

MEMORANDUM OF UNDERSTANDING

Memorandum of Understanding between the COUNTY OF GUILFORD, the TOWN OF OAK RIDGE, THE TOWN OF STOKESDALE AND THE TOWN OF SUMMERFIELD for the purpose of outlining a cost sharing arrangement related to the professional services costs associated with conducting a preliminary feasibility study for the development of a regional public water system.

WHEREAS, the Town of Stokesdale, located in Guilford County currently owns and operates a municipal water distribution system to provide potable water service for residential and commercial consumers within the corporate limits of the Town and the Town purchases treated water from the City of Winston Salem and the Town desires to explore other potentially lower costs options available for the purchase of water on a wholesale basis; and

WHEREAS, Guilford County and the Towns of Oak Ridge and Summerfield currently do not own or operate public water distribution systems as potable water is available to residents and businesses within these jurisdictions through individual private wells or community well systems operated by a private water company and these jurisdictions are interested in exploring the feasibility of developing a public water system to provide potable drinking water and adequate volume for fire suppression; and

WHEREAS, approximately \$14.5 million was included in the State of North Carolina's budget to fund some of the infrastructure associated with developing a regional water system including local government jurisdictions in both Rockingham and Guilford counties contingent on the establishment of a Water and Sewer Authority; and

WHEREAS, the above named local governments public infrastructure including water systems are key components to facilitating quality growth and development and providing important public health and public safety services; and

WHEREAS; the parties agree and understand that the development and operation of public water systems is a long-term capital intensive endeavor that must be strategically planned, designed and operated as cost effectively as possible to optimize the public benefit; and

WHEREAS, the parties agree that it would be prudent to engage the services of a professional engineering firm to perform a preliminary feasibility study/engineering report to determine the costs to construct and operate a regional water system and make projections related to user charges, rates and fees before making a final decision or commitment to participate in the regional water system project; and

WHEREAS, the parties agree to the following terms, conditions, responsibilities and commitments related to the initial steps to determine the feasibility of developing a regional water system.

1. The parties will develop a Request for Qualifications (RFQ) for engineering / professional services to conduct a Preliminary Feasibility Study for the development of a regional water system. The parties will agree on the scope of work before advertising the RFQ publicly. The firms responding to the RFQ will be evaluated for their experience and knowledge

performing such work. All of the responding firms shall be ranked upon their qualifications to perform the work. The parties will negotiate a final scope of work and compensation with the firm determined to be most qualified. If the parties are unable to reach financial terms that are acceptable with the first firm, negotiations will be terminated with that firm and negotiation shall begin with the second ranking firm.

2. The scope of work for the Preliminary Feasibility Study may include but not be limited to the following:
 - a. Evaluation and defining of the proposed service areas
 - b. Growth projections and water consumption demand projections for 10, 20 and 30 years
 - c. Evaluation of all potential treated water suppliers and verification of available capacity to sell, wholesale cost of water and long-term viability as a reliable source
 - d. Route and design and construction cost of transmission lines from wholesale water supplier(s)
 - e. Cost estimates to design and construct common facilities such as elevated storage, pumping stations, metering
 - f. Cost to design and construct distribution systems in specified service areas
 - g. Cost to operate and maintain common facilities, transmission and distribution systems to include staffing, equipment, utility and other operating and administrative costs
 - h. Make projections for the rates and fees necessary to cover capital and operating expenses
 - i. Preliminary assessment of environmental impacts of constructing regional water system
3. It is understood that the selected consultant will be responsible for representing all aspects of the project and all parties as objectively as possible. However, any participant in this agreement may at their discretion seek professional advice from another consultant at any time during the process at their own expense.
4. The parties agree to meet with the selected consultant as needed to provide information necessary to complete the feasibility study. Information needed may include but not be limited to zoning and comprehensive land use information and growth projections for the jurisdiction, etc.
5. All of the participants in this agreement hereby agree to share in the cost of the professional services related to the preparation of the feasibility study by payment of one-fourth or 25% of the total cost of the study. The compensation and financial terms of the professional services agreement shall be agreed upon by all parties prior to its execution.
6. This is a single purpose agreement. By signing this agreement each party is committing to participate in the regional water system feasibility study process only. There is no further obligation associated with this agreement. Should some or all of the parties decide to proceed with the planning and development of a regional water system, additional agreements will be necessary.
7. A party to this agreement may terminate its interest in the agreement with 30-day written notice to the other participants prior to any financial obligations being incurred. It is understood and agreed by all parties to this agreement that the execution of a professional

services agreement with an engineering firm shall constitute a binding financial obligation for all parties.

COUNTY OF GUILFORD

Jeff Phillips, Chairman

TOWN OF OAK RIDGE

Spencer Sullivan, Mayor

TOWN OF STOKESDALE

Randy Braswell, Mayor

TOWN OF SUMMERFIELD

Mark Brown, Mayor