



## REQUEST FOR BOARD ACTION

ITEM NO. 23.

**DATE OF MEETING:** January 4, 2010

**REQUESTED BY:** Michael G. Mack, Director, PCU

**SHORT TITLE:** Resolution by the Board of Directors of the Rocky Point/Topsail Water & Sewer District to Enter into an Interlocal Water Sales Agreement with the Town of Surf City to Acquire Additional Finished Water Supply for the Remaining Rocky Point/Topsail Phase V Customer Base.

**BACKGROUND:** The Rocky Point/Topsail Water & Sewer District currently purchases up to 800,000 gallons per day from the Town of Wallace. During peak demand days, our supply capacity reaches approximately 85% of the available supply. State regulations require all public water supply systems to begin design of additional water supply facilities at 80% of available supply and begin construction of those facilities at 90%. In order to preserve the necessary remaining water supply, approximately 400-500 future customers in the Phase V construction area have not been brought on-line. Through negotiations with the Town of Surf City, the Rocky Point/Topsail Water & Sewer District will be able to purchase water supply to serve the remaining Phase V customer base and buffer the capacity demand for long-term peak demand periods. The Town of Surf City has additional water supply available and is amenable to selling up to 200,000 gallons per day to the RPTWSD for an initial term of one (1) year that may be renewed or extended for up to four (4) additional one-year terms until such a time as the Pender County Water Treatment Plant comes on-line. The purchase price for water from Surf City is \$4.00 per 1,000 gallons plus an Availability Fee of \$600 per month. The estimated daily demand is expected not to exceed 100,000 gallons per day.

Staff recommends the Board approve entering into this Agreement in order to supply water to the remaining customers awaiting water service in the Phase 5 construction area.

**SPECIFIC ACTION REQUESTED:** The Board of Directors of the Rocky Point/Topsail Water & Sewer District is requested to approve the Interlocal Water Sales Agreement with the Town of Surf City for the purchase of public drinking water to serve the remaining Phase 5 area of the District.

**COUNTY MANAGER'S RECOMMENDATION**

Respectfully recommend approval.

RB  
Initial

**RESOLUTION**

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

the attached Interlocal Water Sales Agreement with the Town of Surf City for the purchase of public drinking water to serve the remaining Phase 5 area of the District is approved.

The Chairman/District Manager is authorized to execute any document necessary to implement this resolution.

**AMENDMENTS:**

MOVED \_\_\_\_\_ SECONDED \_\_\_\_\_

APPROVED \_\_\_\_\_ DENIED \_\_\_\_\_ UNANIMOUS

YEA VOTES: Tate \_\_\_ Blanchard \_\_\_ Brown \_\_\_ Rivenbark \_\_\_ Williams \_\_\_

\_\_\_\_\_  
Jimmy T. Tate, Chairman      01/04/10  
Date

\_\_\_\_\_  
ATTEST      01/04/10  
Date

**NORTH CAROLINA**

**COUNTY OF PENDER**

**TOWN OF SURF CITY AND ROCKY POINT/TOPSAIL WATER AND SEWER DISTRICT  
WATER SALES AGREEMENT**

THIS AGREEMENT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2010, by and between the Town of Surf City, hereinafter referred to as "City", and Rocky Point/Topsail Water & Sewer District, hereinafter referred to as "District", each party being a municipal corporation duly chartered by the State of North Carolina;

**WITNESSETH:**

WHEREAS, the parties wish to reach agreement as to the manner in which City may sell water to District; 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: District agrees to purchase from City water for public consumption and City agrees to sell water to District subject to the terms and conditions set forth herein.
2. Term: The term of this agreement shall be for an initial term of one (1) year from the date the necessary "Additional Facilities" are installed and operational that provide for the actual conveyance of water from the City distribution system to the District distribution system, whichever is the latter, and thereafter, may be renewed or extended for up to four (4) additional one-year terms subject to the provision the District must notify the City in writing at least ninety (90) days before the end of each annual term of its intent to renew the agreement for each additional term. District agrees to purchase water from City solely for the purpose of serving District's water customers, as set for the herein. District agrees not to resell water purchased from City to another municipality or unit of government without City's express consent in writing. The City and District agree that if the agreement for the provision of water to the District is not renewed, both parties desire to leave the interconnection in place for Emergency water service. In the event an emergency requires water service, the requesting party shall notify the other party of the nature and estimated duration of the emergency. Operations personnel from both parties will participate in activating and deactivating the interconnection to preclude unanticipated impacts within the respective systems and to record meter readings.
3. Rate: District agrees to pay to City the rate of \$4.00 per 1,000 gallons purchased, rounded to the nearest 1,000 gallons plus an availability fee of \$600 per month. The estimated daily demand is expected not to exceed 100,000 gallons per day. The District shall not be allocated more than a maximum usage of 200,000 gallons per day. "Gallons of water per day" shall be based upon average daily consumption. City will provide a billing to District on approximately the 15th 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. Rate per 1,000 shall be reviewed at each renewal.

4. District Customers:
  - (a) Water provided by City to District under the Agreement will be provided only to water customers located within the present or future limits of District provided that those customers are not located within any other City or Town limits. District agrees that it will not provide water service using water purchased from City to any customers except those listed herein, except upon prior written consent of City which consent shall not be unreasonably withheld. District agrees that such consent shall be sought at least 120 days prior to any planned commitment by District to such potential customer. The point of connection shall be mutually agreed upon by both parties.
  - (b) District agrees that it will give City at least 120 days prior notice of District intent to provide water to any new customer within its district limits if it is anticipated that such customer will utilize 60,000 gallons of water or more per day. District will also notify City within 120 days of its intent to provide water to any now existing customer who plans to increase its usage by 60,000 gallons of water or more per day. The maximum allocated water from the City to the District shall not exceed a maximum of 200,000 gallons per day. "Gallons of water per day" shall be based upon an average of daily consumption. The purpose of this requirement is to allow City to make necessary preparations for such increased usage.
5. Water Purification: All water sold by City to District, 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 District's system. City 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 District's distribution system, and City will provide the results to District in a timely manner as may be required by law.
6. Additional Facilities: District shall install at District'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 City's distribution system to the District's distribution system. Said improvements shall thereafter be maintained and operated by District at its sole expense.
7. Operation and Maintenance:
  - (a) District shall have the responsibility for maintenance of the existing and future water lines and other apparatus at its own costs located on the District's side of the water meter vault to be installed as described above. City shall have sole responsibility for maintaining the existing water treatment plant and City'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 District shall be hereafter erected at District's election and sole expense upon conditions reasonable acceptable to City.

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.

TOWN OF SURF CITY

By: \_\_\_\_\_

Attest: \_\_\_\_\_

ROCKY POINT/TOPSAIL WATER & SEWER DISTRICT

By: \_\_\_\_\_

Attest: \_\_\_\_\_