

Water Purchasing Contract

Linwood E. Peele
Division of Water Resources
Department of Environment and Natural Resources

Water Efficiency BMP Workshop



Managing Water Resources to Support North Carolina's Future

1

BMP was develop to assist local governments and community water systems to provide a mechanism for the purchasing system to follow their BMPs or at least do at least what the seller is doing.

What is a Contract?

- A properly executed agreement between two or more parties
- Usually includes an offer and an acceptance
- Consideration of the offer and acceptance
- Should be in writing
- Legally binding



Managing Water Resources to Support North Carolina's Future

2

It is important that the seller and the buyer have a complete understanding of the requirements and expectations of the contract.

Circumstances Change



Managing Water Resources to Support North Carolina's Future

3

Boards changes all the time. Boards may have different priorities than the next board.

Why Do I Need Contracts

- Water shortage challenges
 - Growth
 - Drought
- Management challenges
 - Increased cost of delivery
- Excess capacity
 - Loss of large industry
 - No growth



Managing Water Resources to Support North Carolina's Future

4

Large urban systems facing water supply challenges due to growth or drought are increasingly entering into partnerships with their neighbors to increase their water security.

Small town systems that are struggling with the increased costs of managing their systems often look towards partnerships with other systems to manage system costs.

The loss of large industrial customers realize that selling water to neighboring communities may be the only realistic way of taking advantage of their capacity and plugging revenue holes.

Communities engaged in economic development activities often find that partnerships with other water suppliers are often the most cost effective and sustainable means of providing water to support future development.

Types To Consider

- Regular
 - 30 or more days per year
- Emergency
 - Main breaks
 - Electrical failures/problems
 - Maintenance
 - Drought



Managing Water Resources to Support North Carolina's Future

5

Water systems consistently sells or buy for more than 30 days per year should consider contract as regular. Those use for less than 30 days per year should be considered emergency as can assist for the following reasons:

Before this happens:



Managing Water Resources to Support North Carolina's Future

6

East Millbrook Road in north Raleigh after crews completed repairs to a 12" - water main break that ruptured Friday afternoon, creating a sinkhole.

Or This



Managing Water Resources to Support North Carolina's Future

7

Electrical or mechanical failures/problems

Or This



Managing Water Resources to Support North Carolina's Future

Or This

Towns desperate for water



Above: Chief Dean, a Shelby firefighter, monitors a jury rigged system that draws water from the city of Kings Mountain through the Cleveland County water system to Shelby. Using the fire truck as a pumping station, 870 gallons per minute are processed.

Worst-hit Piedmont communities begin pumping or trucking in water and further tightening restrictions



Managing Water Resources to Support North Carolina's Future

9

City of Shelby – Cleveland County Water

Language to Include

- Contract volume of water to be purchased and/or sold
- Length of contract
- How the cost will be determined
- How and when water rates will change
- The buyer is required to adhere to water conservation policy when enacted



Managing Water Resources to Support North Carolina's Future

10

Purchase Water Contract Sample

Other Language to Include

- Water quality issues
- Water pressure requirements
- Which party is responsible for maintaining the meter
- Re-selling water to other systems
- Service area and annexation
- Nonrevenue water
- Inflow & infiltration (I&I)



Managing Water Resources to Support North Carolina's Future

11

Additional Inter-local Water Agreement Tips : These guidelines can be found at:

http://www.efc.unc.edu/publications/2009/water_partnership_tips.pdf.

Water quality issues & Water pressure requirements
Which party is responsible for maintaining the meter
How and when water rates will change
Re-selling water to other systems
Service area and annexation
Nonrevenue water and Inflow & Infiltration (I&I)

Some BMP's to Consider

- Water Efficiency and Conservation
- Water Audits
- Water Loss Abatement
- Metering
- Retrofitting of Residential Fixtures/Irrigation
- Public Information Program
- Rainwater Harvesting



Contact Information

QUESTIONS?

Linwood Peele
Water Supply Planning Branch
NC Division of Water Resources
919-707-9024
linwood.peele@ncdenr.gov



Managing Water Resources to Support North Carolina's Future

13