sold the water rights to the State in the 1970's).
- Fayetteville and the downstream jurisdictions, however, will be watching this process carefully, to see if it impacts their ability to increase withdrawals from the Cape Fear River. A contingent to visit these jurisdictions, at some strategic future point, was suggested to 'keep them in the loop.'
- A mechanism to share the progress and the proposals with the different jurisdictions was discussed. The Orange County Assembly of Governments meeting (on September 18) was identified as an opportunity for OWASA (along with Durham and Fountain Works) to share a status report. This could be followed by a regional "summit" after September 18, at a central location.
- More discussion was needed on the kind of conservation measures that should be tied to the three-step process outlined above. A series of one-page papers, briefings and workshops was suggested in the different jurisdictions, as needed.
- The concept of a partnership moving forward was a strong selling point to the Division of Water Resources, and efforts to continue as partners was noted as highly desirable to the jurisdictions as well.
- Coordination of water conservation strategies was also suggested as a secondary part of the planning process, and a table of some current conservation ordinances was handed out.
- One positive outcome suggested was a regional plan structure that allowed for phases of activity, and was flexible enough to allow for partners to move forward on allocations and future steps on their own (i.e., a basic level at which all parties would participate, with additional tiers that allow jurisdictions to define and revise the nature of the partnership at the points of

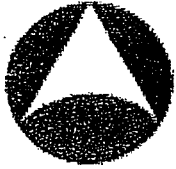
infrastructure development – so that partners could opt in or out on the major investments that would come later in the process.

- Another suggested positive outcome was a joint letter of request to the Environmental Management Commission (with the collaborative planning process in advance) on the allocation increases and regional intake. This would be supported by the Regional Water Supply Plan – with a joint understanding of water supply and demand issues and a common understanding as to why these steps are needed.

At the conclusion of the meeting, OWASA offered to coordinate a presentation at the Assembly of Governments meeting on this subject (with Durham and FountainWorks incited to attend). The remaining jurisdictions would look to convene a regional water summit to discuss the matter further after the AOG meeting.

It was also noted that FountainWorks contract with the City of Durham is slated to expire, and that in the spirit of regional collaboration, a Memorandum of Understanding will be proposed for continuing their role as facilitator (with some type of cost-sharing among the jurisdictions to be determined).

Please let me know if I can provide any additional information.



W o r l d

C l a s s

R e g i o n

TRIANGLE J COUNCIL OF GOVERNMENTS

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Durham, NC 27701

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Jordan Lake Allocation Process

This document is intended to provide a general outline of the process for the Jordan Lake Partnership to obtain new or increased Jordan Lake water supply storage allocations from the Environmental Management Commission. The outline factors in the relationship between the allocation process and the development of a western intake facility on Jordan Lake.

Develop a Regional Water Supply Plan

- include all current Jordan Lake allocation holders
- include all water systems connected to current Jordan Lake allocation holders
- consists of water use demands projected to the year 2060, broken down by sector of use
- consists of currently available water supplies and their capacities
- consists of water supplies that are currently being developed and their capacities
- identifies western Jordan Lake intake and its equity partners

Submit a Formal Letter of Request for Jordan Lake Allocations

- submit letter to the EMC and to DWR
- include summary of Regional Water Supply Plan
- describes the regional Jordan Lake Partnership

Develop Jordan Lake Allocation Applications

- each water system in the Triangle region will need to file separate applications
- each application should reflect information in the Regional Water Supply Plan
- each application satisfies the criteria specified by the NC Division of Water Resources

Develop Interbasin Transfer Petitions

- will be required for the Towns of Cary and Apex, and their associated water systems
- may be required for Chatham County
- will include an EIS in the case of Cary/Apex and an EA in the case of Chatham County
- EMC must decide whether to separate allocation requests involving IBT from those that do not

Preliminary Details for a Western Intake Facility

- capacity of intake and associated facilities related to needs of equity partners, the Regional Water Supply Plan, and Jordan Lake allocations
- initial scoping and cost estimate included in Jordan Lake Allocation Applications
- preliminary design should be commissioned during Jordan Lake Allocation process
- final design and engineering will occur following EMC's decision on Jordan Lake allocations

