



REQUEST FOR BOARD ACTION

ITEM NO. 17.

DATE OF MEETING: May 18, 2009

REQUESTED BY: Michael G. Mack, Director, PCU

SHORT TITLE: Resolution Approving Water Sales Agreement between Rocky Point/Topsail Water & Sewer District and the Scott's Hill Water & Sewer District

BACKGROUND: The State Public Water Supply Section of NCDENR is requiring an Inter-local agreement between the Rocky Point/Topsail Water & Sewer District (Rocky Top) and the Scott's Hill Water and Sewer District for the provision of water to Scott's Hill through the Rocky Top system prior to approving the Water Main Extension Permit for the Scott's Hill distribution system.

Staff recommends the attached agreement be approved for submission to NCDENR.

The Attorney for the Water Districts has advised that this must be approved by both Districts.

SPECIFIC ACTION REQUESTED: The Board of Directors of the Rocky Point/Topsail Water and Sewer District is requested to approve the attached Water Sales Agreement with the Scott's Hill Water & Sewer District.

COUNTY MANAGER'S RECOMMENDATION

Respectfully recommend approval.

MB
Initial

RESOLUTION

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Rocky Point/Topsail Water & Sewer District that

The proposed Water User's agreement with Scott's Hill Water & Sewer District is approved. The Chairman/District Manager is authorized to execute any documents necessary to implement this resolution.

AMENDMENTS:

MOVED _____ SECONDED _____

APPROVED _____ DENIED _____ UNANIMOUS

YEA VOTES: Tate ___ Brown ___ Blanchard ___ Rivenbark ___ Williams ___

Jimmy T. Tate, Chairman 05/18/09
Date

ATTEST 05/18/09
Date

NORTH CAROLINA

COUNTY OF PENDER

**ROCKY POINT/TOPSAIL WATER & SEWER DISTRICT
AND SCOTT'S HILL WATER & SEWER DISTRICT
WATER SALES AGREEMENT**

THIS AGREEMENT, made and entered into this ____ day of _____, 2009, by and between the Rocky Point/Topsail Water & Sewer District, hereinafter referred to as "RPTWSD", and Scott's Hill Water & Sewer District, hereinafter referred to as "SHWSD", each party being a water and sewer district created by the governing board of Pender County in accordance with G.S. 162A-86 of the State of North Carolina;

WITNESSETH:

WHEREAS, the parties wish to reach agreement as to the manner in which RPTWSD may sell water to SHWSD; and the parties further wish to define and clarify the conditions and terms in which said sale of water shall be conducted;

NOW, THEREFORE, in consideration of the terms, conditions and covenants set forth herein, the parties do agree as follows:

1. Sale and Purchase of Water: SHWSD agrees to purchase from RPTWSD water for public consumption and RPTWSD agrees to sell water to SHWSD subject to the terms and conditions set forth herein.
2. Term: The term of this agreement will run in perpetuity beginning May 18, 2009. Throughout the term of the Agreement, RPTWSD shall have the right to sell water to the SHWSD under the terms set forth herein. SHWSD agrees to purchase water from RPTWSD solely for the purpose of serving SHWSD's water customers, as set forth herein. SHWSD agrees not to resell water purchased from RPTWSD to another municipality or unit of government without RPTWSD's express consent in writing.
3. Rate: SHWSD agrees to pay to RPTWSD an amount equal to the bulk water rate per 1,000 gallons per day for water purchased by RPTWSD from the Town of Wallace (rate subject to annual adjustment) until such a time as the Pender County Water Treatment Plant is constructed and producing finished water. Where thereafter, water will be supplied to RPTWSD by the Pender County Water Treatment Plant, SHWSD agrees to pay first RPTWSD an amount equal to the actual cost per 1,000 gallons per day of bulk water production as determined by the Director of Pender County Utilities. "Gallons of water per day" shall be based upon average daily consumption. RPTWSD will provide a billing to SHWSD on approximately the 30th day of each month and such billing shall be payable in full within 30 days of receipt of such billing. Any payment not received within 30 days of said billing shall carry a 1.5% late payment penalty.
4. SHWSD Customers:
 - (a) Water provided by RPTWSD to SHWSD under the Agreement will be provided only to water customers located within the present or future

limits of SHWSD provided that those customers are not located within any other District or Town limits. SHWSD agrees that it will not provide water service using water purchased from RPTWSD to any customers except those listed herein, except upon prior written consent of RPTWSD which consent shall not be unreasonably withheld. SHWSD agrees that such consent shall be sought at least 120 days prior to any planned commitment by SHWSD to such potential customer.

5. Water Purification: All water sold by RPTWSD to SHWSD, pursuant to this Agreement, shall meet all standards as established from time to time by the North Carolina Department of Environment and Natural Resources, Environmental Health Division, or such other governmental agencies establishing water quality standards to the point of entry to SHWSD's system. RPTWSD agrees to perform such testing as required by any current or future permit issued by the State of North Carolina regarding production and delivery of water to SHWSD's distribution system, and RPTWSD will provide the results to SHWSD in a timely manner as may be required by law.
6. Additional Facilities: SHWSD shall install at SHWSD's expense a metering system and required pipelines, valves, and appurtenances (hereinafter "improvements") in accordance with USDA-RD approved Technical Specifications as required to convey water from the RPTWSD's distribution system to the SHWSD's distribution system. Said improvements shall thereafter be maintained and operated by SHWSD at its sole expense.
7. Operation and Maintenance:
 - (a) SHWSD shall have the responsibility for maintenance of the existing and future water lines and other apparatus at its own costs located on the SHWSD's side of the water meter vault to be installed as described above. RPTWSD shall have sole responsibility for maintaining existing RPTWSD's distribution lines that convey water to the water meter vault.
 - (b) Any future water tanks, pump stations or to other facilities, necessary or convenient, to providing additional water storage, water pressure or other benefit of SHWSD shall be hereafter erected at SHWSD's election and sole expense upon conditions reasonably acceptable to RPTWSD.
8. Previous Agreements: This Agreement shall supersede and amend any terms in conflict herewith contained in any prior agreements by and between the parties regarding the purchase, sale or other use or conveyance of water.
9. Amendments: This Agreement may be amended only by written agreement executed by the parties hereto.
10. Duplicate Originals: This agreement shall be executed by the parties hereto in duplicate originals, each of which, when executed, shall constitute an original document.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized representatives the day and year first above written.

ROCKY POINT/TOPSAIL WATER & SEWER DISTRICT

By: _____

Attest:

SCOTT'S HILL WATER & SEWER DISTRICT

By: _____

Attest:
