



Gaston County

Gaston County
Board of Commissioners
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County Attorney

Board Action

File #: 17-379

Commissioner Hovis - County Attorney - To Authorize County Participation in Financing Construction of Water Interconnect Between Gastonia and Bessemer City

STAFF CONTACT

Charles Moore - County Attorney

BUDGET IMPACT

Appropriate \$158,333.00.

BUDGET ORDINANCE IMPACT

BACKGROUND

Gaston County is requested to provide one third of the matching funds necessary to secure an N.C. Commerce Department Utility Grant of \$1,125,000. The other two thirds of the matching funds will be provided by Gastonia and Bessemer City.

POLICY IMPACT

N/A

ATTACHMENTS

Letters of Intent from Bessemer City and Gastonia; Map

DO NOT TYPE BELOW THIS LINE

I, Donna S. Buff, Clerk to the County Commission, do hereby certify that the above is a true and correct copy of action taken by the Board of Commissioners as follows:

NO.	DATE	M1	M2	Brown	Fraley	Grant	Hovis	Keigher	Philbeck	Worley	Vote
2017-257	10/24/2017	BH	DG	A	A	A	A	A	A	A	U

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October 12, 2017

Gaston County Administrative Offices
Attn: Earl Mathers, County Manager

Gastonia, NC 28053

Re: Proposed Bessemer City / Gastonia Water Systems Interconnect

Earl:

Thank-you for your time in discussing our proposed water line system interconnect between the cities of Bessemer City and Gastonia, as well as the recent County Commissioners consideration to join with us in this tri-party venture. As you know, due to low existing reservoir capacity, Bessemer City cannot provide confirmed water capacity for potential industrial customers in expansion of the South Ridge Business Park. In addition to being able to recruit new businesses and jobs, ensuring adequate water supply for existing major businesses remains an on-going priority. Through supporting these major employers and further supporting future economic development, this proposed interconnect will create a regional water grid between the two cities and can minimize other emergency (water) situations such as drought occurrences.

Accordingly, in an effort to address the County Commissioners concerns, we would propose (subject to both governing bodies approval) the following general terms and conditions of an agreement between Gaston County and the City of Gastonia:

- A 10-year term starting upon completion of the systems interconnect.
- Bessemer City's average daily water usage is approximately 1.1 million gallons per day (mgd). When water supplied by Gastonia to Bessemer City exceeds an average of 0.75 mgd over the course of a year, Gastonia would annually reimburse the County \$15,833 per year. This would provide a potential 10-year payback to Gaston County on its initial upfront capital investment.

We hope this will address the concerns of Gaston County and continue to move this important regional project forward. Thanks in advance for your consideration and prompt response. Should you have any questions or need further information, please contact me at (704) 866-6721.

Sincerely,


Michael Peoples, City Manager



October 10, 2017

Earl Mathers, County Manager
Gaston County Administration Building
128 West Main Avenue
Gastonia, NC 28053

Subject: Bessemer City/Gastonia (TRU) Water Interconnection Funding

Dear Mr. Mathers,

On behalf of the City of Bessemer City and the City of Gastonia, we request the support and participation of Gaston County in a project to establish a highly critical water system interconnection between the Two Rivers Utilities (TRU) and Bessemer City Water Systems.

Bessemer City is concerned about the limited capacity of its water supply, and is finding that issue to be a factor in its economic recruitment efforts. In addition, Bessemer City has experienced water supply shortages during past periods of drought and there is some concern regarding the impact of future droughts and shortages on existing businesses located at the SouthRidge Industrial Park. For example, Dole Fresh Vegetables is a large water user, and its operations therefore might be impacted during a severe drought under the current supply situation.

Over the last several years, Bessemer City and Gaston County EDC staff have shown properties on the 300 acres of available space at SouthRidge for potential industrial developments, but often have been unable to meet the projected demands for prospective clients' water needs due to its existing reservoir capacity. The inability to guarantee sufficient water supply for potential industrial clients is preventing Bessemer City from recruiting industrial growth that is badly needed in Gaston County. Bessemer City also feels that the lack of sufficient backup water supply could negatively impact their citizens and their portion of Gaston County during severe droughts of the type that have been experienced in the last decade in our region. There have been times within the last several years that Bessemer City has quite literally been on less than thirty days of water reserve – a situation that we all need to work to remedy as quickly as possible.

The City of Gastonia's Two Rivers Utilities (TRU) has available water system capacity to support this need, and feels that this interconnection is literally the "missing link" in the regional "water grid".

The interconnection project is currently under design, and includes installation of a water booster pump station and related appurtenances to connect the two water systems. The booster pump station will give Two Rivers Utilities the ability to pump water into Bessemer City's system at all times. Should the need arise, Two Rivers Utilities has the capacity to fully supply Bessemer City with water.

Bessemer City and Gastonia recently approached the NC Department of Commerce seeking a \$1,125,000 Utility Account Grant to fund this project. NC Commerce was very receptive to the grant pre-application based on the project's clear support of protecting existing jobs and the future ability to recruit businesses to the area, and we have been invited to submit a full application. We have spoken with our NC legislative delegation, and they are very strongly in support of this project – and have indicated that support in calls and letters to NC Commerce.

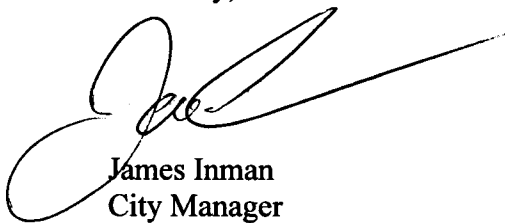
Bessemer City and Gastonia respectfully request the support of Gaston County in moving forward with this critical infrastructure project. It is anticipated that NC Commerce will provide \$1.125M in funding. It is proposed that the local match of \$475,000 be split evenly among the local partners (see the chart below).

Project Partner	Funding Amount
NC Commerce Utility Account Grant	\$1,125,000
Bessemer City	\$158,334
Gastonia	\$158,333
Gaston County	\$158,333
Total Project Cost:	\$1.6M

In preparation for this project, the City of Gastonia invested over \$100,000 in making improvements. During the recent NCDOT widening of NC Highway 274, approximately 1,000' of 8" water line was to be relocated. In anticipation of the future water interconnection, Gastonia upsized this line to 12", installed a water meter vault and an 8" water meter, at a cost of over \$100,000. As this component of the \$1.6M total project is completed, Gastonia will contribute its remaining share of \$58,333 towards the booster pump station portion of the project so that all three funding partners would contribute equally.

We look forward to completing this critical water interconnection project to support our existing businesses and to provide for future economic growth, as well as to protect our citizens and continue the history of mutually beneficial partnerships between the local governments of Gaston County.

Sincerely,



James Inman
City Manager
City of Bessemer City

Sincerely,



Michael C. Peoples
City Manager
City of Gastonia

