



## ORANGE WATER AND SEWER AUTHORITY

*A public, non-profit agency providing water, sewer and reclaimed water services  
to the Carrboro-Chapel Hill community.*

January 16, 2015

Chair Earl McKee  
Orange County Board of Commissioners  
PO Box 8181  
Hillsborough, NC 27278

Dear Chair McKee:

We are pleased to submit this report on our services and initiatives in 2014 for your February 3, 2015 meeting. I request a couple of minutes to make brief comments about our work and will be available to receive feedback and answer questions.

### **Preliminary engineering study for sewers in Historic Rogers Road Area**

OWASA entered an interlocal agreement with Orange County in June 2014 to do a preliminary engineering study for extending sewers in the Historic Rogers Road Area. In the summer and fall of 2014, we worked with the Jackson Center to inform residents about plans for the study and to get permission from 57 owners to go on their land to gather information needed for the study.

Our consultant, URS Corporation (URS), is checking the topography at several locations, getting soil samples and checking the location of underground utilities in the study area. URS will use the information to evaluate the potential routes for sewers and update the preliminary estimate of costs (initial preliminary estimate was about \$5.8 million). Our consultant's overall preliminary engineering report is on schedule for completion in March 2015.

To keep the project moving, our staff is working with County staff to draft a new interlocal agreement for the next phase of the project including design, bidding, permitting and installation of sewers. We understand the importance of this project and we will continue to work with County staff to provide our assistance.

### **Biosolids Management**

We are conducting a two-part study of biosolids management. The first part, which staff recently completed, was a comparison of the social, financial, and environmental performance of land application of liquid biosolids versus dewatering all of our biosolids for recycling at a private compost facility. A copy of staff's report is [here](#).

On January 8, 2015, after receiving comments from several citizens including several Orange County farmers participating in our program, we agreed to continue recycling liquid biosolids on farmland through 2015, and continue recycling about half of our biosolids through composting of dewatered biosolids.

Later this year, staff will evaluate additional options for further optimizing our biosolids management. We will continue to keep our stakeholders informed and to solicit their feedback.

### **Rates and financial management**

In June 2014, for the third consecutive year, we adopted a budget with no increase in monthly rates for water, sewer or reclaimed water services.

We are meeting all of our financial performance objectives and continue to have excellent credit ratings. Our recent refinancing of \$25 million in bonds will save our customers about \$2.5 million over the next 17 years. A news release on this topic is [here](#).

### **Affordability outreach**

As part of our service affordability efforts, in the spring of 2014 we initiated an Affordability Outreach Pilot Project to engage the community/target groups with information about how to reduce OWASA bills. We have been working with representatives from more than a dozen local social service and housing agencies on this initiative, and are very appreciative of Orange County staff's participation in this important effort. Work to date has included:

- revising OWASA processes to help customers avoid service disconnection for non-payment while the customer is seeking financial aid;
- giving the agencies water conservation/bill reduction information for their clients; and
- reviewing water use at several affordable housing locations to identify cost-effective opportunities to reduce bills, including conducting field audits at selected properties.

We have completed 19 water use audits in support of this effort, and we have been pleased to see a relatively high percentage of low-flush and high-efficiency toilets installed in several older residences we have visited. We believe that in many of those homes, water leaks and behavioral practices are key factors contributing to high water use and high OWASA bills for those customers.

### **Care to Share Customer Assistance Program**

On August 28, 2014, we changed the name of our customer assistance program to Care to Share as recommended by an inter-agency work group. The change is part of an initiative to increase donations to the program, which helps OWASA customers when they are unable to pay a water/sewer bill.

We are working on graphics for new Care to Share webpages. In 2015, we will implement a marketing plan for Care to Share and will seek assistance from and collaboration with organizations including local governments. Care to Share is funded with donations because we cannot use OWASA revenues to fund or promote Care to Share.

