ORANGE WATER AND SEWER AUTHORITY

SPECIAL MEETING OF THE BOARD OF DIRECTORS

OCTOBER 18, 2007

The Board of Directors of Orange Water and Sewer Authority met in a Special Meeting on Thursday, October 18, 2007, at 7:00 P.M., in OWASA's Community Room, pursuant to the call and notice of such Special Meeting by Chair Randy Kabrick.

Directors present: Randolph M. Kabrick, P.E., Chair; Gordon Merklein, Vice Chair; Braxton Foushee, Secretary; Fred Battle; Michael A. (Mac) Clarke; Marge Anders Limbert; Gene Pease; Alan Rimer; and William R. Stott.

OWASA staff: Ed Kerwin; John Greene; Mason Crum; Patrick Davis; Greg Feller; Andrea Orbich; Paula Thomas: and Robert Epting, Epting and Hackney.

Others present: Willie Scroggs, Kevin Robinson and Mike Buntin, University of North Carolina at Chapel Hill Department of Athletics; Ben Poulson and Meg Holton, Water, Wastewater, and Stormwater Manager, University of North Carolina at Chapel Hill; Meiling Arounarath, News and Observer; Greg Tilley; Tom Trute; Matt Lawrence, Chapel Hill Fire Department; Chief Brian Curran, Chapel Hill Police Department; Beth Veliquette, Chapel Hill Herald; Penny Rich; and Mark Marcoplos.

There being a quorum present, Chair Randy Kabrick called the meeting to order.

MOTIONS ACTED UPON

1. Gene Pease made a motion that the Board declare a Stage Two Water Shortage effective Thursday, October 18, 2007 and that the Stage two surcharges would take effect on November 1, 2007. It was seconded by William Stott, and was carried by unanimous vote.

ITEM ONE: ANNOUNCEMENTS

CONFLICT OF INTEREST

Randy Kabrick said any Board Member who knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight is asked to disclose the same at this time. There were none.

ITEM TWO: STAGE TWO WATER SHORTAGE

Ed Kerwin said that the Board will consider staff's recommendation that the Board declare a Stage Two Water Shortage effective tonight, October 18, 2007, in response to the

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current water supply and demand situation and in consideration of the Governor's request for greater water conservation.

Mark Marcoplos addressed the Board and urged them to move to Stage Two Water Shortage restrictions and to move to Stage Three sooner rather than later. He also said that he was encouraged that the Board is taking an interest in rainwater harvesting and suggested the Board give a rebate to those customers who use rainwater harvesting.

Ed Kerwin introduced Brian Curran, the new Chapel Hill Police Chief and thanked him for attending tonight's meeting.

Gene Pease supports moving to Stage Two, but asked how the surcharges were much of an incentive.

Ed Kerwin said that surcharges are what the Board approved in June 2007. In establishing the surcharges during a declared water shortages, the Board agreed that it was prudent to not penalize those who are using an acceptable level of water but to charge those who are using more that normal.

Alan Rimer supports the Board moving to Stage Two Water Shortage restrictions.

Greg Feller updated the Board on what staff is doing to educate customers on the new restrictions of water consumption.

Gordon Merklein suggested hanging signs up at larger neighborhoods and homeowner associations reminding them what water restrictions are in the service area. He also suggested working with the schools to inform children who will encourage and support water conservation at home.

Fred Battle commended staff on keeping water rates low for those who do their part to conserve water. He also suggested putting a stamp on envelopes when requesting customer to complete a survey.

Mac Clarke wondered what benchmarks the Board should be looking for to move to Stage Three and should we move to Stage Three sooner.

Ed Kerwin said that if the lakes are not refilling by the end of the year the Board should move to Stage Three. Mr. Kerwin suggested that the Board implement Stage Two surcharges along with Stage Two Water Shortage effective November 1, 2007.

Marge Anders Limbert wondered if the Board would support moving to Stage Two surcharges now instead of November 1, 2007.

Randy Kabrick said that he would be against it because the Board already agreed to November 1, 2007.

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Braxton Foushee is in favor of the Stage Two Water Shortage implementation but would like to consider Stage Three at the Board's November 8, 2007 Board meeting.

Gene Pease made a motion that the Board declare a Stage Two Water Shortage effective Thursday, October 18, 2007 and that the Stage two surcharges would take effect on November 1, 2007. It was seconded by William Stott, and carried by unanimous vote. See Motion No. 1.

There being no further business to come before the Board, the meeting was adjourned at 7:45 P.M.

Enclosures

DECLARATION OF STAGE TWO WATER SHORTAGE AND REQUEST FOR INCREASED WATER CONSERVATION DUE TO ONGOING EXCEPTIONAL DROUGHT CONDITIONS

WHEREAS, on August 23, 2007 the OWASA Board of Directors issued a Water Supply Advisory, and on September 27, 2007 the Board declared a Stage One Water Shortage; and

WHEREAS, as a result of the ongoing exceptional drought, our reservoir levels and total water storage on-hand have continued to decline and there has been no inflow to our reservoirs for more than two months; and

WHEREAS, the U.S. Drought Monitor rates the ongoing drought as "Exceptional," and the long-term weather forecast indicates that drought conditions are expected to continue into 2008; and

