

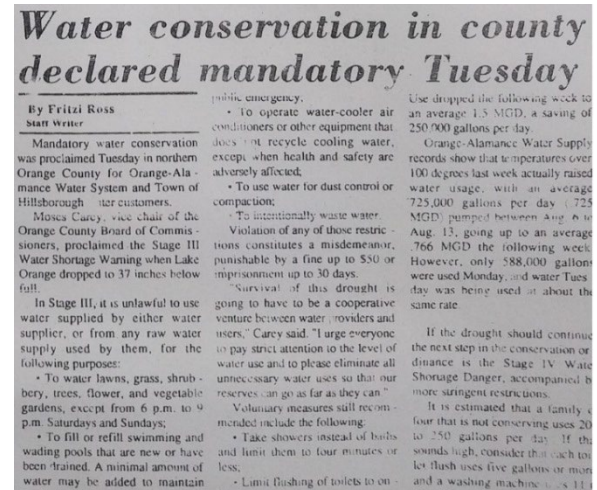


History of the West Fork Eno Reservoir

The West Fork Eno Reservoir is owned and operated by the Town of Hillsborough. Construction started in 1998, and the reservoir became operational in 2000 with its first phase. The second phase, an expansion to double its volume, started in 2018 and was completed in 2021.

BEGINNINGS

Hillsborough has experienced severe droughts and water restrictions. A look back shows droughts in the 1920s, 1930s, 1950s, 1980s and 2000s. In 1954, schools closed at noon and the town sought federal aid because of drought conditions. That same year, drought conditions forced the town to disconnect the water of any customer found wasting it. In 1988, mandatory water restrictions were put in place. By the early 1990s, the town completed an interconnected pipeline with the City of Durham to allow regular purchases from Durham’s water system to withstand periods of droughts and water restrictions. The town could only purchase water between 10 p.m. and 6 a.m. due to demands on Durham’s system.



Source: The News of Orange County, Aug. 24, 1988

The community began exploring options in the 1980s and early 1990s for addressing the town’s water shortage due to the history of droughts and water restrictions and a desire to accommodate expected future growth. In 1993, Hillsborough voters approved general obligation bonds to help pay for building the reservoir’s first phase. The first phase was built with expansion in mind. The reservoir’s 20-year permit allowed for a second phase to be started by 2018. In 2000, the reservoir was made operational earlier than scheduled and before full to help provide immediate drought relief for customers under water restrictions.

Following the reservoir’s construction, larger water rate increases were required when the town’s largest water customer closed its facility in 2000. The increases upset customers, and a water and sewer advisory task force was formed to evaluate the situation and management of the town’s utilities operations and finances.

The task force became a permanent appointed board — the Hillsborough Water and Sewer Advisory Committee, which strives to maintain six to eight members with representation matching the in-town and out-of-town customer base as closely as possible. The committee provides guidance and oversight for the town’s water and sewer operations and makes recommendations to town elected leaders and staff. Its members represent water and sewer customers and hear the concerns and suggestions of fellow customers.

EFFECT ON RATES

The debt on the reservoir construction makes up a large portion of the expenses related to the water portion of customers’ bills. The water and sewer payments that Hillsborough receives are used to cover the costs of providing the utility service, which includes operating, maintaining and improving the system. The town does

not profit from providing water and sewer service nor does it use water and sewer revenue for other purposes.

Phase 1 —

Phase 1 construction of the reservoir cost about \$11 million. Loan payments started in 2000, with the final payment made in 2018.

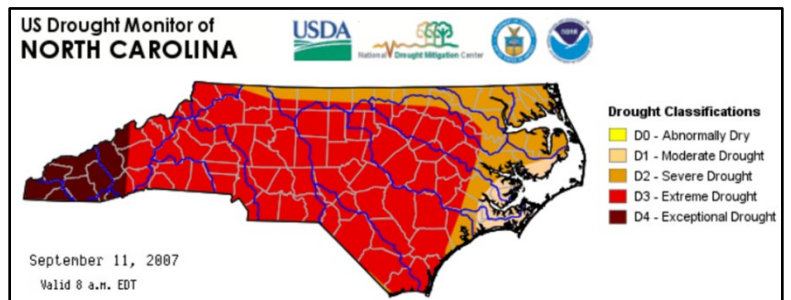
Phase 2 —

Phase 2 of the reservoir cost about \$16.9 million, with yearly debt payments under \$1 million over 24 years.

BENEFITS

Phase 1 of the reservoir has:

- Helped the town withstand several severe droughts in the 2000s. At one point, larger surrounding systems were near or below 50 days of remaining water, but Hillsborough still had enough water for 200 days.
- Allowed Hillsborough to accommodate new development. Many residents and businesses joining Hillsborough after 2000 would not be here today without the reservoir.



The Phase 2 expansion of the reservoir is a long-term investment in Hillsborough’s water supply. The project raised the reservoir about 10 feet, doubling its volume and providing a maximum yield of 6 million gallons of water per day.

“Providing a long-term water supply, especially during times of unpredictable weather patterns — while painful and expensive to pay for — is one of the contributions our generation is making to those who will live in Hillsborough in future decades or possibly even in Hillsborough’s next century. With unpredictable weather fluctuations, this is an investment the community will be glad it made in the future.”

— Hillsborough Town Manager Eric Peterson