

ORANGE WATER AND SEWER AUTHORITY

WATER AND SEWER MANAGEMENT, PLANNING AND BOUNDARY AGREEMENT April 2016

PURPOSE: To provide information about the *2001 Water and Sewer Management, Planning and Boundary Agreement* (WSMPBA) and the need for clarifying language to remove constraints on OWASA's ability to access its Jordan Lake water supply allocation. (Please see also the related briefs about the Jordan Lake Partnership and OWASA's Long-Range Water Supply Plan.)

BACKGROUND: OWASA, Carrboro, Chapel Hill, Hillsborough, and Orange County adopted the WSMPBA in 2001 to provide a comprehensive, county-wide system of utility service areas that the signatory entities can rely upon when making planning, land use, annexation, zoning and growth management decisions.

OWASA's Mission Statement and its Agreements of Sale and Purchase with Chapel Hill, Carrboro, and the University require that it operate in a manner consistent and compatible with the adopted growth policies and plans of those entities. OWASA has agreed not to extend utility service beyond the urban service boundaries of Chapel Hill and Carrboro unless otherwise agreed to by the parties.

The WSMPBA includes provisions and constraints for "emergency" and "non-emergency" water transfers across service area boundaries. Non-emergency transfers are only permitted with the approval of the Orange County Board of Commissioners and the elected boards of the service providers providing and/or receiving the water transfer. Non-emergency transfers by OWASA therefore require approval by the elected boards of Carrboro, Chapel Hill, and the Orange County Commissioners.

A principal finding of OWASA's 2010 Long-Range Water Supply Plan was that access to our Jordan Lake water supply allocation will become increasingly important in the event of severe drought or other emergency – especially until the expanded Quarry Reservoir becomes available approximately 20 years from now. The most feasible and cost-effective access to OWASA's Jordan Lake water will be via the interconnected systems of Cary and Durham. (Cary withdraws and treats water directly from Jordan Lake and can transmit up to 10 million gallons per day (mgd) to Durham, which in turn can transmit up to 7 mgd to OWASA.)

The Water Supply Plan also determined that temporary purchases of treated water offer a cost-effective supplement to our local supply during infrequent times of severe drought, equipment failure, natural or man-made disaster, or other unforeseen circumstances.

CURRENT STATUS: In December 2010, OWASA requested the elected boards of Carrboro, Chapel Hill, Hillsborough, and the Orange County Commissioners to approve clarifying language to the Emergency and Non-Emergency Water Transfers sections of the WSMPBA. Hillsborough and Orange County approved OWASA's request and subsequently proposed additional wording so that the agreement does not constrain their own access to Jordan Lake. As of this writing, neither Carrboro nor Chapel Hill have approved OWASA's request for clarification of the document. OWASA plans to continue working with the Towns on this issue as it updates its Long-Range Water Supply Plan. The requested language change will better enable OWASA to implement long-term transfer agreements with neighboring utilities that will help secure the ability to cost-effectively purchase water under appropriate conditions of supply and demand.