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LOCAL GOVERNMENT PARTNERSHIPS

HOW BOTH SIDES CAN WIN

BRUNSWICK COUNTY

- LARGE COUNTY WITH 19 CITIES AND TOWNS
- 2 SANITARY DISTRICTS
- 2ND FASTEST GROWING COUNTY IN NORTH CAROLINA
- 29TH FASTEST GROWING COUNTY IN US
- POPULATION INCREASING AT ABOUT 7% PER YEAR

BRUNSWICK COUNTY PUBLIC UTILITIES

- OPERATES 2 WATER PLANTS TOTALING 30 MGD CAPACITY
- PROVIDES WATER TO CUSTOMERS IN 6 TOWNS AS RETAIL CUSTOMERS
- OPERATES 6 WASTEWATER TREATMENT PLANTS WITH A COMBINED CAPACITY OF 5 MGD
- PROVIDES SEWER TO CUSTOMERS IN 4 TOWNS AS RETAIL CUSTOMERS

BRUNSWICK COUNTY EXISTING PARTNERSHIPS

- INTERLOCAL AGREEMENTS WITH 5 TOWNS AND 1 SANITARY DISTRICT FOR WASTEWATER TREATMENT CAPACITY
- INTERLOCAL AGREEMENT WITH 1 TOWN FOR MAINTENANCE OF THEIR SEWER SYSTEM

BRUNSWICK COUNTY EXISTING PARTNERSHIPS

- INTERLOCAL AGREEMENTS WITH 8 TOWNS FOR WATER SERVICE
- INTERLOCAL AGREEMENT WITH 1 TOWN FOR MAINTENANCE OF THEIR WATER SYSTEM

BRUNSWICK COUNTY EXISTING PARTNERSHIPS

- INTERLOCAL AGREEMENTS WITH 4 TOWNS FOR BUILDING INSPECTIONS
- INTERLOCAL AGREEMENTS WITH 6 TOWNS FOR STORMWATER PLAN REVIEW AND INSPECTIONS

INTERLOCAL AGREEMENT DEFINITION

- An agreement between governmental agencies for a specific service or purpose

TYPES OF LOCAL PARTNERSHIPS

- WATER SERVICE
- SEWER SERVICE
- WASTEWATER TREATMENT
- WATER AND/OR SEWER SYSTEM MAINTENANCE
- FIRE PROTECTION
- PLANNING
- TAX COLLECTION
- ALMOST ANY GOVERNMENTAL FUNCTION

PREPARATION OF AN INTERLOCAL AGREEMENT

- REQUIRES INPUT FROM A WIDE RANGE OF GROUPS
 - Attorneys
 - Engineers
 - Managers
 - Elected Officials
 - Finance Directors
- REVIEWED AND APPROVED BY ALL SIGNING PARTIES

PREPARATION OF AN INTERLOCAL AGREEMENT

- PREPARED BY AGENCY PROVIDING SERVICE
- CAN BE WRITTEN BY ATTORNEY, DEPARTMENT HEAD, MANAGER

APPROVAL OF THE AGREEMENT

- MUST BE APPROVED BY GOVERNING BOARD OF ALL PARTIES
- MUST BE APPROVED BY RESOLUTION IN OPEN SESSION

WIN - WIN OR LOSE - LOSE

- BOTH PARTIES MUST BELIEVE THAT THE AGREEMENT IS IN THEIR BEST INTEREST
- THE AGREEMENT MUST BE FAIR NOW AND IN THE FUTURE
- NO HIDDEN AGENDAS

CASE STUDY 1

- YOUR TOWN OPERATES A 10 MGD WATER TREATMENT PLANT
- AVERAGE DAILY FLOW IN 2002 6 MGD
- AVERAGE DAILY FLOW IN 2007 4 MGD
- THE COUNTY COMES TO YOU WITH INDUSTRIAL PROSPECT WHO NEEDS 1 MGD OF WATER

CASE STUDY 1

- THE COUNTY WANTS TO PURCHASE WATER FROM YOU FOR INDUSTRY AT A GUARANTEED RATE FOR 20 YEARS
- TO GET THE INDUSTRY, THEY NEED FOR THE RATE TO BE YOUR LOWEST CURRENT RATE

CASE STUDY 1

- IS THIS A WIN - WIN SITUATION FOR ALL PARTIES?
- WOULD YOU ENTER INTO THIS AGREEMENT?

