



**Date:** May 19, 2014  
**To:** Thomas J. Bonfield, City Manager  
**Through:** W. Bowman Ferguson, Deputy City Manager  
**From:** Donald F. Greeley, Director, Water Management  
**Subject:** Contract Amendment #2 with Triangle J Council of Governments to Complete Expanded Scope of Tasks and Approval of Supplemental Article #6 for 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. 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 #4 defined the terms for developing Phase II of the Triangle Regional Water Supply Study (TWRSP) and specified 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.

Due to continuing changes by DENR/Division of Water Resources (DWR) in the schedule and the requirements for supplemental information for allocation applications, additional time and funds were requested to complete the project. City Council approved Contract Amendment #1 in April 2013 in recognition of the extended timeline for combining and updating the Cape Fear and Neuse River Basin Hydrologic models. The DENR/DWR schedule was further extended due to the complexities of combining the two basin models among other factors. Because of these schedule changes, it became necessary for a number of partners to update information. This expanded the scope of TJCOG's work but creates a greatly improved document which is a model for regional cooperation and has been submitted to the NC Chapter of the American Planning Association for an award in the Comprehensive Planning by a Multijurisdictional Regional Project award Category.

Concurrently and at the direction of the JLP, Durham contracted with TJCOG to develop a standardized template for all partners to use to prepare individual allocation applications. The contract in the amount of \$28,866 was executed in October of 2013 under the City Manager's authority. Supplemental Article 6 of the Jordan Lake Partnership provides the mechanism for Durham to invoice participating partners for their share of the costs.

## **Recommendation**

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

- Execute the contract amendment with TJCOG for the expanded scope of activities associated with Volume II of the Triangle Regional Water Supply Plan at a cost of \$63,830, increasing the contract to \$158,530.
- Execute Supplemental Article 6 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.

When the Environmental Management Commission agreed to open Round 4 of water supply allocations from Jordan Lake, the initial submittal of applications was scheduled for 2012. Due to challenges with combining the two river basin models, the DENR reorganization and subsequent staff changes in DWR the submittal deadline for applications has been pushed back two times. Due to the time delays, the target years for planning have changed which necessitated additional work. Several partners continued to work on other individual projects that impacted the information in the TRWSP. An example is the City of Raleigh's ongoing efforts to develop their Little River Reservoir; updated information for this project needed to be included in the TRWSP to ensure accuracy as the TRWSP is the cornerstone of the individual partner allocation applications. The additional work required from TJCOG includes compiling and updating demand and water supply options for a number of partners as well as working closely with partners and Hydrologics to finalize the combined basin model. The specific tasks associated with this effort are outlined in the attached scope from the Phase II TRWSP contract with TJCOG.

Concurrently with the project, the JLP directed Durham to contract with TJCOG to develop a standardized template for all partners to use to prepare individual allocation applications. In addition to including the baseline DENR/DWR requirements, each partner's template and spreadsheet were customized to incorporate their specific information from both Phase I and Phase II of the TRWSP. The contract also provided for TJCOG review of all applications

prior to submittal to DENR/DWR to ensure consistency with the regional water supply plan and the preferred regional alternative.

### **Issues and Analysis**

The tasks associated with the TJCOG contract are already underway. Additional work 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. Individual draft applications from a number of the partners have already been submitted to DENR/DWR and final applications are due September 1, 2014. The work performed by TJCOG has been integral to the development of these applications. The TWRSP is an exceptional standalone document depicting regional collaboration to develop long range water supply options for the region.

### **Alternatives**

Alternative 1: Do not approve Contract Amendment #2. Although the TWRSP is substantially complete, failure to approve the amendment would result in TJCOG being unable to complete their final review and update of the plan, the appendices for Volume II and the Executive Summary for the document.

Alternative 2: Do not approve Supplemental Article #6. Durham would not be able to invoice partners for the services provided by TJCOG and therefore bear the full cost of the project.

### **Financial Impacts**

Funds for the TJCOG contract for Phase II of the TRWSP were encumbered in the Jordan Lake Capital Projects account 4100P007-731004 upon contract approval at the February 20, 2012 Council meeting. An additional \$47,000 was approved at the April 15, 2013 Council meeting for Contract Amendment #1. Additional funds in this account are available to complete Contract Amendment #2. Of the additional \$62,830, Durham's share is \$12,102.76 with the remainder of the additional costs to be reimbursed by the other twelve Jordan Lake Partners.

Funds in the amount of \$28,866 for the Allocation Template Contract were encumbered under the same capital project account. Per the cost sharing agreement outlined in Supplemental Article #6, Durham's share of the total contract is \$4,553; the City will be reimbursed by its partners for the remainder of the amount.

### **SDBE Summary**

No SDBE goals are required for this project.

### **Attachments**

Contract Amendment #2  
Scope of Services  
Supplemental Article #6 and Scope of Services  
TJCOG Allocation Contract