



Date: March 12, 2013

To: Thomas J. Bonfield, City Manager

Through: W. Bowman Ferguson, Deputy City Manager

From: Donald F. Greeley, Director, Water Management

Subject: **CONTRACT WITH FOUNTAINWORKS, LLC TO PROVIDE PROFESSIONAL SERVICES IN SUPPORT OF THE JORDAN LAKE PARTNERSHIP**

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. Water Management staff, in conjunction with the City Manager's Office, met with representatives of regional utilities to develop next steps supporting the partnership. One outcome of these meetings was the development of a Memorandum of Understanding (MOU) which was approved by Durham City Council on February 16, 2009 and by other agencies between January and April 2009. The MOU, which currently has 13 signatories, establishes Durham as the lead agency for general activities regarding a Jordan Lake Regional Water Supply Partnership, and allows for Supplemental Articles to the MOU to define participation by some or all of the partners in further activities. The memorandum serves as a framework to accomplish regional water supply planning, develop mutually supported allocation requests to the state and plan for direct access to Jordan Lake for Durham and other entities. The successful collaborative efforts to date have been facilitated and supported by staff of Fountainworks, LLC.

With the framework in place, the City and its partners are moving forward with the next steps to conduct a study of Jordan Lake as a part of a regional water supply planning effort consistent with the North Carolina Regional Water Supply Planning Act of 1971. Fountainworks, LLC staff coordinated the various efforts leading to the development and signing of the MOUs and guided the staffs of the various entities through the process. Fountainworks has convened and facilitated meetings, developed and delivered outreach and communications materials and provided a myriad of additional support services to the Partnership. Due to Fountainworks demonstrated expertise and their current familiarity with the goals of the Partnership, the members of the Jordan Lake Partnership have directed the City, serving as the contracting agent for the Partnership, to engage Fountainworks, LLC for further coordination and support to the Partnership. This support includes acting as a neutral party to facilitate collaborative activities, serving as a central clearinghouse for information and communication, organizing and supporting Partnership meetings and providing support and strategic advice on intergovernmental activities. Fountainworks participation in the Jordan Lake Partnership has been integral to its successful accomplishments to date.

Recommendation:

The administration recommends that the City Council authorize the City Manager to:

- Execute the Contract for Services between Fountainworks, LLC and the City on behalf of the Jordan Lake Partnership in an amount not to exceed \$120,000 annually, to facilitate planning

efforts regarding Jordan Lake as a regional water supply, coordinate allocation requests by the Partners and pursue the development of a western intake on Jordan Lake.

- Modify the agreement before execution, provided the modifications do not increase the dollar amount of the contract, as amended, and is consistent with the general intent of the version of the contract approved by City Council.

Background:

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. The City committed to taking a leadership role in a partnership for regional water supply planning; to working expeditiously with its potential partners in the establishment of a western Jordan Lake water intake and possibly build an associated water treatment facility; and to proceed with the negotiation of such Interlocal Agreements that will establish the particulars of participation in such partnership. The Memorandum of Understanding was approved by Durham City Council at the February 16, 2009 Council meeting and was approved by 11 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 City of Raleigh. The City of Sanford joined the partnership subsequent to the initial signing.

As envisioned in the MOU, the next steps include an extensive study of Jordan Lake, utilizing the Cape Fear River Basin Hydrologic Model to develop a regional water supply plan for utilization of the lake and its water storage. It is anticipated that the results of the plan will yield information to develop additional allocation requests for the partners for submittal to the Department of Environment and Natural Resources, Division of Water Resources. In meetings coordinated and facilitated by Fountainworks staff, representatives of the signatory partners have met several times to develop action steps to move the supply planning effort and allocation process forward. Based on the initial success of the strategic collaboration and general support services provided by Fountainworks staff, the Partnership has selected Fountainworks, LLC to continue to facilitate the planning and regulatory process as prescribed by the Partners. The Partnership has directed the City of Durham, as the contracting agency, enter into a two year agreement with Fountainworks, LLC to continue to guide and facilitate the collaborative efforts of the JLP. This support includes continuing to:

- act as a neutral party in the collaborative activities
- serve as a central clearinghouse for information and communication for the partners
- organize and support partnership meetings
- provide strategic advice on intergovernmental activities
- coordinate and develop outreach and communications materials as necessary

Issues/Analysis:

All of the signatories of the Jordan Lake Partnership MOU have confidence in the ability of Fountainworks to guide and support the tenants of the Partnership. The Partnership has entered a critical juncture in finalizing the Regional Water Supply Plan and developing mutually supportive requests for allocations from Jordan Lake. Additionally, Fountainworks staff has developed strong relationships with NC Department of Environment and Natural Resources – Division of Water Resources staff which will be critical to the long term success of this planning and allocation effort. Continuing this relationship with Fountainworks will expedite the ongoing collaborative efforts of the Jordan Lake Partnership.

Alternatives:

Alternative - Not approve the agreement. The City would have a difficult time finding sufficient expertise in the area capable of providing the support and facilitation services needed to carry out the planning and allocation request efforts in a timely manner, with the full support of the Jordan Lake Partners.

Financial Impacts:

The total two year project cost for facilitation and coordination of the regional water supply plan, the allocation requests and submittals and collaborative efforts regarding a joint intake on the west bank of Jordan Lake is not to exceed \$120,000 per year; however the City's portion would be based on a mutually agreed upon cost-sharing mechanism. As the contracting agent, the City will contract directly with Fountainworks, LLC and encumber funds in the Capital Improvements Program, with reimbursement from participating partners. There are currently funds available in the Water Management CIP Budget (4100P760/731004/P0610).

SDBE Summary:

This contract was not reviewed for compliance with the Ordinance to Promote Equal Opportunities in City Contracting.