

MINUTES OF A SPECIAL MEETING OF THE MAYOR AND COUNCIL
OF THE TOWN OF CHAPEL HILL, MUNICIPAL BUILDING,
THURSDAY, JUNE 23, 1988, 3:30 P.M.

Council Member James C. Wallace called the meeting to order.
Council Members present were:

- Julie Andresen
- David Godschalk
- Joe Herzenberg
- Nancy Preston
- Arthur Werner
- Roosevelt Wilkerson, Jr.

Mayor Howes and Council Member Pasquini were absent, excused.
Also present were Town Manager David R. Taylor, Assistant Town
Managers Sonna Loewenthal and Ron Secrist, and Town Attorney
Ralph Karpinos.

Council Member Preston nominated Council Member Wallace, as the
senior member on the Council, to Chair the meeting.

No other nominations were made.

COUNCIL MEMBER WERNER MOVED, SECONDED BY COUNCIL MEMBER PRESTON
TO APPOINT COUNCIL MEMBER WALLACE AS ACTING MAYOR PRO-TEM FOR THE
MEETING. THE MOTION PASSED UNANIMOUSLY, (7-0).

OWASA - Chatham Agreement Regarding the Sale of Water

Council Member Wallace recognized Mayor Fred Cates of Hills-
borough who wished to address the Council.

Mayor Fred Cates of Hillsborough commented he would need Chapel
Hill's support for building a reservoir in northern Orange
County. He said he supported the OWASA agreement to sell water
to Chatham County. Mayor Cates pointed out that Hillsborough had
an agreement to purchase water from OWASA. He stated that
Hillsborough was supportive of regional water discussions and
allocations. He said Hillsborough had passed a resolution
authorizing the filing of an application for water from Jordan
Lake. He stated that without water there was no need for plan-
ning. He urged the Council to approve the agreement between
OWASA and Chatham County.

David Maner, speaking as President of the Chapel Hill-Carrboro
Chamber of Commerce, agreed that the Council should be concerned
about growth and joint planning but that the Town should not try
to impose its ideas on Chatham County. He said the Town and
Chatham County should approach joint planning in the spirit of
cooperation. He said the Chamber supported the water sale
agreement and that Chapel Hill should negotiate in a timely
fashion for joint planning with Chatham County.

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Edward N. Mann, Jr., speaking as Chair of the OWASA Board of Directors, requested that the Council on June 27 approve the agreement for OWASA to sell water to Chatham County. He distributed copies of a letter from Chatham County officials and an amended draft agreement to the Council. (For copy of information, see Clerk's files.) He stated that there are other options available to Chatham County for water supply other than the sale of water by OWASA, but that in the interest of regional cooperation the proposed agreement was the best interim solution. He stated that cooperation with Chatham County would aid in getting water to Orange County from Jordan Lake when water allocations are allowed. He said he believed the OWASA Board is willing to wait until after the Council's meeting of the 27th before voting on the agreement so that the Council would have time to review the proposed changes to the agreement and hold further discussions.

Council Member Andresen said the proposed contract is for five years but also seems to be contingent upon another water source being available to Chatham County within that time. She said there is no guarantee on when Chatham would be granted water allocations from Jordan Lake or how long it would take to build a treatment facility at Jordan Lake.

Mr. Mann replied that the contract states that Chatham County agrees to have a treatment plant built within five years of receiving the water allocation from Jordan Lake but that this is a separate issue from the sale of water to Chatham County by OWASA and that the possible continuance of the water sale to Chatham County after the five year initial contract was not linked to establishing another water source for Chatham County.

Council Member Andresen asked whether OWASA plans to distribute water to all of Orange County when it establishes a plant on Jordan Lake. Mr. Mann responded that he did not know for sure but it is possible that OWASA and Chatham County would have a joint facility on Jordan Lake and also that OWASA would be the conduit for water to other areas like northern Orange County.

Council Member Werner asked who had made the suggestion to delay the vote on the agreement until Tuesday. Mr. Mann replied that he had talked with Chatham County officials about a possible delay and they had agreed to wait until after the Town Council's meeting of the 27th before making their decision. He said the soonest the OWASA Board could meet after the Council's meeting would be Tuesday, the 28th.