MISSION STATEMENT

*To serve as an intergovernmental organization for local elected officials
that works proactively on regional issues in order to sustain and improve the quality of life for our citizens.*

Water Conservation Policies - currently in place

Irrigation

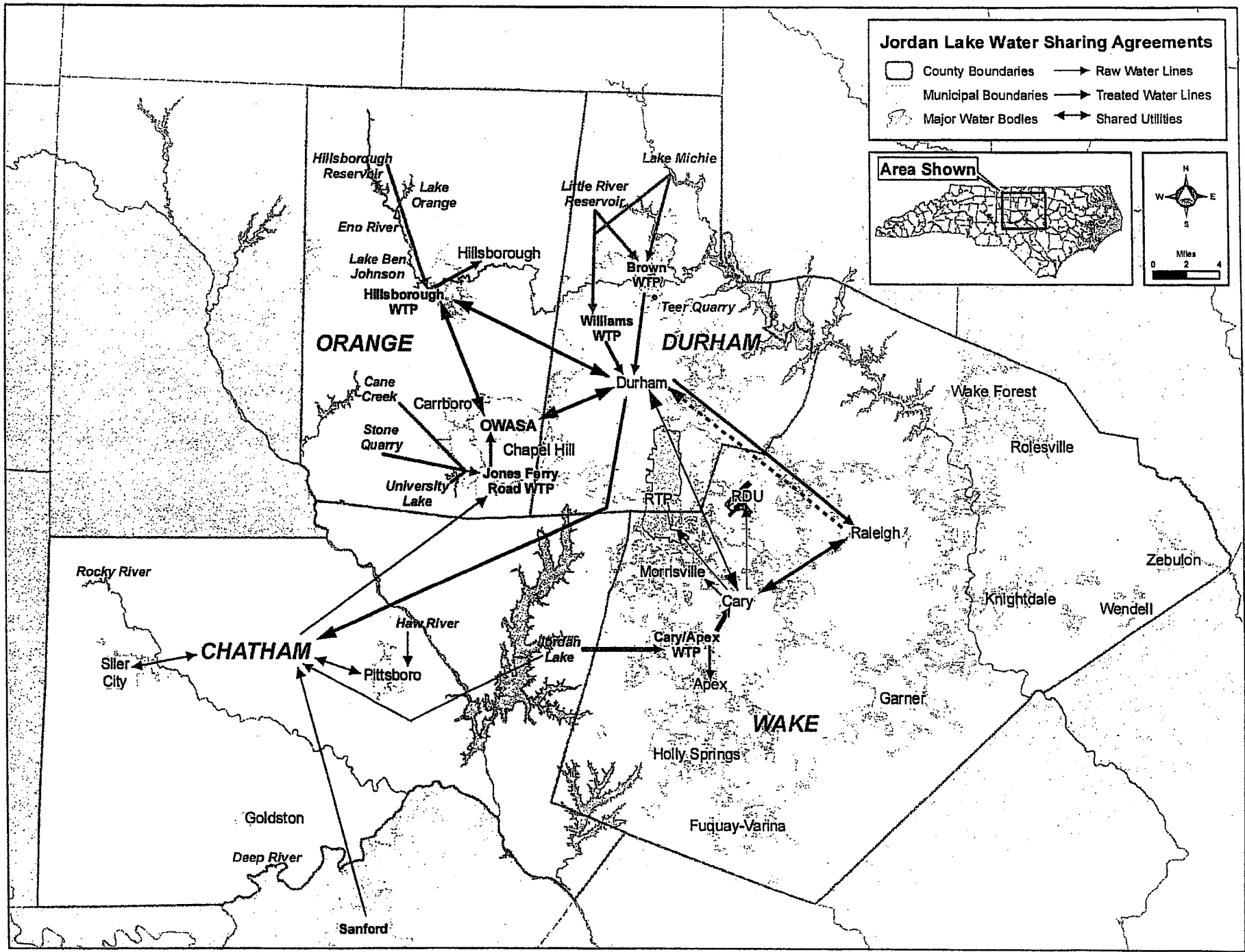
Durham	OWASA	Chatham Co.	Cary	Raleigh
OK to water lawns, grass, trees, shrubbery, flowers, golf greens or vegetable gardens 2 days/wk, 2 3-hour windows	OK to water lawns, etc., 3 days/wk, 1-hour window, 1" limit. Even/Odd addresses have different days	Irrigation limit at 1"/wk, Even/Odd addresses have alternate days	Even/Odd addresses have different days for irrigation. Watering by hand permitted 7 days/wk Rain Sensors required No water may be wasted	Even/Odd addresses have different days for irrigation - only 2 days/wk, 6 hour window for non-automatic systems. Watering by hand permitted 7 days/wk

