



**Date:** May 5, 2015

**To:** Thomas J. Bonfield, City Manager

**Through:** W. Bowman Ferguson, Deputy City Manager

**From:** Marvin G. Williams, Public Works Director

**Subject:** Resolution to Support the Upper Neuse River Basin Association (UNRBA) FY2016 Funding Level and City of Durham Contribution

**Executive Summary**

At the March 18, 2015 meeting of the Board of Directors of the UNRBA, a revenue increase was approved to continue work on the second step in the re-examination of the Falls Lake Nutrient Management Strategy goals, field monitoring. The Board approved a revenue increase from \$812,000 in FY2015 to \$896,300 in FY2016. The City of Durham contribution would increase from \$184,404.28 in FY2015 to \$197,028.63 in FY2016.

**Recommendation**

The Administration recommends that the City Council adopt the resolution supporting the UNRBA FY2016 funding level of \$896,300, with a City of Durham contribution of \$197,028.63.

**Background**

A re-examination of the Stage II goals of the Falls Lake Nutrient Management Strategy was identified in the Consensus Principles adopted by City Council on February 18, 2010 (Resolution #9707). This re-examination is needed to modify the Stage II goals of the strategy, which are currently estimated to cost watershed stakeholders over \$1 billion. The UNRBA took on the task of coordinating the Falls Lake Watershed local governments to complete the re-examination of the rules. The UNRBA envisioned the re-examination as a three step process and began working through those steps in 2012. The following paragraphs provide brief updates on UNRBA activity during FY2015 and a description of the adopted UNRBA budget for FY2016.

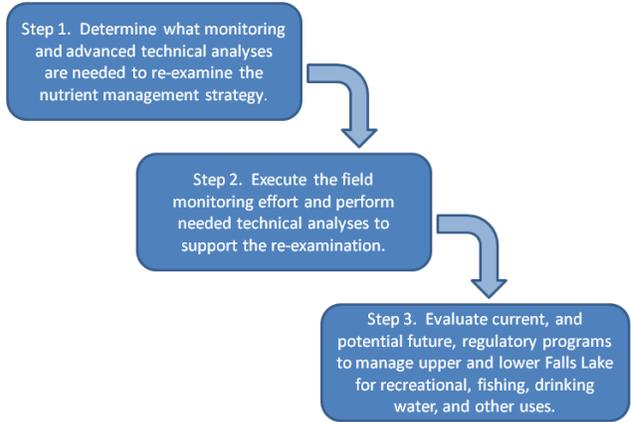
Update on the Re-examination Process.

The first step was completed in FY2015. Actions regarding the first step were previously reported to council in annual updates and requests for approval of the UNRBA budget. As part of the first step, all monitoring plans and analysis to support those plans were completed in mid-2014. During the late summer of 2014, work began on the second step, watershed and lake monitoring. This monitoring is conducted according to a state-approved monitoring plan. A summary of the FY2015 monitoring activities is provided as an attachment, including maps of watershed and lake monitoring locations. The watershed and lake monitoring needed for the re-examination will continue into 2017. The monitoring period may be extended depending upon weather conditions such as drought or a period with high tropical

activity. A CY2014 monitoring report is under development and will be posted to the UNRBA website ([unrba.org](http://unrba.org)) after review.

Other items of note:

The Division of Water Resources in the Department of Natural Resources solicited nominations to a newly formed Nutrient Scientific Advisory Council and a partner Criteria Implementation Committee. These groups were described in the US Environmental Protection Agency approved plan for developing new nutrient criteria for the entire state. The UNRBA Board of Directors made recommendations for potential membership that included the Executive Director, Forrest Westall, Jay Sauber from Sauber Consulting, Hans Pearl from the University of North Carolina Institute of Marine Sciences, and Michelle Woolfolk from the City of Durham.



*Steps to a Re-examination of Falls Lake (Stage II)*

The UNRBA was presented as a spotlight community at the US Water Alliance 2014 One Water Leadership Summit. The UNRBA was presented as an example of intergovernmental cooperation around water resources. Representatives from Cardno, the City of Raleigh, the City of Durham, and the UNRBA attended the summit.

Funding levels for FY2016

UNRBA has adopted a FY2016 budget of \$896,300, an increase of \$84,300 over the FY2015 budget; UNRBA member government contributions cover the costs of monitoring and costs associated with the Executive Director position. For FY2016, UNBRA has allocated \$725,000 to monitor, and \$171,300 for administrative support and executive leadership. In FY2015 the Public Works Department anticipated an FY2016 UNRBA budget increase to \$967,000. The UNRBA adopted FY2016 budget is less than anticipated due to a delay in issuing a subcontract. Funding for administrative support and executive leadership increased 5.7% from \$162,000 in FY2015 to \$171,300 in FY2016.

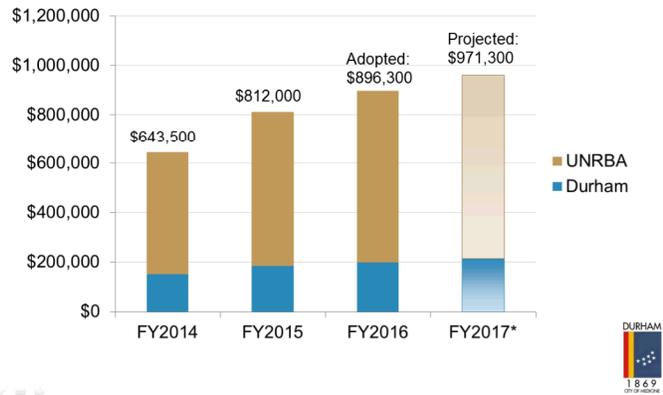
The City of Durham provides funds to the UNRBA through the Departments of Water Management and Public Works. With a target budget of \$896,299.94, the City of Durham would contribute \$197,028.63 in FY2016, approximately 22% of the total budget. Other major contributors in FY2016 include the following:

City of Raleigh	\$261,575.06
Orange County	\$ 95,492.23
Durham County	\$ 79,140.77
Person County	\$ 65,637.16

These local governments and the City of Durham account for approximately 77% of the FY2016 budget of \$896,299.94.

The total budget for the UNRBA will, most likely, increase in FY2017. The monitoring costs may reach \$800,000.00, the maximum recommended by the UNRBA Path Forward Committee. If this occurs, and the funding for the Executive Director and administrative staff is increased, the total budget for the UNRBA may be more than \$971,300.00 in FY2017.

UNRBA Funding Levels FY2014 - 2017



**Alternatives**

The alternative is to reject the resolution and the increased contributions to the UNRBA. This would result in the UNRBA cutting back or ceasing monitoring, and may negate the re-examination of the Falls Lake Stage II goals. An option could be for the City to pursue the re-examination of the Falls Lake Stage II goals without the assistance of the other local governments in the watershed. In this case, the City would pay the full cost of the re-examination and dedicate staff time to manage the necessary contracts.

**Financial Impact**

The City of Durham will pay the UNRBA a total of \$197,028.63, from the Public Works operating budget (Organization code 5500L041, Object code 728600, \$29,109.83) and the Water Management operating budget (Organization code 5100P501, Object code 724300, \$167,918.80).

**SDBE Summary**

Not applicable

**Attachments**

- Resolution supporting the UNRBA FY2016 Budget
- UNRBA Adopted FY2016 funding level with member contributions
- Summary of UNRBA Monitoring Activities