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Town of Hertford



Merger Regionalization Feasibility (MRF) Grant
March 24, 2025

MRF Grant

- **What is a MRF Grant?**
 - Merger / Regionalization Feasibility Study
 - NC Division of Water Infrastructure
- **What is its Purpose?**
 - Encourage Water and Wastewater Utilities to become viable and more proactive in managing and financing their systems
 - To provide a very high-level look at what options might be feasible given existing circumstances & resulting financial impacts



What's the Process / Approach to Study?

- Identify the Purpose
- Bring together WithersRavenel engineering and financial teams
- Identify potential partners based on the grant application



Process / Approach to Study, cont.



- Review all information available from potential partners
 - Grant Application
 - Audits
 - Budgets
 - Capital Improvement Plans
 - Existing interconnections
 - Condition of infrastructure
 - Interlocal agreements
 - Discussions with each potential partner

Town of Hertford – Purpose and Partners

- **MRF Grant – Purpose**
- **Partner Identified**

- Determine most cost effective / sustainable solution to provide wastewater services

- Town of Winfall



Hertford– Wastewater Identified Options

- **Option A** – Status Quo
- **Option B** – Merge with Winfall

Option A – Status Quo

- **Must acknowledge that a merger may not occur due to challenges**
 - Financial
 - Economic
 - Political
- **Includes needed capital projects**
 - 10 Year CIP \$18.3 Million



Option A – Hertford Status Quo

Potential Revenue Increases

Fiscal Year	Potential Revenue Increase Needed - Wastewater Only
2026	7%
2027	7%
2028	7%
2029	7%
2030	7%

Option B – Merge with Winfall

- Includes capital needs from Option A
- Hertford would continue to own and operate its existing sewer system
- Winfall would transfer ownership of the Town’s existing collection system to the Town of Hertford
- Winfall wastewater customers would become Hertford wastewater customers
- The treatment of Winfall’s wastewater would remain the same as it is already sent to Hertford for treatment



Option B – Merge with Winfall

Unchanged revenue increases, Lower fund balance

Fiscal Year	Potential Revenue Increase Needed – Wastewater Only
2026	7%
2027	7%
2028	7%
2029	7%
2030	7%

Next Steps

- Internal discussion – is there a high-level preference?
- Engage potential partner in discussion



Thank You!

WithersRavenel appreciates the opportunity to support the Town of Hertford with this study and is happy to assist the Town and its partners with further exploration of the preferred option and path forward.