Conservation Programs

Durham	OWASA	Chatham Co.	Cary	Raleigh
School & citizen education, Assessments, Campaigns, Showerhead exchanges, rain barrels and water use tips	Audits, leak repairs, education, plan review, leak detection tablets/showerheads/toilet 'flappers'		Workshops & education, turf buy-back and rebate incentives, ordinances, rain barrels at cost, reclaimed water available in some areas	Rain barrels for purchase, low-flow devices installed in gov't buildings, indefinite suspension washing of hard surfaces except to maintain sanitary conditions

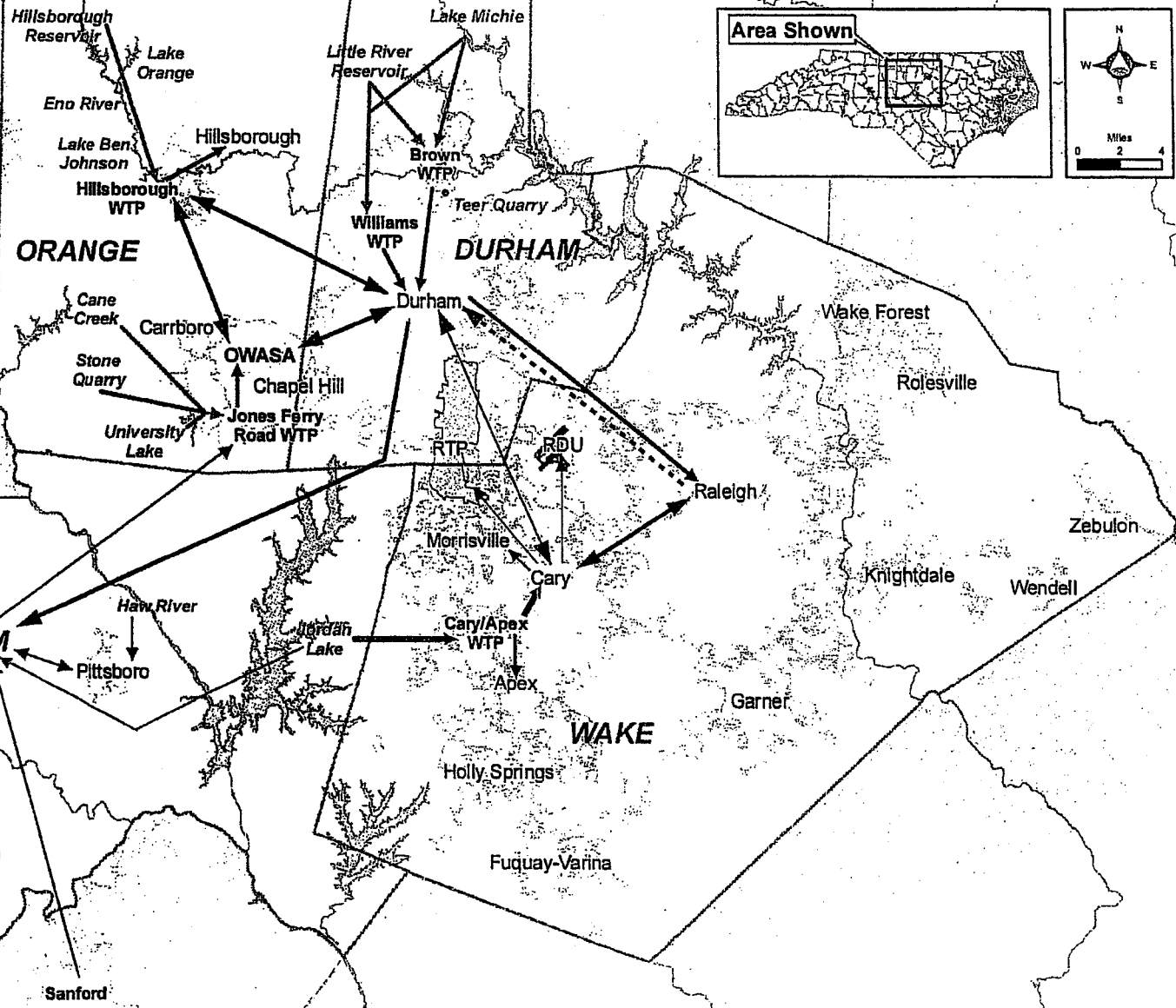
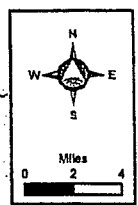
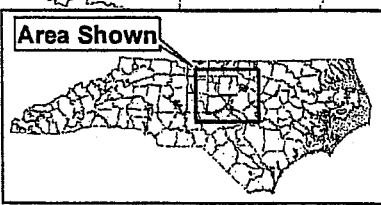
Water Rates