Council Member Werner said that the information provided to the Council in the last week indicated that there was a possibility that Cane Creek Reservoir would only suffice for about 11 years and that this was the first that he had heard of this. He asked what had occurred to change the estimate from 30 years to 11 years. He said he was concerned about allocating the "excess"

water from this reservoir when its lifespan might not be as long as first anticipated.

Patrick Davis, of the OWASA staff, said the staff routinely prepared water use projections using adopted land use plans and trend analysis of past water use. He said other agencies also provided water use projections and the OWASA staff reviewed these projections. He said these other entities' projections indicated a higher growth rate for the area than those done by the OWASA staff.

Council Member Werner said that he felt if OWASA entered into an agreement to sell water to Chatham County, the agreement would be a commitment to sell water until another source was available to Chatham County and not just for the stipulated five years. He said if there were additional demand from Chatham County, that meant OWASA would need to get water from Jordan Lake before the projected year of 2000, and he asked when would OWASA expect to be getting water from Jordan Lake, especially with the now reduced lifespan for Cane Creek. Mr. Davis replied that he did not have the demand projections for Chatham County and that he was not sure how much sooner OWASA would want to tap into Jordan Lake for water if there were demands beyond what is now anticipated.

Council Member Wallace stated that the proposed agreement intimated that one of the benefits would be to facilitate OWASA's piping of water from the Jordan to Orange County. He said that the State would not allow any county to prohibit the placement of water lines across county lines to facilitate the disbursement of water.

Council Member Preston thanked Mr. Mann for his hard work over the years on the OWASA Board of Directors. She said she supported regional cooperation on a multitude of issues including water supply and planning. She said the proposed agreement indicated that it would be approved by OWASA on June 28, 1988 but that it would not become effective until September 30. She asked how OWASA had arrived at the cost to be charged to Chatham County. Mr. Mann replied that the cost to be charged to Chatham County (75% of the normal rate) was the same as what OWASA was charged by Durham County when OWASA bought water from Durham.

Council Member Preston commented that when OWASA had connected with other water supplies, OWASA had done so for emergency situations and that the proposal with Chatham County was a new endeavor in that OWASA would be selling water to a new service area with the possibility of 2000 homes. She asked how OWASA could cease to sell water to Chatham County in five years if Chatham County did not have another water source available. Mr. Mann responded that he agreed with Council Member Werner that it would be hard, if not impossible, to cease selling water to Chatham County after five years if Chatham County did not have another water source available, but that there were other avenues

available to Chatham County: individual wells, connecting with Durham County, and expanding the Pittsboro facility.

Council Member Preston asked if the water to Chatham County could be reduced or cut off if OWASA found itself unable to supply its normal customers at their regular rate. Mr. Davis replied yes.

Council Member Preston said that one of the reasons for holding this meeting was to air some of the citizens concerns and because the proposal raised large policy issues.

Mr. Mann replied that OWASA was still maturing as a governing board and that it now realized that there were regional planning issues associated with its actions, especially when those actions involve programs which extend beyond its normal boundaries.

Council Member Preston stated that the Council was partly at fault by not making it clear to its representatives on OWASA that it needs information on these issues.

Mary Hayes Holmes, a Chatham County Commissioner, said that throughout the discussions and negotiations with OWASA the Commissioners had been impressed with OWASA. She said the Commissioners were in favor of a regional approach to the water supply issue and were also discussing water linkages with Lee County for southern and eastern Chatham County. She said the areas were dependent upon each other for cooperation and support in solving water issues. She said Chatham County supported the agreement with OWASA and would like Chapel Hill's support. Ms. Holmes stated that Chatham County was more than willing to enter into joint planning discussions but that the County did not want Chapel Hill to telling Chatham how to operate. She said the County did not want the planning issues tied to the water agreement.

Council Member Andresen thanked Ms. Holmes for her comments. She said she had met with Chatham County, Carrboro, Orange County and OWASA representatives this morning and had a good meeting and set a good tone for further discussions.

