



Date: June 20, 2023

To: Wanda S. Page, City Manager
Through: Bertha T. Johnson, Deputy City Manager
From: Donald F. Greeley, Director, Water Management
Subject: Resolution to Accept American Rescue Plan Funding for the Western Intake Partnership Projects

Executive Summary

The City of Durham, Chatham County, Town of Pittsboro, and Orange Water and Sewer Authority entered into the Memorandum of Agreement (“Agreement”) forming the Western Intake Partnership (“WIP”) in June 2019. The purpose of the WIP is to collaborate on the construction of an intake and treatment facility on the western side of Jordan Lake. These new facilities will allow the members of the WIP to access their Jordan Lake Water Supply Storage Allocations. Jordan Lake is an essential component of the City’s future water supply.

There are multiple projects associated with the construction of the intake and treatment facility that range from conducting site surveys and water quality sampling to the governance structure to the actual construction activities. Because these projects support the partners/region, they qualify for funding under the Merger/Regionalization Feasibility study grants under the American Rescue Plan Act’s (ARPA) State Fiscal Recovery Fund. WIP members submitted applications on July 8, 2022, to the NC Department of Environmental Quality (DEQ) for this funding.

DEQ has offered an award of ARPA funding in the amount of \$400,000 to the City that would offer some financial relief. The City must adopt a resolution accepting the offer and give assurance to DEQ that the City will adhere to any conditions or assurances contained in the offer.

Motion

To adopt the resolution to accept American Rescue Plan Act funding from the North Carolina Department of Environmental Quality for the Western Intake Partnership projects.

Background

The City of Durham, Chatham County, Town of Pittsboro, and Orange Water and Sewer Authority entered into the Memorandum of Agreement (“Agreement”) forming the Western Intake Partnership (“WIP”) in June 2019. The purpose of the WIP is to collaborate on the construction of an intake and treatment facility on the western side of Jordan Lake. These new facilities will allow the members of the WIP to access their Jordan Lake Water Supply Storage Allocations. Jordan Lake is an essential component of the City’s future water supply.

The City of Durham is designated as the Lead Agency for the WIP. As such, the City is the fiscal and contracting agent and has entered into necessary contracts in support of the WIP programs and projects. There are multiple projects associated with the construction of the intake and treatment facility that range from conducting site surveys and water quality sampling to the governance structure to the actual construction activities. The City has entered into five

contracts for Program Manager, Governance, Water Intake and Transmission Infrastructure Engineering, Environmental Permitting, and Regional Water Treatment Facility Preliminary Engineering.

WIP related projects fall within the Merger/Regionalization Feasibility (MRF) study type grants. The City, in collaboration with its partners, submitted an application for MRF grant funding on July 8, 2022, to DEQ to offset Capital Improvement Program funding.

Issues and Analysis

As the Lead Agency (fiscal and contracting agent) for the WIP, the City has entered into necessary contracts in support of the WIP programs and projects. Currently, there are five contracts: Program Manager, Governance, Water Intake and Transmission Infrastructure Engineering, Environmental Permitting, and Regional Water Treatment Facility Preliminary Engineering. These initial contracts now total \$14,243,802. The City will be reimbursed by the other Partners for at least \$7,140,868, but that leaves the City with a significant total.

DEQ has offered an award of ARPA funding in the amount of \$400,000 to the City that would offer some financial relief. The City must adopt a resolution accepting the offer and give assurance to DEQ that the City will adhere to any conditions or assurances contained in the offer. The City Manager's Office finds the conditions and assurances acceptable.

Alternatives

Not adopting the resolution precludes the City from receiving the \$400,000 ARPA grant award.

Financial Impact

The \$400,000 grant award from the American Rescue Plan Act's State Fiscal Recovery Fund would offset the \$14,243,802 already contracted by the City of Durham for the WIP projects.

Equal Business Opportunity Summary

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

Contractor Workforce Diversity & Hiring Practices

Due to the nature of this agenda item, Contractor Workforce Diversity & Hiring Practices information is not applicable.

Attachments

1. Resolution to Accept the Offer of American Rescue Plan Act funding for the Western Intake Partnership projects
2. DEQ Funding Offer and Acceptance
3. Western Intake Partnership Phase 1 Fact Sheet