Durham	OWASA	Chatham Co.	Cary	Raleigh
Monthly Charge- \$5.12 Tier 1-5, \$1.72-3.87	Blocks 1-5, \$1.98-\$13.05	Base Fee- \$15.00 Blocks 1-3, \$7.00-\$10.00	Residential Tier 1-4, \$3.28-\$10.83	Size A-J, \$3.38-\$197.11



Jordan Lake Water Sharing Agreements

- County Boundaries
- Municipal Boundaries
- Major Water Bodies
- Raw Water Lines
- Treated Water Lines
- Shared Utilities



All About Western Intake & New/Additional Allocation

● Benefits

- Additional intake on Jordan- good for region
- Redundancy & interconnections
- Regional approach has stronger appeal for allocation / regulatory process- aggregated approach
- Waiting for an intake adds regulatory complexity and costs- much more difficult 10-20 years from now
- A regional intake can save money- move faster and share costs
- Jordan Lake / intake *could* simplify the complex issues of IBT, relieve pressure on Michie

● Ideas

You

- A larger allocation leads to lower capital costs "per unit" - money can be allocated to other needs (environmental benefits)
- Maybe highlight "green" developments as a feature of this new partnership (especially high-profile large ones)
- Need to build in flexibility for both intake & allocation- needs may change (denser development?)
- Strong link with smart growth, the allocation & intake management agreement
- Chatham NEEDS water for economy and growth - maybe include Pittsboro?

The team

- Success on Jordan Lake as a regional approach can benefit other regional strategies
- This should be easy, just keep pushing in the right direction- focus, focus
- Local government & OWASA needs to be part of project - focus on local buy-in for OWASA members
- Look for intake AND water treatment partnership (save energy/money)
- Find some modest "success" early- public and political energy for success

● Challenges/Problems

- Without additional allocation, cheaper for Durham to buy from Cary
- Allocation process will face downstream/upstream skepticism- need collaboration/ coordination/ education - Cary IBT
- DWR may struggle with a complex/politically charged allocation request- need to "put a bow around it"
- Complex finance & management issues for intake (including water treatment?)
- Allocation will face environmental concerns- advocates will be skeptical
- Political push for "uniform" practices and rates across region, growth management
- The allocation process could bog down with "water grab" attitudes



**Orange County
Housing and Community Development**

Date: September 11, 2008
To: Assembly of Governments Membership
From: Mary Bratsch, Chair
Land Trust Affordable Housing Maintenance Task Force
Subject: Final Report with Recommendations

