

**LETTER OF AGREEMENT #3 FOR
THE WESTERN INTAKE PARTNERSHIP
WATER INTAKE AND TRANSMISSION INFRASTRUCTURE
PRELIMINARY ENGINEERING PROJECT**

WHEREAS, Chatham County, the City of Durham, Town of Pittsboro, and Orange Water and Sewer Authority entered into the Memorandum of Agreement (“Agreement”) for the Western Intake Partnership (“WIP”) on or about June 2019; and into Amendment #1 to the Agreement (“Agreement Amendment #1”) on or about September 2020; and

WHEREAS, the City of Durham as the Lead Agency entered into a contract on August 25, 2021, with Hazen and Sawyer for the WIP Water Intake and Transmission Infrastructure Preliminary Engineering Project (attached) in accordance with Sections 2 and 5 of the Agreement; and

WHEREAS, in accordance with Section 4 of the Agreement a Partner may decline to participate in a Project in which case the Partners will memorialize who is and who is not participating, and what the revised cost shares are for the Participating Partners, by a letter of agreement signed by the members of the Management Team.

NOW, THEREFORE, for and in consideration of the recitals in this Letter, and the Agreement, the Parties agree as follows:

- 1) Water Intake and Transmission Infrastructure Preliminary Engineering Project Cost. The maximum total cost of the contract with Hazen and Sawyer for the WIP Water Intake and Transmission Infrastructure Preliminary Engineering is \$3,735,590. A budget of \$373,500 has been established for any contingencies for this project. The total maximum project cost is, therefore, \$4,109,090.
- 2) Water Intake and Transmission Infrastructure Preliminary Engineering Project Participation. Participation in the WIP Water Intake and Transmission Infrastructure Preliminary Engineering Project is as follows.
 - a) Participating Partners: City of Durham, Chatham County.
 - b) Declining Partners: Town of Pittsboro, Orange Water and Sewer Authority (“OWASA”).
- 3) Cost Shares. Cost shares are based on Jordan Lake water supply storage allocation.
 - a) Cost shares for full participation, i.e., without any declining partners, would be as follows.

	Jordan Lake Allocation	Cost Share	Total Contract Maximum & Contingency
City of Durham	16.5	40.74%	\$1,674,043.27

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Chatham County	13	32.10%	\$1,319,017.89
Town of Pittsboro	6	14.81%	\$ 608,556.23
Orange Water & Sewer Authority	5	12.35%	\$ 507,472.62
Total	40.5	100.00%	\$4,109,090.00

b) Cost shares in consideration of the Declining Partners are as follows.

	Jordan Lake Allocation	Cost Share	Total Contract Maximum & Contingency
City of Durham	16.5	55.93%	\$2,298,214.04
Chatham County	13	44.07%	\$1,810,875.96
Town of Pittsboro	6	0%	\$ 0
Orange Water & Sewer Authority	0	0%	\$ 0
Total	29.5	100.00%	\$4,109,090.00

c) Declining Partner, Later Participation. In accordance with Section 4 of the Agreement, should Town of Pittsboro and/or OWASA later choose to participate in the WIP Water Intake and Transmission Infrastructure Preliminary Engineering Project, Town of Pittsboro and/or OWASA must first reimburse the Participating Partners any costs Town of Pittsboro and/or OWASA avoided by declining to participate initially, plus interest calculated to accrue at the rate of 5% per year.

4) Invoicing. In accordance with Section 5 of the Agreement, the City of Durham will invoice each Participating Partner for its share of the costs as the City of Durham is invoiced by Hazen and Sawyer under the WIP Water Intake and Transmission Infrastructure Engineering contract, and each Participating Partner will pay the invoice within 30 days.

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Dan LaMontagne, County Manager
Chatham County

ATTEST: _____

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Donald F. Greeley, Director
City of Durham Department of Water Management

ATTEST: _____

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Todd Taylor, Executive Director
Orange Water and Sewer Authority

ATTEST: _____

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Chris Kennedy, Town Manager
Town of Pittsboro

ATTEST: _____