

**I, Brittney Hunt, Town Clerk of the Town of Chapel Hill, North Carolina, hereby certify that the attached is a true and correct copy of (2025-10-22/R-4) adopted by the Chapel Hill Town Council on October 22, 2025.**



**This the 23rd day of October, 2025.**

*Brittney N. Hunt*

**Brittney Hunt  
Town Clerk**

## **RESOLUTION A**

### **A RESOLUTION AUTHORIZING THE TOWN MANAGER TO EXECUTE AN INTERLOCAL AGREEMENT WITH THE ORANGE WATER AND SEWER AUTHORITY RELATING TO PLANNING FOR EXTENSION OF WASTEWATER SYSTEM IMPROVEMENTS TO SERVE THE RECENTLY EXPANDED URBAN SERVICE AREA (2025-10-22/R-4)**

WHEREAS, in 2023 the Chapel Hill Town Council approved an amendment of the Water and Sewer Management, Planning, and Boundary Agreement (hereinafter "WASMPBA") to expand the primary service area of the Orange Water and Sewer Authority (hereinafter "OWASA"); and

WHEREAS, in 2024 all other parties to WASMPBA approved the aforementioned amendment; and

WHEREAS, the OWASA primary service area and the Town of Chapel Hill (hereinafter "Town") urban service area have been expanded to include approximately three-hundred and sixty (360) acres of land in the Town's southern extraterritorial jurisdiction (hereinafter "southern ETJ"); and

WHEREAS, the Town seeks to plan for and support higher density development in the southern ETJ than was previously allowed and planned; and

WHEREAS, the Town and OWASA recognize that the extension and provision of wastewater services in the southern ETJ require planning and engineering studies (hereinafter "Study") to facilitate the location, design, and construction of improvements to provide such services in an orderly and prompt manner; and

WHEREAS, the Town finds that it is to the public's benefit for the Town to provide financial support for the Study.

NOW, THEREFORE, BE IT RESOLVED that the Council of the Town of Chapel Hill authorizes the Town Manager to execute an interlocal agreement with the Orange Water and Sewer Authority regarding financial and other responsibilities of the parties for preliminary engineering and planning studies, substantially in the form presented to the Council with this resolution in the October 22 meeting materials.

This the 22<sup>nd</sup> day of October, 2025.

**NORTH CAROLINA  
ORANGE COUNTY**

**INTERLOCAL AGREEMENT  
RELATING TO OWASA’S PLANNING FOR EXTENSION OF WASTEWATER  
SYSTEM IMPROVEMENTS TO SERVE THE RECENTLY EXPANDED URBAN  
SERVICES AREA**

This Interlocal Agreement for preliminary engineering for extension of wastewater collection facilities to serve areas recently included in the Urban Services Area south of Chapel Hill, North Carolina is entered into by and between Orange Water and Sewer Authority (hereinafter “OWASA”), an authority organized under Chapter 162A, North Carolina General Statutes, and the Town of Chapel Hill (hereinafter “Town”), organized under Chapter 160A of the North Carolina General Statutes.

WHEREAS, the Town, along with Orange County, the Town of Carrboro, the Town of Hillsborough, and OWASA, has recently expanded the area within which urban water and sewer services may be extended, to encourage and facilitate the development of projects with higher residential densities than were previously allowed and planned; and

WHEREAS, OWASA is and will be the provider of such urban services in these areas and recognizes that the extension and provision of such services require planning and engineering studies (herein “Study”), to facilitate the location, design and construction of improvements to provide such services in an orderly and prompt fashion; and

WHEREAS, the parties are mindful of OWASA’s obligation to provide such services to serve development approved by the Town of Chapel Hill; and

WHEREAS, in order to facilitate and expedite the completion of the Study so as to provide for the orderly development of the expanded Urban Services Area south of Chapel Hill,

and in particular in the area described on Exhibit A, attached, the Town and OWASA have agreed:

Purpose. The purpose of this Agreement is to establish the financial and other responsibilities of the parties for certain preliminary engineering (“Study”), as more particularly described in Exhibit B, as the same may be revised from time to time by the parties.

