

ORANGE WATER & SEWER AUTHORITY

Quality Service Since 1977

June 27, 2003

Chair Margaret Brown
Orange County Board of
Commissioners
Post Office Box 8181
Hillsborough, NC 27278

Mayor Michael Ne son Town of Carrboro 310 West Main Street Carrboro, NC 27510 Mayor Kevin Foy Town of Chapel Hill 306 North Columbia Street Chapel Hill, NC 27516

Dear Chair Brown, Mayor Nelson, and Mayor Foy:

I am sending this letter to bring you up-to-date on some important and exciting activities that are happening at OWASA. As mentioned before, there are many components to our water conservation and demand program, and I want to review some of those here.

New Conservation Ordinances

I want to offer our sincere thanks for your recent adoption of the new water conservation ordinances. Carrboro, Chapel Hill, and Orange County adopted essentially identical versions of the conservation standards that the OWASA Board submitted to you several months ago. We believe that the new ordinances are an important part of the sustainability strategy for our community.

Wastewater Reclamation and Reuse

Wastewater reclamation and reuse has been the focus of a recently completed feasibility study jointly funded by OWASA and the University. Based on our preliminary work, it appears feasible to use substantial amounts of highly treated effluent (reclaimed water) from our Mason Farm Wastewater Plant in the University's cooling towers, Cogeneration Plant boiler, and campus irrigation. As you know, the University represents about 30 percent of OWASA's total water demand — and in the summertime, nearly half of this is for cooling purposes. If implemented, this ambitious program could initially save an average of more than 1.5 million gallons per day of drinking water — and much more during the summertime when our lakes and Treatment Plant are the most challenged. OWASA and the University are currently conducting more detailed piloting work to further refine the expected costs and benefits of such a program. Initial estimates of the capital costs of such a system are about \$13 million, but the long-term savings in both resou ce value and increased drought protection may be worth even more.

We have been actively participating in the University's Carolina North planning efforts, and have proposed that water reclamation and reuse be fully considered as a long-term strategy for meeting the water and sewer service needs of Carolina North as well as the surrounding designated urban transition areas.

We look forward to providing additional information about these exciting projects, and will likely ask for your help in seeking State or Federal funding for these efforts. We may also request your consideration of potential ordinances that would require or encourage new development to extend and connect to the reclaimed water system, where feasible.

Chair Margaret Brown, Mayor Michael Nelson, and Mayor Kevin Foy June 27, 2003 Page 2

Demand Management Possibilities

We are continuing to examine the costs and benefits of a number of demand management (conservation) alternatives that may extend our available water supply and reduce our vulnerability to severe droughts. Some of these measures could be instituted through OWASA, such as a rebate program for replacing older high-consumption toilets with new (and effective) ultra-low flow toilets; or a voluntary water audit program that provides expert technical assistance to high volume water customers who want to reduce their water use. We are also reviewing other demand management measures that might be implemented through the Tov/ns and County, such as water-saving landscape guidelines for new development or time-of-sale ordinances that require the replacement of old plumbing fixtures with new water-saving fixtures whenever an existing property is resold or renovated. We will complete a staff report on the costs, benefits, and implementability of these and other measures within the next few months and we will keep you advised as to how you may be able to support us.

Revised Water Supply and Demand Projections

We are currently reviewing and revising the estimated safe yield of our Cane Creek/University Lake/Stone Quarry reservoir system in both its current and future (expanded) configurations. We are applying a more sophisticated analytical method than was used for our *Comprehensive Water and Sewer Master Plan* project several years ago and are also incorporating streamflow from the record-setting drought of 2001-2002.

We are also revising long-term water demand projections to reflect information from the University's 2008 Development Plan, Central Campus Master Plan, and preliminary Carolina North water use estimates — all of which were developed after OV/ASA's *Master Plan* was completed in 2000. Preliminary indications are that long-term demands will be somewhat higher than the "expected" curve, but less than the "high" growth curve of our *Master Plan*. We will share the revised water supply and demand projections with you once we complete our review later this year.

Thanks again for adopting the new conservation or inance and for your continuing commitment to and leadership on sustainable water resource management. We look forward to keeping you up-to-date on these important initiatives in the months ahead. Please let Ed Kerwin, Executive Director, or me know if you need additional information or assistance.

Sincerely,

Bernadette Pelissier, Chair OWASA Board of Directors

c: Mr. Michael Brough, Interim Carrboro Town Manager

Mr. W. Calvin Horton, Chapel Hill Town Manager

Mr. John Link, Orange County Manager

Ms. Nancy Suttenfield, Vice Chancellor for Finance & Administration

Ms. Carolyn Elfland, Associate Vice Chancellor for Campus Services

Mr. Ray DuBose, Director, Energy Services Department

OWASA Board of Directors

Ed Kerwin, Executive Director