FORM OF THE AGREEMENT

- TITLE AND PARTIES
- PREAMBLE
- DEFINITIONS
- DESCRIPTION OF SERVICES TO BE PROVIDED
- COST RECOVERY METHODS
- DISPUTE RESOLUTION

FORM OF AGREEMENT

- LENGTH OF CONTRACT
- TERMINATION AND AMENDMENT
- SIGNATORY SECTION
- EXHIBITS

TITLE AND PARTIES

- TITLE SHOULD REFLECT PURPOSE
- PARTIES TO THE AGREEMENT SHOULD BE CLEAR
- DATE OF THE AGREEMENT

PREAMBLE SECTION

- ALSO CALLED THE “WHEREAS” SECTION
- STATE THE REASONS FOR THE AGREEMENT
- STATE GOALS FOR THE PROJECT OR SERVICES

DEFINITIONS

- CLEAR DEFINITION OF TERMS USED IN THE AGREEMENT
- LEAVE NO DOUBT ON KEY ELEMENTS OR THE COURT MAY INTERPRET FOR YOU

DESCRIPTION OF SERVICES

- CLEARLY DEFINE ALL SERVICES TO BE PROVIDED
- CLEARLY INDICATE ANY CONDITIONS TO THE SERVICES SUCH AS PRESSURE OR QUALITY
- INDICATE ANY CAPACITY LIMITS

COST RECOVERY

- CLEARLY SHOW HOW COST(S) WILL BE CALCULATED TODAY AND IN THE FUTURE
- CAPITAL COSTS
- OPERATION AND MAINTENANCE COSTS
- EXPANSION COSTS
- UPGRADE COSTS
- PAYMENT TERMS

DISPUTE RESOLUTION

- DISPUTES BETWEEN PARTIES WILL ARISE
- MOST AGREEMENTS INCLUDE LANGUAGE THAT ATTEMPTS TO PREVENT LAWSUITS
- TERMS OF MOST AGREEMENTS ARE 20-40 YEARS, SO ASSUME PARTIES THAT WRITE THE AGREEMENTS WILL NOT BE AROUND WHEN DISPUTES OCCUR

LENGTH OF CONTRACT

- LENGTH OF CONTRACT MUST BE CLEARLY STATED
- IF THE CONTRACT IS TO BE AUTOMATICALLY EXTENDED, THE TERMS OF THE EXTENSION SHOULD BE INCLUDED
- FOR PROJECTS WITH BOND FINANCING, THE AGREEMENT MUST BE AS LONG AS THE BONDS TERMS

AMENDMENTS AND TERMINATION

- AGREEMENTS WILL BE AMENDED
- BOTH PARTIES MUST AGREE TO AMENDMENTS
- AGREEMENTS CAN BE TERMINATED

DEFAULT

MUTUAL AGREEMENT

SIGNATORY SECTION

- MUST BE SIGNED BY AUTHORIZED PARTY
- NORMALLY MAYOR, CHAIRMAN, OR EXECUTIVE DIRECTOR
- MUST BE WITNESSED AND SEALED BY CLERK OR SECRETARY TO BOARD
- IN MOST CASES, PREAUDIT CERTIFICATION IS REQUIRED

EXHIBITS

- MUST BE REFERENCED IN THE AGREEMENT
- CAN INCLUDE SPECIFIC INFORMATION
 - BOND SCHEDULES
 - PROJECT DESCRIPTIONS
 - REPORTS

CASE STUDY 2

- YOUR TOWN OPERATES A 10 MGD WATER TREATMENT PLANT
- AVERAGE DAILY FLOW IN 2002 6 MGD
- AVERAGE DAILY FLOW IN 2007 4 MGD
- A NEIGHBORING TOWN ASKS TO PURCHASE 1 MGD OF CAPACITY

CASE STUDY 2

- THEY AGREE TO PAY A FAIR PRICE FOR THE CAPACITY
- THEY AGREE TO SHARE COST OF OPERATING THE PLANT ON A FLOW PROPORTIONAL BASIS
- YOU AGREE TO LET THEM HAVE INPUT INTO THE DECISIONS ABOUT PLANT OPERATION

CASE STUDY 2

- WOULD YOU ENTER INTO THIS AGREEMENT?
- IS IT A WIN - WIN FOR BOTH PARTIES?

COMMON PROBLEMS TO AVOID

- AGREEMENTS MUST BE FLEXIBLE FOR CHANGING CONDITIONS
- AGREEMENTS MUST BE VERY CLEAR ON HOW COSTS WILL BE CALCULATED
- AGREEMENTS MUST BE FAIR TO BOTH PARTIES



QUESTIONS?