

**Item Title:** Amendment to the Little River Reservoir Water Supply Watershed Interlocal Agreement

**Specific Action Requested:**

**That the Board of Commissioners Adopts Amendment One to the Little River Reservoir Water Supply Watershed Interlocal Agreement.**

**Item Summary:**

In 2008, the Wake County Board of Commissioners and our municipal partners from the City of Raleigh and Towns of Wake Forest, Wendell, and Zebulon entered into the *Little River Reservoir Water Supply Watershed Protection Inter-local Agreement* (ILA). Adopting the ILA was one of the first steps taken to plan for the proposed drinking water reservoir. The Town of Rolesville chose not to enter into the ILA but continues to be involved in discussions of the Little River Water Supply Watershed.

The primary purpose of the ILA is to protect the water quality of the future reservoir by controlling the type and intensity of development in the watershed. The City of Raleigh is the lead agency in obtaining permits for the future Little River reservoir and the facility will be part of the City of Raleigh public utility system. The reservoir is one of several possible drinking water resources for the City and its municipal partners over the next 50 years.

As drafted in 2008, the ILA prohibits any non-residential (commercial) development to occur unless it's in an Activity Center as designated on the Wake County Land Use Plan. Activity Centers allow for a mix of residential and non-residential uses that serve as a focal point for meeting the neighborhoods shopping, social, and civic needs.

County staff and our municipal partners to the ILA believe that the ILA's prohibition of non-residential development outside of Activity Centers is more restrictive than what was originally intended.

This has prompted the following proposed changes to the ILA. The changes will allow certain non-residential uses to occur outside of Activity Centers within the Little River Water Supply Watershed.

1. Allow any existing Public/Civic use which is located outside of an Activity Center and was established before the ILA was executed in November 2008 to expand their principal use. The primary example is churches but also includes parks, schools, day cares, government uses, etc.
2. Allow the following uses to occur outside of an Activity Center which are currently prohibited: publicly owned parks; fire stations; Wake County emergency management services stations; municipal police substations or satellite offices; Wake County Sheriff's Office substations or satellite

offices; telecommunication towers; and solar farms. These uses are currently allowed outside of Activity Centers in the rest of Wake County's planning jurisdiction.

3. There shall be no new Activity Centers of any type, as designated in the Wake County Land Use Plan, created within the Little River Water Supply Watershed, and that any and all Activity Centers already existing within the Little River Water Supply Watershed shall not be allowed to expand its size.
4. The parties agree to continue discussions that address policies that currently prohibit water and sewer utilities and annexation into the watershed.

County staff facilitated meetings and discussions with staff from each of the municipal partners in developing these proposed changes. There is agreement among all staff that the proposed changes are acceptable. There is also significant interest by residents and other organizations on having these items addressed quickly.

On September 14, 2015, an update on the proposed changes was presented to the Board of Commissioners at their work session. A subsequent update was presented to the Growth, Land Use and Environment Committee (GLUE) on March 14, 2016, when the City of Raleigh provided a status report on the Little River Reservoir and future water supply resources.

As part of the process in considering the proposed changes, staff conducted a public open house meeting on August 2, 2016. Letters were sent to affected property owners and an advertisement was placed in the East Wake News. The open house allowed for the public to ask questions and learn more about the about the proposed changes. It was important to remind citizens that this is not a rezoning or a change to the Wake County Land Use Plan. Rather, it's an amendment to the ILA regarding the types of allowed uses in the watershed, similar to what is allowed in other water supply watersheds across the County. Feedback at the public open house meeting was favorable as several churches attended expressing the ability to expand but are currently prohibited under the current ILA. We also heard from representatives interested in locating a telecommunications tower in the watershed, which is also currently prohibited by the current ILA.

During consideration of the proposed changes to the ILA, the Towns of Zebulon and Rolesville expressed a desire to address larger policy discussions as part of this amendment. Those policies include water and sewer extensions, annexations, and cluster developments within the Little River Water Supply Watershed. These towns merged public utilities with the City of Raleigh in 2006 and the City has various policies that determine which utility services can be provided within a water supply watershed. Therefore, as part of this amendment, the parties agree to continue discussions on policies that currently prohibit water and sewer and annexation into the watershed.

In fact, these discussions have already started among the partners with the formation of a staff work group. The purpose is to evaluate the ability for municipal expansion into the non-critical Little River Water Supply Watershed. In doing so, careful consideration must be given to the impact on the ability to permit and construct the reservoir as a future drinking water supply. The staff work group has been meeting since March on this subject, and even conducted a workshop with expert consultants to gain more insight. Upon further review, it was agreed that additional time and evaluation would be needed before any determination could be made about municipal expansion into the watershed.

Given the interest the Town of Zebulon has on this issue, staff from Wake County and City of Raleigh presented an update to their Town Board on August 17, 2016. The Town Board indicated they are comfortable with the draft agreement and are most interested in the commitment to ongoing discussions and evaluation of municipal annexation into the watershed.

Upon approval by this Board, staff will facilitate consideration of approval by the other parties to the agreement. Please note that we have received indications from the other parties that the draft amendment is acceptable.

Approval of this amendment will satisfy interested residents and organizations by allowing several public and private projects to proceed. The changes also maintain the original intent of the ILA of protecting water quality in the water supply watershed.

**Attachments:**

1. Presentation
2. Interlocal Agreement
3. Amendment One - Interlocal Agreement
4. Map