### **Energy Management**

We recently completed major energy efficiency improvements at our Mason Farm Wastewater Treatment Plant (WWTP), which accounts for about 60% of our total use of electricity. Those improvements have resulted in about a 30% reduction in electricity use at the WWTP, thereby enabling us to save more than \$120,000 a year while also reducing the greenhouse gas emissions associated with our energy use. We featured this project in our latest issue of the *Blue Thumb* (our customer newsletter), which is [here](#).

We will soon be developing an Energy Management Plan, which is Strategic Initiative #5 of our Strategic Plan. That plan will guide our future energy management, energy efficiency, and renewable energy decisions, actions, and investments. We will keep you updated and seek your feedback as we proceed with this important effort.

### **Long-Range Water Supply Plan and Jordan Lake access**

We will update OWASA's 2010 Long-Range Water Supply Plan. One of the first steps of this process will be to update our water demand projections. OWASA will work with our local governments and UNC staff to incorporate their growth projections into the analysis.

On November 14, 2014, we applied to the NC Division of Water Resources to retain our Jordan Lake allocation of about 5 million gallons per day (for use in extended droughts and operational emergencies). The NC Environmental Management Commission may decide on allocation requests in November 2015.

On November 13, 2014, we received information from OWASA staff on options to access our Jordan Lake allocation. Staff will incorporate this information in the draft update to our Long-Range Water Supply Plan.

### **Advanced Metering Infrastructure (AMI)**

In accord with our Strategic Plan, we will in coming months evaluate the feasibility of implementing AMI technology, which uses radio equipment and meters which can be read automatically to give customers and OWASA detailed information about individual customers' water use including indications of a potential water leak. Community engagement will be an important part of our process, but we agreed on November 13, 2014 to defer the engagement process until we receive the results of the feasibility study in 2016.

### **Forestry Management**

In accord with the Federal permit for the Cane Creek Reservoir, we are implementing a forestry management plan provided by the NC Wildlife Resources Commission for our 490 acre Cane Creek mitigation tract. From August through November 2014, our contractor carried out the plan on 407 acres of the tract (the remaining acres had been previously managed). The management included no cut areas around streams and at property boundaries near occupied homes on 151 acres, thinning on 201 acres and final harvest on 43 acres. Small hardwood

openings were done on the other 12 acres where the best oak and hickory trees were left to help regenerate those areas.

In 2015 we plan to reshape the road and logging decks to ensure proper drainage away from the streams on site and to seed them with a wildlife friendly mix. We will also spot treat a hardwood stand to encourage the development of oak and hickory trees.

The NC Forest Service (NCFS) is monitoring water quality on the mitigation land. The NCFS and US Forest Service will use the data to evaluate the effectiveness of forestry best management practices.

### **Strategic Planning**

Following a public engagement process to solicit and carefully consider feedback, the OWASA Board adopted a new Strategic Plan on March 13, 2014 for Fiscal Years 2014 through 2017 with seven initiatives:

1. Provide reliable and high quality supply of water for the next 50 years
2. Engage the community
3. Implement a new customer billing and financial management system (if justified)
4. Adopt financial management policies and budget decision processes to ensure affordable services and fiscal sustainability
5. Implement an Energy Management Plan
6. Implement Advanced Metering Infrastructure
7. Develop a plan and policy framework for long-term management and disposition of OWASA lands

A copy of our Strategic Plan is [here](#).

We would be happy to provide you greater detail on any of our initiatives or to arrange a tour of our facilities. Just let Ed Kerwin, Executive Director ([ekerwin@owasa.org](mailto:ekerwin@owasa.org) or 919-537-2411) or me know.

Sincerely,



John A. Young, Chair  
OWASA Board of Directors

c: Mayor Lydia Lavelle, Town of Carrboro  
Mayor Mark Kleinschmidt, Town of Chapel Hill  
Ms. Bonnie Hammersley, Orange County Manager  
Mr. Roger L. Stancil, Chapel Hill Town Manager  
Mr. David Andrews, Carrboro Town Manager  
OWASA Board of Directors  
Ed Kerwin, OWASA Executive Director