

STATE OF NORTH CAROLINA

COUNTY OF ANSON

CONTRACT

THIS CONTRACT, made and entered into this the 20 day of June, 2017, by and between the Town of Wadesboro (a municipal corporation organization under the laws of the State of North Carolina and situated in Anson County, North Carolina), hereinafter also referred to as "Wadesboro" or "Town"; and Anson County hereinafter also referred to as "Anson County" or "County".

WHEREAS, the Town of Wadesboro and Anson County independently operate public water systems; and,

WHEREAS, the County presently provides potable water to the Town; and,

WHEREAS, the Town and County desire to continue this relationship; and,

WHEREAS, the parties desire to memorialize the terms under which the County will provide potable water to the Town.

NOW, THEREFORE, in consideration of the premises herein set forth, the Town of Wadesboro and Anson County agree as follows:

1.) Term

This term of this agreement shall be twenty-five (25) years from the date of its enactment. Following the initial term, this agreement will be automatically renewed for an additional twenty (20) year period unless either party provides written notice to the other party at least ten (10) years prior to the end of the initial contract term. Following this twenty (20) year renewal period, this agreement will be automatically renewed in perpetuity for subsequent twenty (20) year periods unless either party provides written notice of termination at least ten (10) years prior to the end of the current agreement term.

Any written notice regarding a notice of termination: (a) shall be in writing; (b) shall be deemed to have been given (i) on the 3rd business day after being sent as certified or registered mail in the United States mail, postage prepaid, return receipt request, or (ii) on the next business day after being deposited (with instructions to deliver it on such business day) with reputable overnight courier services (if such Party's receipt thereof is acknowledged in writing) on being given by hand or other actual delivery to such party. If such notice is given to the County, it shall be addressed to:

ATTN: County Manager
101 S. Greene St.
Wadesboro, NC 28170

With a copy to:

ATTN: Utilities Director
907 N. Greene St.

ATTACHMENT E
JUNE 20, 2017 MINUTES

Wadesboro, NC 28170

If such notice is given to the Town it shall be addressed to:

ATTN: Town Manager
P.O. Box 697
Wadesboro, NC 28170

With a copy to:

ATTN: Utilities Director
P.O. Box 697
Wadesboro, NC 28170

It is the duty of the sending party to verify that the main mailing address prior to sending a notice of termination. The receiving party shall readily provide the current mailing address at the sending party's request within 2 business days.

2.) **Water Service**

- a. Interconnection:** The County will provide the Town with potable water for the Town distribution system as contemplated herein through the Town's interconnection on N. Rutherford Street in Wadesboro.
 - i. Second Interconnection:** It is recognized that the Town plans to establish a second interconnection somewhere near HWY 52 South in Wadesboro. Any such interconnection shall be established at the Town's sole expense. Nothing herein shall be construed to prevent the parties from mutually agreeing on other interconnection points.
- b. Metering:** The County shall operate and maintain metering equipment located at or around the Town's water storage tank at N. Rutherford Street in Wadesboro and/or any future metering locations at County's sole expense. The County shall check and read meters no less than monthly and written records of all readings shall be made available to the Town upon request.
 - i. Calibration:** This metering equipment shall be calibrated by a certified third party no less than annually at the County's expense. Either the Town or County may request additional calibration of equipment by the same or a different certified third party at the requesting party's expense. Either party may request to be present during the calibration and/or reading of the metering equipment. A meter registering more than two percent (2%) above or below the test result and/or otherwise not meeting the current American Water Works Association (AWWA) meter testing standards shall be deemed to be inaccurate. The previous readings at any meter disclosed by test to be inaccurate shall be corrected for the six (6) months previous to the test in accordance with the percentage of inaccuracy found

by such tests. If any meter fails to register for any period, the amount of water during such period shall be deemed to be the amount of water delivered in the corresponding period of the prior year immediately prior to failure, unless both parties agree upon a different amount.

- c. **Minimum Usage Amount:** The County will bill the Town for the actual amount of treated potable water meeting purity standards as contemplated herein that is actually delivered to the Town at the applicable rate; provided however, the County will bill and the Town shall pay for a minimum quantity of 4,500,000 gallons per month regardless of whether or not the Town actually uses such quantity contingent on the County making such water available to the Town as contemplated herein.
- d. **Maximum Usage Amount:** The County will provide the Town with up to 2,600,000 gallons per day of treated potable water meeting purity standards as contemplated herein. The County will provide the Town with up to an additional 500,000 gallons per day of treated potable water meeting purity standards as contemplated herein beginning ten years from the execution date of this agreement. Nothing herein shall be construed to prevent the County from providing the Town potable treated water above the maximum usage amount if the County has excess capacity and the Town so desires. Nothing herein shall prevent the parties from mutually agreeing to an increased maximum usage amount in the future.
- e. **Water Quality:** The potable treated water delivered by the County to the Town as contemplated herein shall meet all current and future Primary and Secondary Water Quality Standards as established by the State of North Carolina. If the County determines that the Water provided to the Town does not meet the above purity standards, the County will immediately notify the appropriate Town utility personnel. Water quality shall be determined at County metering point(s).
- f. **Water Pressure:** The County agrees that water will be furnished at a reasonably constant pressure estimated to be not less than 40 pounds per square inch and delivered through existing and/or new mains and bulk water meters. Thereafter, the County shall not be responsible for water pressure and delivery. Emergency failures of pressure or supply due to supply line breaks, power failures, floods, fire and use of water to fight fire, earthquake, or other catastrophe shall excuse the County from this provision for such reasonable time period as may be necessary to restore service.
- g. **Supply Interruptions:** The County agrees to use reasonable care, diligence, and undertake long-term planning to avoid interruption or diminution of services under this Agreement, with the understanding that there may be temporary interruption of services for reasons of force majeure and/or maintenance.
 - i. The County agrees to notify the Town as soon as possible of any interruption or diminution of its services under this Agreement. Regardless, the County shall give the Town notice not less than seventy-two (72) hours in advance of any service interruption, except that in emergencies it shall give notice that is reasonable (typically as soon as possible) under the particular circumstances.
 - ii. The County shall remedy such service interruptions with all possible dispatch and service diminution to the Town shall be no greater than any other user/customer of the County. High water demand on the County system shall not be cause for

