



July 21, 2011

The Honorable Pam Hemminger, Chair
Upper Neuse River Basin Association
Box 12276
Research Triangle Park, North Carolina 27709

Re: Potential UNRBA – Nicholas Institute Partnership

Dear Pam:

The Upper Neuse River Basin (UNRBA) has been and continues to be on the cutting edge of water quality and water quantity policy development in North Carolina and the Southeastern United States.

Amy Pickle, Senior Attorney for State Policy at the Nicholas Institute, and I enjoyed working with members of UNRBA on the development of the consensus principles to guide state rules to reduce pollution into Falls Lake in 2010. We have also enjoyed working with the members and staff of UNRBA, Triangle J Council of Governments, Kerr-Tar Council of Governments, and other agencies. Many of our students have conducted research in the Upper Neuse as well.

The process of developing and adopting the Falls Lake rules has made UNRBA a more effective organization. The implementation and the likely future modification of the Falls Lake rules based upon additional water quality monitoring, modeling, and analysis, as reflected in UNRBA's July 11, 2011 Request for Proposals in Support for Long-Term Planning and Regulation of Nutrient Management Activities in the Falls Lake Watershed, will require a strong regional organization. UNRBA will also need to decide what role, if any, it wants to play in assuring adequate supplies of clean water to meet the needs of a growing region.

I am writing to propose an applied research partnership between UNRBA and Duke University's Nicholas Institute for Environmental Policy Solutions (NI). I would appreciate an opportunity to speak to the Board of Directors of UNRBA at its August 4, 2011 meeting at Triangle J COG.

Amy Pickle and I are interested in how watershed based organizations like UNRBA foster collaboration, develop and implement regional watershed plans, gain economies of scale, innovate, practice adaptive management, balance regional water budgets, and address other important issues. UNRBA could become a prototype for other watershed or regional water supply planning organizations in North Carolina and the Southeast.

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The UNRBA is at an important strategic junction. It can continue to provide a valuable forum for local governments to share information in the watershed or it can become a stronger regional organization that takes on additional regional responsibilities.

Additional opportunities for UNRBA or another regional organization could include:

- Managing water quality monitoring and modeling in Falls Lake and other drinking water reservoirs;
- Monitoring sedimentation and loss of capacity in Falls Lake and other drinking water reservoirs;
- Developing an economic model to estimate the costs and benefits of existing and proposed rules and policies in the watershed;
- Developing watershed plans and a system to guide investments of nutrient offset payments and other conservation programs;
- Researching the relative water quality and quantity costs and benefits of practices such as managing stormwater volume, land conservation, and stream restoration;
- Developing alternatives and more flexible policies, such as local watershed plans, that meet the objectives and targets of the State nutrient management strategy but that provide more local benefits;
- Developing policies to prevent phosphorus loading by eliminating phosphorus in lawn fertilizers and dishwashing detergents;
- Integrating an accounting framework for mitigation, restoration, and conservation projects;
- Managing a reverse auction or other market-based strategies to produce cost effective nutrient reduction projects in the watershed;
- Participating in the development of hydrologic models for water supply planning;
- Developing a regional water supply planning organization, consistent with Part I of SL 2011-374, Promote Water Supply Development/Efficiency and developing cost-effective supply and demand alternatives to balance the water budget in the Upper Neuse (including working with the Jordan Lake Partnership in the Upper Cape Fear);
- Educating the public about the value of the water resources in the Upper Neuse;
- Managing research projects, watershed plans, and contracts requested by UNRBA members;
- Advocating for the interests of UNRBA and UNRBA members before local, state and federal agencies;
- Other services directed by the Board.

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If the Board of UNRBA wishes to consider taking on additional responsibilities, then NI could under contract assist the Board and staff over the next year with strategic planning and management.

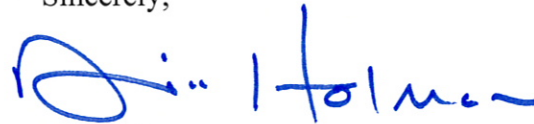
Duke University's Office of Research Support must review and approve all contracts entered into by NI.

If the UNRBA Board is interested in a partnership, we would be pleased to meet with you, other leaders of UNRBA, and your staff to discuss scope of work, budget, and other important contractual details.

In the interest of full disclosure I currently serve on the Boards of the non-profit Triangle Land Conservancy and the Conservation Trust for North Carolina. Both organizations participate in the Upper Neuse Clean Water Initiative (UNCWI).

Please contact me if you need more information. Thank you for your consideration.

Sincerely,



Bill Holman
Director of State Policy

C: Tim Profeta
Amy Pickle
Kathy Jooss
Kim Wanke

