



Legislation Text

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TITLE

MEMORANDUM OF UNDERSTANDING BETWEEN THE COUNTY OF GUILFORD, THE TOWN OF OAK RIDGE, THE TOWN OF STOKESDALE AND THE TOWN OF SUMMERFIELD TO CONTRACT FOR A FEASIBILITY STUDY FOR THE DEVELOPMENT OF A REGIONAL PUBLIC WATER SYSTEM

SPONSOR

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BACKGROUND

In the northwest region of Guilford County, the Town of Stokesdale is the only public provider of potable water. The Town operates its own water distribution system within the town limits and purchase treated water from the City of Winston Salem. Guilford County and the towns of Oak Ridge and Summerfield do not currently own or operate water systems, but are interested in evaluating the feasibility of developing a regional water system to serve residents and businesses and to have water available for fire suppression as a secondary benefit. The development of a public water system could have positive public health and public safety benefits for the area.

The General Assembly included \$14,548,981 in the FY 2016 state budget of the Department of Environmental Quality, Division of Water Infrastructure to fund interconnection and extension of water lines to participating counties and municipalities undertaken by a regional Water and Sewer Authority that includes the counties of Rockingham and Guilford and one or more municipalities within those counties. The General Assembly may amend the bill to eliminate the requirement to establish a Water and Sewer Authority inclusive of both counties.

Rockingham County and many of the municipalities in Rockingham County own and operate public water systems and they have determined that it is not necessary to participate in the proposed feasibility study as their only role in the regional system could be as a potential supplier of treated water, however it will be necessary for them to provide information to the engineering consultant in order to evaluate their viability as a wholesale water source.

Northwestern Guilford County has seen significant residential growth and development and more is anticipated. In Oak Ridge, Summerfield and the unincorporated areas this development is served by individual wells or community well systems operated by a private water company.

The systems are designed to provide potable water only and the volume of water and pressure is not adequate for fire suppression. The parties to this memorandum of understanding believe the timing is right to undertake a feasibility study to determine the cost to construct and operate a regional water system.

This memorandum of understanding is a sole purpose agreement. The purpose is to outline a cost sharing agreement and how all of the parties to the agreement will work together through the preliminary feasibility study process. The first step in the process would be for the participants to develop a comprehensive scope of work and a request for qualifications. Once all parties agree to the proposed scope of work, the request for qualifications would be advertised to solicit qualified engineering firms to perform the feasibility study. The participants would jointly evaluate the firms and rank the firms on qualifications and experience in the area of developing regional water systems. The final scope of work and fee would be negotiated with the firm determined to be most qualified.

The scope of work for the feasibility study to provide enough information for the parties to decide whether or not to move forward would likely include the following activities:

1. Evaluation and definition of the proposed service areas
2. Growth projections and water consumption demand projections for 10, 20 and 30 years
3. Evaluation of all potential treated water suppliers and verification of available capacity, wholesale cost of water and long-term viability as a reliable source
4. Route and design and construction costs of transmission lines from wholesale water suppliers
5. Cost estimates to design and construct common facilities such as elevated storage, pumping stations, metering, etc.
6. Cost to design and construct distribution systems in specified service areas
7. Cost to operate and maintain common facilities, transmission and distribution systems to include staffing, equipment, utilities and other operating and administrative costs
8. Develop projections for the rates and fees necessary to cover capital and operating expenses
9. Provide a preliminary assessment of environmental impacts of constructing a regional water system

The selected engineering consultant will represent all parties to the agreement as objectively as possible. If a participant desires to seek professional advice from another consultant during this process they may do so at their own expense. Each participant will be expected to be responsible for 25 percent of the actual professional services costs associated with the preliminary feasibility study. If one or more of the participants named in the proposed memorandum of understanding decides not to participate, the the percentage of each of the participants would change accordingly. It is possible that the professional services costs associated with the feasibility study can be covered by the state funding appropriation once all of the parties have approved the memorandum of understanding. The cost will not be known until the final scope of work and compensation have been negotiated. The final professional

services agreement will be presented to each governing board for approval.

Approval of the memorandum of understanding commits Guilford County to be a participant in the preliminary feasibility study only. If it is determined to be feasible to develop a regional public water system the participants will need to determine the preferred governing structure to oversee the planning, construction, financing and operation of the system.

BUDGET IMPACT

The costs of the study will be presented when the final professional services contract terms have been negotiated. i.e. NO ADDITIONAL COUNTY FUNDS

REQUESTED ACTION

Approve the proposed Memorandum of Understanding, in substantial form, between Guilford County, the Town of Oak Ridge, the Town of Stokesdale and the Town of Summerfield for participation in a study to determine the feasibility of developing a regional public water system.