1. Preliminary Engineering Activities.

a. OWASA shall undertake to prepare or have prepared preliminary engineering work to determine the scope, general location, minimum and optimum design criteria, and course of work to facilitate the location, design and construction of improvements. To the extent known and available at the time this Agreement is executed, the nature and extent of the Study shall be as described in the attached Exhibit B.

b. In order to expedite the Study, OWASA shall promptly employ engineers and consultants as necessary to assist in this work. OWASA’s staff may also assist in this work. OWASA shall be solely responsible for costs incurred by its own staff work. The Town shall promptly reimburse OWASA for the costs of work by outside engineers and consultants engaged by OWASA, for this work.

c. The Study shall be consistent with OWASA’s usual standards and specifications and shall be executed in accordance with OWASA’s usual procedures. OWASA shall develop the draft scope for this preliminary engineering work.

d. The costs of the Study shall initially be paid for by OWASA. Upon receipt of OWASA’s invoices to recover the costs for this work, the Town shall reimburse OWASA for all costs associated with the Study.

e. In order to ensure proper and effective project management, the engineering consultant and any sub-consultants shall report to OWASA staff who shall

communicate regularly with Town staff to provide Town staff with progress reports on the Study.

f. In close coordination with OWASA and consistent with the need for effective project management, designated Town Staff will have access to the engineering consultant(s) and all relevant sub-contractors, who, at the Town's request, shall meet with the Town representatives or otherwise provide any information needed by the Town on any aspect of the Study. OWASA will authorize the engineering and consultant(s) and subcontractors to meet with Town representatives and to provide any information needed by the Town on any aspect of the Study.

2. Ownership Interests of the Parties; Duration of Agreement; Funding; Miscellaneous.

a. Upon satisfactory completion of the Study, OWASA shall retain title to products and deliverables obtained pursuant to this Agreement and shall share such deliverables with the Town as the Town may request.

b. The Town shall allocate up to \$50,000.00 to pay for the expenses actually incurred by OWASA for which it is responsible under the scope of this agreement. OWASA agrees and understands that the Town will not pay for expenses in excess of this amount, regardless of whether they are incurred by OWASA, unless this Agreement is amended.

c. Both parties agree that it may be necessary to change the scope of work for the engineering consultant(s) required for the Study, and that any such changes may be made by OWASA after consultation with and approval of the Town. OWASA shall keep the Town fully advised with respect to all change orders necessary for completion of the Study.

d. Payment of the engineering consultant(s) will be administered and made by OWASA. The Town will be invoiced monthly and will reimburse OWASA in full within 30 days for all expenses for which the Town is responsible related to this Study.

e. Each party will designate a single point of contact for the day-to-day administration for all aspects of this agreement for the express purpose of efficient project management. It will be the responsibility of this contact person to disseminate information to their respective organizations.

f. Both parties recognize the importance of timely reviews and approvals. Each party will use their best efforts to provide and complete responses to issues dealing with plan reviews, proposed change orders, payment, and project acceptance.

3. Amendments.

All amendments to this agreement shall be approved by both parties and must be in writing. No amendments not in writing and executed with the formalities of this Agreement shall be valid.

4. Trust and Support; Cooperative Effort.

Both parties agree that there are many issues and details relating to the successful completion of this project which are not specifically covered in this agreement. Both parties further agree to observe as a guiding principle, “trust and support,” with respect to successfully resolving any issues which may arise during the duration of this agreement.

5. Term.

This Contract, unless amended as provided herein, shall be in effect until December 31, 2026. Any renewal provisions that may be contained in any exhibits, attachments, or subsequent purchase orders are void and without effect.

6. Termination.

Either party may terminate this Contract at any time by giving the other party thirty (30) days written notice of termination prior to the end of the term. In the event the Town terminates the agreement, the Town will reimburse OWASA for costs incurred as of the date of notice.

IN WITNESS WHEREOF, the parties have entered into and caused to be  
executed in their names this Interlocal Agreement, to be effective from and after this  
\_\_\_\_\_ day of \_\_\_\_\_, 2025.

TOWN OF CHAPEL HILL

ORANGE WATER AND SEWER AUTHORITY

\_\_\_\_\_  
Manager, Town of Chapel Hill

\_\_\_\_\_  
Executive Director, OWASA

Pre-audit Certification by  
Town Finance Officer:

Pre-audit Certification by  
OWASA Finance Officer:

\_\_\_\_\_

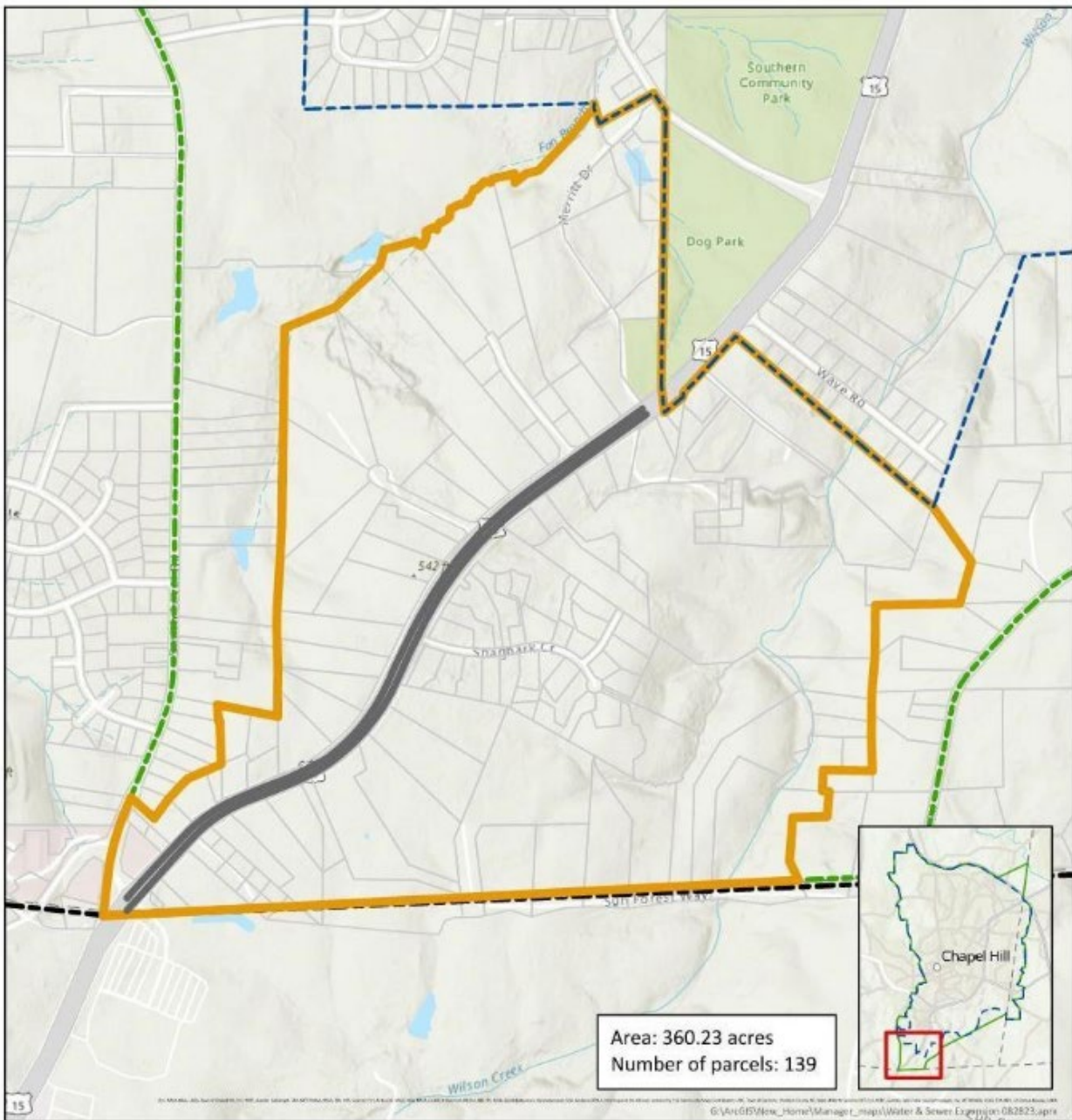
\_\_\_\_\_

Approved as to form and authorization:

\_\_\_\_\_  
Town Attorney

\_\_\_\_\_  
OWASA General Counsel

**Exhibit A – Location Map**  
**Bounds of Preliminary Engineering Study Area Shown in Orange**





## **Exhibit B – Scope of Services**

### **Project Overview**

Orange Water and Sewer Authority (OWASA) seeks preliminary engineering services to support the design and routing of two sanitary sewer extensions to facilitate new development in an area currently without sewer infrastructure in Chapel Hill, North Carolina. The two sanitary sewer extensions will generally follow Wilson Creek and Fan Branch. The scope will include evaluating topography, property parcels, flood elevations, floodway areas, and constraints specific to the Chapel Hill area to recommend guidance for sewer route placement and two optimal sewer routes.

### **Scope of Services**

1. Project Initiation and Data Collection
  - a. Conduct a kickoff meeting with OWASA to confirm project objectives, schedule, deliverables, and specific requirements for the Wilson Creek and Fan Branch alignments.
  - b. Collection of existing data, including:
    - i. Topographic surveys, GIS data, and utility maps, and soils maps from OWASA the Town of Chapel Hill, and NRCS.
    - ii. Wilson Creek and Fan Branch watershed data, including stream characteristics and floodplain maps.
    - iii. Zoning, stream buffers, and resource conservation districts from the Town of Chapel Hill.
  - c. Identify applicable regulatory requirements from OWASA, the Town of Chapel Hill, North Carolina Department of Environmental Quality (NCDEQ), and federal agencies (e.g., U.S. Army Corps of Engineers for creek-related permitting).
2. Topographic Analysis
  - a. Analyze topographic data to assess elevation, slopes, and terrain impacts on sewer alignment, with a focus on gravity flow feasibility along Wilson Creek and Fan Branch.
  - b. Evaluate the topography of Wilson Creek and Fan Branch, including stream banks, floodplains, and adjacent slopes, to ensure alignment feasibility and minimize environmental disturbance.
3. Property Parcel Analysis
  - a. Review property parcel data in the project area to identify ownership, easements, rights-of-way, and land use designations.
  - b. Assess parcels along Wilson Creek and Fan Branch for potential conflicts with private properties, conservation easements, or public lands (e.g., Town of Chapel Hill or University of North Carolina properties).
  - c. Coordinate with OWASA and the Town of Chapel Hill to evaluate parcel compatibility with future development plans and sewer infrastructure needs.
4. Constraints Identification and Analysis
  - a. Assess constraints specific to Wilson Creek and Fan Branch corridors, including:

- i. Environmental Constraints:
    - 1. Wetlands, riparian buffers, resource conservation areas, floodplains, floodways, and soil characteristics along Wilson Creek and Fan Branch, subject to NCDEQ and Clean Water Act Section 404/401 permitting.
    - 2. Potential presence of endangered species or sensitive habitats in the Wilson Creek and Fan Branch watersheds.
    - 3. Areas of steep slopes.
  - ii. Infrastructure Constraints:
    - 1. Existing OWASA water/sewer lines, Duke Energy utilities, or other infrastructure crossing or adjacent to Wilson Creek and Fan Branch.
    - 2. Proximity to roads (e.g., NC 54, US 15-501) or pedestrian trails (e.g., Chapel Hill greenways) that may limit construction access.
    - 3. Stream crossings or culverts along Wilson Creek and Fan Branch requiring specialized design.
    - 4. Critical areas where potential routes are limited by existing development or homes.
  - iii. Regulatory Constraints:
    - 1. Compliance with OWASA design standards, Town of Chapel Hill zoning, and NCDEQ erosion control and water quality regulations.
    - 2. Adherence to Jordan Lake nutrient management rules, given Wilson Creek and Fan Branch's location in the Jordan Lake watershed.
  - iv. Conduct a desktop review supplemented by limited field reconnaissance to verify constraints, particularly along Wilson Creek and Fan Branch.
- 5. Route Analysis and Selection
  - a. Develop minimum and optimum design criteria for locating the gravity sewer lines with respect to environmental constraints for a resilient design.
    - i. Develop criteria for location of the sewer with respect to creek banks, floodway, floodplain, and slopes.
    - ii. Develop recommendations for installation and maintenance of routes in areas of steep slopes based on existing soil types.
  - b. Identify critical locations where the sewer access across Wilson Creek and Fan Branch are desired.
  - c. Identify areas of concern where the possible sewer extension routes are constrained by environmental, infrastructure, regulatory, or other constraints.
  - d. Develop three feasible sewer extension routes:
    - i. Route 1: Align with Wilson Creek, optimizing for gravity flow and providing access to developable parcels, while being resilient to flooding and minimizing environmental impacts.
    - ii. Route 2: Align with Fan Branch, optimizing for gravity flow and providing access to developable parcels, while being resilient to flooding and minimizing environmental impacts.

- iii. Route 3: Align along US 15-501, optimizing for gravity flow while maintaining a depth of 20' or less.
      - 1. Analyze what areas are able to be sewered by gravity from an extension following the highway.
  - e. Evaluate each route for:
    - i. Constructability (e.g., access along Wilson Creek and Fan Branch, terrain challenges).
    - ii. Cost considerations (e.g., pipe length, creek crossings, pump stations).
    - iii. Environmental and regulatory impacts, including permitting feasibility.
    - iv. Alignment with OWASA's long-term infrastructure plans and Chapel Hill's development goals.
  - f. Use GIS modeling and hydraulic analysis to confirm gravity flow feasibility or identify pump station needs for both the Wilson Creek and Fan Branch routes.
- 6. Preliminary Design Concepts
  - a. Prepare conceptual designs for the three sewer routes, including:
    - i. Approximate pipe alignments, diameters, and slopes, adhering to OWASA standards.
    - ii. Key infrastructure (e.g., manholes, stream crossings, potential pump stations).
  - b. Provide GIS maps and schematic drawings for the three alignments.
  - c. Provide approximate areas that would be sewered by gravity by Route 3.
  - d. Identify critical areas along the routes.
- 7. Deliverables
  - a. Preliminary Engineering Report detailing:
    - i. Data collection and analysis findings, with emphasis on Wilson Creek and Fan Branch constraints.
    - ii. Identified constraints and proposed mitigation strategies (e.g., buffer restoration, erosion control).
    - iii. Recommendations for minimum and optimum design criteria for locating the gravity sewer lines with respect to environmental constraints for a resilient design.
    - iv. Evaluation of the three routes (Wilson Creek and Fan Branch), including pros, cons, and recommendations.
    - v. Conceptual designs.
    - vi. Conceptual estimates of construction cost for the three routes.
  - b. GIS maps and schematic drawings of the proposed routes, including identification of critical areas for route alignment and access to developable properties.

## **Assumptions**

- 1. OWASA will provide access to existing data (e.g., GIS, utility records, Wilson Creek and Fan Branch studies).
- 2. Additional field surveys (e.g., topographic, geotechnical, wetland delineation) are not included but can be added if required.
- 3. Permitting and detailed design will be addressed in a subsequent phase