At the September 20, 2007 Assembly of Governments Meeting members of the Assembly agreed to the formation of a task force to review the long-term maintenance of land trust properties and the capital needs of the Orange County 10 Year Plan to End Homelessness. It was determined that the task force would have 11 members to include government and university representatives, a Land Trust homeowner, a developer or builder and four (4) at-large members. The members of the Task Force are

- Jacqueline Gist – Carrboro Board of Aldermen
- Gary Kramling – Carrboro At-Large
- Matt Czajkowski – Chapel Hill Town Council
- Eric Hallman – Hillsborough Town Board of Commissioners
- Jeff Peloquin – Hillsborough At-large
- Valerie Foushee – Orange County Board of Commissioners
- Artie Franklin – Orange County At-Large
- Mary Bratsch – Land Trust Homeowner
- Bill Rohe – UNC-CH

Resource Persons: Robert Dowling; Tara Fikes, and Susan Levy

The Task Force held five (5) meetings and thoroughly discussed the issues summarized below.

I. Land Trust Maintenance

Long-term maintenance is a challenge because the premise of the Land Trust model is to keep homes affordable forever by not allowing homeowners to realize all of the appreciation in their homes. The original model allowed owners to retain about 20%-25% of the appreciation during the period they owned the home. The model did not require that homes be maintained, nor did it provide adequate incentives to the owners to maintain their homes. Although this model was changed in early 2007 to include a stewardship fee for maintenance items, there are 125 homes in the Land Trust under the original model that will need to be maintained. Orange Community Housing and Land Trust (OCHLT) estimates that it will cost about **\$1.5 million over 25 years** to pay for deferred maintenance that will continue to accrue until every one of our original 125 homes has resold into the new model. This funding will allow the establishment of a maintenance reserve that will enable low-income buyers to purchase the OCHLT housing stock without being faced with expensive repair and replacement costs.

II. Housing Affordability

Given the current and projected stagnant rate of increase in the median income, OCHLT anticipates that many of the homes in their inventory will simply become unaffordable to those earning less than 80% of the median income. Therefore, to keep these units affordable there will be a need to provide subsidies that will reduce the purchase prices when homes come back on the market so they are affordable to families at or below 80% of median income. OCHLT long-term projections, which required a determination of when each home will re-sell into the new model, (and the use of a flat 7% mortgage rate), indicate that approximately **\$1.5 million** will be required to keep the initial 125 homes affordable.

III. Ten Year Plan to End Homelessness – Capital Housing Needs

The Orange County 10 Year Plan was adopted in late March 2007 and services as the culmination of a two year effort to develop a comprehensive approach to addressing the problem of homelessness in Orange County. The Plan, which has the full support of all local government entities, contains several strategies that are designed to prevent homelessness, shorten episodes of homelessness, and rapidly re-house those who experience events that lead to homelessness. Among the housing strategies contained in the plan is the need for 40 units to provide supportive housing for the chronically homeless within the first three to five years of plan implementation. It is estimated that for newly constructed housing this will cost **\$124,165 per unit or \$4,966,600; for purchase and rehabilitation of existing housing the estimate is \$109,754 per unit or \$4,390,160; and for the provisions of rent subsidies for 40 individuals the estimate is \$595 per month of \$285,600 per year.** It should be noted that there are many variables that can impact these estimates including cost of land, availability of public water/sewer services, and the cost of materials.

Based on that discussion, the Land Trust Task Force presents the recommendations on the following page for your consideration. If you need additional information, please feel free to contact me or the Housing and Community Development Director Tara L. Fikes at tfikes@co.orange.nc.us or 919-245-2490. We look forward to talking with you further at the next Assembly of Governments meeting.

