

DURHAM



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CITY OF MEDICINE

CITY OF DURHAM | NORTH CAROLINA

Date: January 22, 2013
To: Thomas J. Bonfield, City Manager
Through: W. Bowman Ferguson, Deputy City Manager
From: Donald F. Greeley, Director, Water Management
Vicki Westbrook, Assistant Director, Water Management
Subject: Supplemental Article # 4 for Jordan Lake Partnership - Phase II of the
Regional Water Supply Plan

Executive Summary:

In March 2008, the City Council adopted a Resolution Supporting Regional Partnerships for Water Supply Planning and the Establishment of a Western Water Intake on the B. Everett Jordan Reservoir. Following that action, a Memorandum of Understanding (MOU) was developed and approved by 12 entities in the greater Triangle area. The MOU establishes Durham as the lead agency for general activities regarding the Jordan Lake Regional Water Supply Partnership and allows for Supplemental Articles to the MOU which will define participation by some or all of the partners in further activities. To date, the Partnership has developed and approved several supplemental articles to support regional planning activities. Under Supplemental Article #1, Triangle J Council of Governments was retained to conduct a Regional Water Supply Planning Project which resulted in Volume I – Regional Needs Assessment. Supplemental Article #2 defines the terms for the Jordan Lake Allocation Request Project. To further support projects and fully assess the current drinking water transfer capacities of water providers in the region, Supplemental Article #3 was developed and subsequently a contract was awarded to Hazen and Sawyer, P.C. for the interconnection study. Supplemental Article #4 defines the terms under which the Regional Water Supply Study, Phase II will be conducted and specifies the participation costs for partners depending on whether they are Level 1 or Level 2 partners. Triangle J Council of Governments Water Supply Planning staff was contracted in February 2012 to complete the regional water supply plan and produce Volume II.

Recommendations:

The administration recommends that the City Council authorize the City Manager to execute Supplemental Article #4 which allows Durham to invoice Jordan Lake Partners per the cost sharing arrangement for the activities conducted under the contract with TJCOG.

Background:

In March 2008, Durham City Council adopted a Resolution Supporting Regional Partnerships for Water Supply Planning and the Establishment of a Western Water Intake on the B. Everett Jordan Reservoir. The City committed to taking a leadership role in a partnership for regional water supply planning and to work with its potential partners in the establishment

of a western Jordan Lake water intake and possibly build an associated water treatment facility. Further, the City committed to proceed with the negotiation of Interlocal Agreements to accomplish the activities of the Partnership. The Memorandum of Understanding was approved by Durham City Council at the February 16, 2009 Council meeting and has been approved by 12 additional partnering jurisdictions: towns of Apex, Cary, Hillsborough, Holly Springs, Morrisville and Pittsboro, Chatham County, Orange County, Wake County, Orange Water and Sewer Authority (OWASA), and the cities of Sanford and Raleigh.

As the lead agency, the City of Durham Department of Water Management serves as the Partnership's fiscal agent. Via this mechanism, the Partnership has engaged the services of the Water Resources Planning group at Triangle J Council of Governments (TJCOG) to develop a comprehensive regional water supply plan and Fountainworks, LLC to provide meeting facilitation services and administrative and governmental support. The additional work currently under way by TJCOG includes gathering long range water supply planning data from all 13 partners, updating the draft combined Neuse and Cape Fear River Basin OASIS model and running a variety of scenarios to help develop and refine individual allocation requests. The final product of this effort will be Volume II of the Triangle Regional Water Supply Plan. The key tasks are outlined in Supplemental Article #4.

Issues and Analysis:

As outlined in the cost sharing arrangement for Supplemental Article #4, Level 1 Partners will be assessed 13.04% of the total cost whereas Level 2 Partners will be assessed 4.35% of the total cost; thus the City will be reimbursed for 86.96% of the cost. Levels of participation were determined based on the number of service connections of the individual partners. The work conducted by TJCOG under the contract terms is necessary to support the activities of individual and collective partnership members as they pursue both retaining existing Jordan Lake Allocations and pursuing additional allocations from the Environmental Management Commission. The City could bear the entire costs of the project unless Supplemental Article #4 is approved allowing the City to invoice JLP members for their respective share of the costs of the project.

Alternatives:

Alternative 1: Do not approve Supplemental Agreement #4 which would hinder the City's efforts to invoice JLP members to their associated shares of the costs.

Financial Impacts:

Funds for the TJCOG contract were encumbered in the Jordan Lake Capital Projects account 4100P007-731004 upon contract approval at the February 20, 2012 Council meeting.

SDBE Summary:

No SDBE goals are required for this project.