Council Member Godschalk said he appreciated Mr. Mann's work on this issue and Ms. Holmes comments. He said the proposal was for a maximum of .5 million gallons per day from an estimated 13 million gallon per day supply with a 3.3 million gallon per day surplus under the worst case scenario for Cane Creek Reservoir and maximum growth in the area. He asked what would happen to OWASA's other customers if the surplus disappeared under the high growth projection. Mr. Mann replied that OWASA had taken this into account when it estimated the amount of water OWASA could afford to sell to Chatham County and he said he felt that OWASA's estimates took into account having to sell water to Hillsborough in times of emergency.

Council Member Godschalk said he appreciated Mr. Mann's efforts in getting the Council more time for discussion and negotiation.

Council Member Herzenberg asked what was the significance of approving the proposal on Tuesday versus any other day next week or the week after? Mr. Mann responded that he felt the agreement should be voted on by OWASA as soon as the Council made its decision and that the earliest date was Tuesday, June 28.

Council Member Werner said that one of the changes in the proposal was that the effective date would be in September. He said if the agreement was approved on the 28th and signed soon thereafter, he felt it would in effect be binding upon approval. Mr. Mann stated that he had been under the impression that the Council had wanted some time before implementation of the agreement in order to work on the joint planning issues. He said the time span between approval and effective date of the agreement allowed for a change to occur in the agreement if there were valid reasons for a change.

Bob Epting, General Counsel for OWASA, said that he felt a commitment was made once the agreement was signed regardless of a designated effective date two months hence. He agreed that the interim between signing and the effective date allowed for change to occur but that he hoped none would. He said the agreement included statements relating to cooperation and work towards joint planning by Chatham County. He stated that the letter from the Chatham County officials indicated joint planning areas in which Chatham County was willing to begin discussions. He said he supported the idea of having the Council include the proposal on the Council's June 27 agenda and that in the interim each party involved should review the situation from a broader aspect and with the idea of what would benefit the area as a whole.

Council Member Herzenberg said he agreed with the delay in making the decision but he was concerned that the amount of time was too short, especially since the agenda for the June 27 meeting was already extremely long and involved.

Mr. Epting agreed that the Council had many issues to consider with its agenda for Monday night but he felt that the OWASA issue was the most important issue to the citizens of Chapel Hill at this time, was one that could divide the communities of Orange and Chatham County, and therefore deserved the most consideration by the Council.

Council Member Godschalk said the amended agreement included wording for Chatham County on working in cooperation with Chapel Hill in joint planning and growth management issues. He said he felt this was one of Chapel Hill's primary concerns and that it appeared to have been addressed. He said Chatham County had showed its willingness to enter into discussions.

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Council Member Wallace said that he felt the timing should be discussed further so that all parties involved could be fully apprised of what was happening. He suggested that the effective date be September 30. He pointed out that the summer months were often used as vacation by staff and the elected representatives.

COUNCIL MEMBER PRESTON MOVED, SECONDED BY COUNCIL MEMBER GODS-CHALK TO RECESS THE MEETING UNTIL 7:00 P.M., MONDAY, JUNE 27, 1988 WITH THE UNDERSTANDING THAT THE ORANGE WATER AND SEWER AUTHORITY BOARD OF DIRECTORS WOULD NOT VOTE ON THE AGREEMENT TO SELL WATER TO CHATHAM COUNTY AT THE OWASA BOARD MEETING THIS EVENING, JUNE 23, 1988.

Council Member Herzenberg asked what assurance the Council had that OWASA would not vote on the agreement this evening. Mr. Mann said that he would remove it from OWASA's agenda that evening but that Board could overrule his motion bring it back onto the agenda.

Mr. Epting said he felt the Board would want to cooperate and agree to wait.

John Hickey, speaking as a Chapel Hill representative on the OWASA Board, said that he appreciated the Council not pressuring him on his decision with regard to the OWASA proposal. He said that he could not guarantee that he would vote to delay action on the proposal until he had read the new amendments.

Council Member Preston left the meeting at this point, 5:40 p.m.

Bill Aderholt, speaking as a Carrboro representative on the OWASA Board, said that he represented the swing vote and that he would vote to delay action until next Tuesday.

THE MOTION TO RECESS CARRIED, (6-1), WITH COUNCIL MEMBER HERZENBERG VOTING AGAINST.

The meeting recessed at 5:45 p.m.