Funding Recommendations

1. The Towns and the County should consider an Affordable Housing Bond Referendum. The County voters have approved two referendums – in 1997 (\$1.8 M) and 2001 (\$4M) – that have provided funding to local affordable housing initiatives.
2. Apply an Affordable Housing Transfer Fee: For future developments, a transfer fee would be imposed by the developer on the sale/resale of market-rate properties. The revenues generated from this fee would be dedicated to the affordable units within the development.
3. A Payment-In-Lieu System (PILS) should be considered for all developers of new housing units in all towns including the County. This payment in lieu system would allow developers to make a financial contribution to the work of affordable housing rather than provide affordable dwelling units. Elements of this system would include the following
 - a. Any money generated from this scenario could be deposited in a trust fund for use to address the affordability/maintenance issues of the Land Trust as well as other housing issues of other housing non-profit organizations including initiatives of the Partnership to End Homelessness.
 - b. Jurisdictions could consider either making 15% of homes in a subdivision affordable to those at 80% of median income or allow some combination of actual units and payment in lieu payments.
 - c. The PILS should be administered in a responsible manner. This would involve an assessment of the number of affordable units currently provided by required set-asides and the associated maintenance costs to determine if the community would be better served by additional units or the money.
 - d. The specific details should be left to County and Town Managers and their attorneys.

Programmatic Recommendations

For Maintenance Needs:

- 1) Establishing a revolving loan fund for maintenance/repair costs with zero percent interest for buyers. This would require a dedicated source of revenue possibly from governments and should be available to all buyers of properties sponsored by local non-profit housing organizations. Federal and state sources are not viable sources due to spending timeframes.
- 2) Place all Land Trust homes on a maintenance schedule similar to those of condominium associations to include such items as house painting and replacing big-ticket items.
- 3) Provide an incentive for owners of Land Trust homes purchased under the old model to contribute to a maintenance fund by the Land Trust matching their contributions.
- 4) Work more closely with homeowners. For example refer experienced housing contractors and subcontractors for maintenance needs during ownership.

For Affordability:

- 1) Offer subsidies in order to increase the pool of applicants.
- 2) Raise 80% median income cap (to include people who make 100%+ of median income. (There are, however, problems with this idea; mainly, maintaining 501(c)(3) status.)

For the Partnership to End Homelessness:

- 1) In addition to developing new housing for the chronically homeless population in the County, there may also be opportunities to utilize (lease or purchase) vacant units in existing apartment complexes.
- 2) Consider a "scattered site model" vs. "concentrated" approach to housing chronically homeless individuals.

Railstop – Hillsborough

The Town of Hillsborough has nearly completed its efforts to purchase about 20 acres of land in the middle of town at a cost of \$30,000 per acre, \$600,000 total. The property is accessed by Orange Grove Street. Its northern border is the N.C. Railroad line, which passes east/west under Churton Street. Its western border is adjacent to properties along Churton Street, such as Cardinal State Bank and CBS Car Sales. The property, north of Daniel Boone Village, includes the ball fields used by Hillsborough Youth Athletic Association. The town would continue to lease the fields, which comprise about 5 acres of the land, to HYAA. The land — located at the northern tip of what often is referred to as the “Collins property” — was included in the Daniel Boone redevelopment plan that was proposed and withdrawn by American Asset Corp. last year.

Because of the limited availability of land in Hillsborough and the limited window of opportunity for purchasing the property before it was lost to development, the Town Board unanimously agreed to buy the 20 acres. As the town continues to grow, Hillsborough will need additional fire and police stations, meeting facilities and other municipal operations. Banking the land to be used or exchanged for future needs would increase the options available to the town for providing effective services. Purchase of the land would be funded through a 15-year-installment finance agreement, with debt service payments of about \$58,000 per year and is included in the Fiscal Year 2009 budget.

The property has the potential to serve as a future rail and/or transit stop and as a connector between the downtown and Southern Hillsborough. Officials with the N.C. Department of Transportation and Amtrak have confirmed that a rail stop in Hillsborough likely would be financially viable and have provided information regarding the next steps needed for the town to obtain rail service.

In addition to a detailed planning process, the town also would need to gain support from a variety of government agencies and private-sector affiliates to ensure its concept plan is integrated into town and regional initiatives and to help secure funding for construction of a rail stop. Based on current costs, construction is estimated at about \$1 million for a platform with lighting and a canopy and \$5 million to \$6 million for a station building.

