



REQUEST FOR BOARD ACTION

ITEM NO. 18.

DATE OF MEETING: February 15, 2010

REQUESTED BY: Rick Benton, County Manager

SHORT TITLE: Resolution Approving Changes to the Surf City Water Sales Agreement

BACKGROUND: After the Rocky Point-Topsail Water and Sewer District Board approved the Water Sales Agreement with Surf City, the Town made two changes. These changes are in Section 2, and Section 8 (added), and are highlighted on the attached copy. The Board is asked to adopt a resolution approving these changes.

SPECIFIC ACTION REQUESTED: To consider a resolution approving the changes to the Surf City Water Sales Agreement.

COUNTY MANAGER'S RECOMMENDATION

Respectfully recommend approval.

JB
Initial

RESOLUTION

NOW, THEREFORE BE IT RESOLVED by the Pender County Board of Commissioners that:

the Board hereby approves the changes to the Town of Surf City Rocky Point/Topsail Water and Sewer District Water Sales Agreement. The Chairman/County Manager is authorized to execute any/all documents necessary to implement this resolution.

AMENDMENTS:

MOVED _____ SECONDED _____

APPROVED _____ DENIED _____ UNANIMOUS

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

Jimmy T. Tate, Chairman

Date

ATTEST

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 January, 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. Likewise, if Surf City can no longer provide services to the District then Surf City must notify the District in writing at least ninety (90) days before the end of each annual 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, which may be withheld in its sole discretion. 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 and agreed upon prior to each renewal period.

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 may be withheld in its sole discretion. 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. Emergency Conditions: The parties acknowledge that the primary obligation of the City is to provide water service to the citizens of the Town of Surf City. In the event of an emergency, the City shall have the authority to allocate water usage in such a manner as to insure reasonable water availability to its citizens.
9. 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.
10. Amendments: This Agreement may be amended only by written agreement executed by the parties hereto.
11. 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: _____