WHEREAS, the Cane Creek Reservoir and University Lake, which are the Carrboro-Chapel Hill-southeast Orange County community's primary public water sources, were 51.7% full as of October 17, 2007, and recent demand has not yet achieved the Stage One Water Shortage goal of reducing demand to 8.2 million gallons per day or less; and

WHEREAS, on October 15, 2007 North Carolina Governor Mike Easley requested that local governments in the State take immediate action to achieve greater conservation due to the severe and continuing drought;

NOW THEREFORE, BE IT RESOLVED:

- 1. That the Board of Directors of Orange Water and Sewer Authority hereby determines that water supply and demand conditions warrant the declaration of a Stage Two Water Shortage under the local Water Conservation Ordinances applicable to OWASA customers.
- 2. That the Board of Directors hereby requests the Mayors of Carrboro and Chapel Hill, and the Chair of the Orange County Board of Commissioners to issue proclamations enacting the following Stage Two water use restrictions with the goal of reducing overall local water demand to a level of at least 15 percent below OWASA's pre-drought demand projections for the coming months.
 - a. Water use by individually metered residential customer accounts and by individually metered single-family residential irrigation-only accounts shall be limited to no more than an average of 800 gallons per day during any monthly billing cycle beginning after the declaration of a Water Supply Shortage or Water Supply Emergency and ending while such restrictions are still in effect.
 - b. Spray irrigation with OWASA-supplied potable water shall not be permitted, except by persons regularly engaged in the sale of plants, who shall be allowed to irrigate their commercial stock in trade.
 - c. Irrigation by underground, drip irrigation, micro spray, low precipitation bubblers, soaker hose systems with automatic shutoffs, or by hand held hoses or watering cans

- shall be limited to a maximum of one-half inch of water applied to plant material in any given week.
- d. No OWASA-supplied potable water shall be used to re-fill ornamental fountains, ponds, and like devices.
- e. No OWASA-supplied potable water shall be used for washing vehicles, except at commercial or institutional car washes in which at least 50 percent of the water has been recycled.
- f. No OWASA-supplied potable water shall be used for filling or re-filling empty swimming pools. OWASA-supplied potable water may be used to top off operating swimming pools.
- g. No OWASA-supplied potable water shall be used for the routine cleaning or washing of exterior building surfaces, decks, or paved areas, such as sidewalks, driveways, roadways, and parking lots. This restriction shall not apply to the pressure cleaning of exterior building surfaces or decks prior to painting or re-painting that is necessary to protect or maintain the physical integrity of the structure.
- h. No OWASA-supplied potable water may be used for fire department training or equipment testing unless required by State or Federal regulations.
- i. Restaurants and dining facilities shall serve water only on request of the customer.
- j. Hotels, motels, and other facilities providing sleeping accommodations shall change bed linens only upon request of the customer, or upon customer changeover, or every five days for long-term customers.
- k. The operation of dishwashers and clothes washers only when loaded to their maximum capacity, or at water level settings appropriate for the size of the load being washed, shall be strongly encouraged.
- 1. The use of ultra-low flow toilets, tank dams, flow restrictors (aerators) and low-flow showerheads, where not otherwise required, shall be strongly encouraged; and additional indoor conservation practices as well as devices shall also be encouraged.
- m. Plumbing systems shall be properly maintained and repaired to prevent water leaks.
- n. Indoor water leaks on property or facilities of OWASA customers must be repaired within ten (10) days of discovery and notification by OWASA.

The protection of public health, safety, and welfare may, under special circumstances, require the use of limited amounts of OWASA-supplied potable water for such purposes as washing out garbage trucks, cleaning up hazardous or other unsanitary materials, etc. Such uses shall be

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permitted during declared Water Shortages or Emergencies, provided that other practical alternatives are not available and water is used in the least practical amount.

In addition, no person, party, or entity shall use, cause, waste, or permit to be wasted any OWASA -supplied potable water, in violation of the standards set out herein. Water waste is defined as the non-beneficial use of OWASA potable water. Non-beneficial uses include but are not restricted to:

- a. Landscape water applied in such a manner, rate and/or quantity that it overflows the landscaped area being watered and runs onto adjacent property or public right-of-way; or landscape water applied during periods of rainfall or when soil moisture is already adequate.
- b. The use of water for washing vehicles, equipment, or hard surfaces, such as parking lots, aprons, pads, driveways, or other surfaced areas, in such quantities to flow onto adjacent property or the public right-of-way.
- c. Water applied in sufficient quantity to cause ponding on impervious surfaces.
- d. Water lost through plumbing leaks that can be readily identified and corrected.
- 3. That the Water Rate Surcharges as set forth in the current Schedule of Rates, Fees and Charges for the Stage Two Water Shortage shall be applicable to all customer billings on and after November 1, 2007 and until the Stage Two Water Shortage declaration is rescinded or superseded by a Stage Three or Emergency Water Shortage declaration under which higher surcharges would apply.
- 4. That the Board of Directors hereby expresses its appreciation to the Towns of Carrboro and Chapel Hill and Orange County for their assistance in implementing and enforcing provisions of the water use ordinance and in helping to inform the community of the need for conservation during the ongoing drought and throughout the year.
- 5. That the Board of Directors hereby expresses its appreciation to its customers for their conservation efforts during the ongoing drought and throughout the year.

Adopted this 18th day of October, 2007.