



Date: November 6, 2012

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Donald F. Greeley, Director, Water Management
Vicki P. Westbrook, Assistant Director, Water Management
Subject: Interlocal Agreement to Share the Cost of Updating the Cary-Durham-OWASA Water Supply/Water Transfer Risk Model

Executive Summary

The City of Durham has been collaborating with the Town of Cary and the Orange Water and Sewer Authority (OWASA) to model water supply scenarios which would trigger water transfers between the jurisdictions to ensure adequate supply for the ultimate recipient. Based on current water supply modeling, the Town of Cary, through its current water supply surplus, is the likely water provider, with OWASA and Durham serving as the receivers.

The only way for OWASA to access treated water from Cary is via Durham and its interconnections with Cary. There may be times during which both Durham and OWASA would need supplemental water supplies from Cary. The modeling will inform decisions such as a split between the two jurisdictions when both need water and define times of year when water may be more easily transferred. The modeling will also help define the specifics of long term water sales agreements between the three jurisdictions.

OWASA has contracted with Hazen and Sawyer, P. C to conduct the evaluations using the water transfer model. The City of Durham will also use the information to develop water transfer agreements with the Town of Cary, therefore entering into a cost share agreement with OWASA is the most cost efficient and expedient method of developing the appropriate data.

The City's portion of the cost share will not exceed \$21,000.

Recommendation

The department recommends that the City Council authorize the City Manager to enter into the Interlocal Agreement to Share the Costs of Updating the Cary-Durham-OWASA Water Supply/Water Transfer Risk Model.

Background

Because of reliance on surface water for water supply and the potential impact of growth on the quality of the region's water supply sources, local governments in the region recognize that water supply modeling and sharing agreements will be crucial to the ensure water reliability for the Triangle Area. The City of Durham has been collaborating with the Town of Cary and the Orange Water and Sewer Authority (OWASA) to model water supply scenarios which would trigger water transfers between the jurisdictions to ensure adequate supply for the ultimate

recipient. Based on current water supply modeling, the Town of Cary, through its current water supply surplus, is the likely water provider, with OWASA and Durham serving as the receivers.

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Issues/Analysis

OWASA has contracted with Hazen and Sawyer, P. C to conduct the evaluations using the water transfer model. The City of Durham will also use the information to develop water transfer agreements with the Town of Cary, therefore entering into a cost share agreement with OWASA is the most cost efficient and expedient method of developing the appropriate data.

Alternatives

There are two alternatives available. The recommended alternative is to authorize the City Manager to enter into the Interlocal Agreement to Share Costs for the Water Supply/Water Transfer Risk Model. The second alternative, to withdraw Durham's participation from the modeling exercise would risk the long term collaboration between local utilities. Further, result in losing the benefit of the monitoring results. This data will be helpful in evaluating Durham's concerns Durham would not have access to valuable data that would assist in developing water transfer agreements to ensure adequate water supply for Durham's customers.

Financial Impacts

The City of Durham's cost for the modeling to be performed by Hazen and Sawyer will not exceed \$21,000. Funds are available in 5100P000-724500.

SDBE Summary

The Ordinance to Promote Equal Opportunity in City Contracting does not apply to this item.