service interruption or diminution, so long as the Town is not exceeding its allocated capacity.

- iii. In the event of that the daily allocated maximum is exceeded due to breakage in a Town line or other emergency, the Town shall immediately contact the County's utility personnel to inform them that such maximum daily amount may be exceeded.
- h. **Inspections:** Upon reasonable notice by the inspecting party, either the County or the Town shall allow the other requesting party to inspect all utility facilities and infrastructure including but not necessarily limited to water treatment facilities which are subject of this agreement. Notice shall be deemed reasonable if not less than one business day.
- i. **Conservation Measures:** In the event of implementation of water restrictions by the County due to drought, the Town will work in conjunction with the County to impose appropriate water restrictions on the same basis as restrictions are required of County's other customers. However, high water demand on the County system for reasons other than drought or emergency shall not be cause for water restrictions so long as the Town is not exceeding is allocated capacity.

3.) **Service Area**

This agreement recognizes that the County provides water and/or sewer to customers located within the Town of Wadesboro's extraterritorial jurisdiction (the "ETJ"). Nothing in this agreement shall be construed such that the County will be required to stop providing service to existing customers at the date of the enactment of this agreement.

The Town shall have the right of first refusal to provide new or expanded water and/or sewer service to all customers within the ETJ and Town limits. Prior to providing new water and/or sewer service to customers within the ETJ, Anson County shall request in writing from the Town permission to provide such services by stating the customer location and gallons per day or month usage/discharge anticipated. If the County does not hear back in writing from the Town within thirty (30) days of receipt of the County's initial communication, the County may provide water and/or sewer service to the specific customers as described in the initial written communication.

- 4.) **Non-exclusive Agreement:** This agreement is non-exclusive for both parties meaning the County may sell water to other customers and the Town may acquire treated potable water from other sources and by other means.

5.) **Water & Wastewater Service Compensation:**

- a. **Rate:** The Town will be billed monthly for treated potable water meeting purity standards provided by the County as contemplated herein. The current or future rate paid by the Town to the County for services contemplated herein shall not exceed the rate of the lowest of any other County bulk rate customers.
- b. **Rate Increases:** The County shall not increase the rate charged to the Town of Wadesboro without proportionally increasing the County's rate on its other customers. Rate increases for the services contemplated herein and/or any wastewater treatment services shall not

exceed more than 250% of the prior 3.5-year average of the Consumer Price Index ("CPI"). The second sentence of section 5(b) of this contract becomes effective for service periods beginning July 2018 and remains in effect until the expiration of this contract; all other portions of this contract become effective immediately. This CPI cap is waived only for the water and wastewater rates enacted July 1, 2017 for Fiscal Year 2017-2018. The County shall provide the Town with a written and specific explanation of the need for any rate increase.

- 6.) **E-Verify Compliance:** Both parties shall comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes (E-Verify). The Parties agree to provide documentation or sign affidavits or any other documents requested by either party demonstrating such compliance.
- 7.) **Iran Divestment Act Certification:** Pursuant to N.C.G.S. 143-6A-4, both parties certify that it is not listed on the Final Divestment list created by the State Treasurer.
- 8.) This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

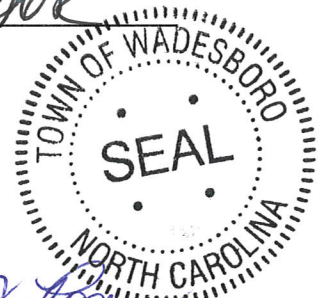
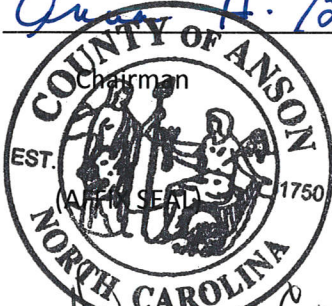
IN WITNESS WHEREOF, Anson County and the Town of Wadesboro have hereunto set their hands and seals as to the day and year first above written.

Anson County

Town of Wadesboro

By: *James H. Bacon*

By: *Bill Shacke*



Attest: *Debra Cannon*

Attest: *Cynthia A. Top*

Mayor

(AFFIX SEAL)