CITY OF SOUTHPORT
BOARD OF ALDERMEN
EMERGENCY MEETING

113 W. MOORE STREET
September 25, 2023
3:30 PM

Agenda

Please turn off all cell phones

Meetings are open to the public. Face masks and social distancing may be used at the discretion of each individual. The Board of Aldermen reserve the right to make changes to this policy, as needed to help prevent the spread of the Coronavirus.

If you are not able to attend the Board of Aldermen meetings in person, the meeting will be available for you to watch via live-stream on the City of Southport website (https://cityofsouthport.com/board-of-aldermen-meetings/), Facebook page, and YouTube channel.

ETHICS STATEMENT:

"If any members know of any conflict of interest or the appearance of a conflict of interest concerning matters on the agenda, please so state at this time."

A. Call to Order

B. Invocation

C. Pledge of Allegiance

D. Approval of Agenda

E. Agenda

1. Approval of the Amendment to the Interlocal Agreement with Brunswick County

F. Adjourn

DATE: September 22, 2023 **DEPARTMENT:** Public Services and Finance

PRESENTED BY: Bonnie Therrien, City Manager

ITEM SPONSORED BY: Public Services Department and Finance

ITEM/TOPIC: Amendment to Interlocal Agreement – County Sewer Plant

COST: $29,783,014 **BUDGET LINE ITEM:** State Loan

JUSTIFICATION: The County needs a revised Interlocal Agreement with the City that lists the terms moving forward with the payment of the County Sewer Plant expansion now that bids have been received. The County is starting the process of working with the Local Government Commission (LGC) to have them approve the County issuing Revenue Bonds for the project. The current bids they have can be held for only 90 days, so the County is hoping to issue bonds before the November 7, 2023 deadline. The draft agreement attached outlines both parties' obligations, financing scenarios, capacity allocation and future costs of operating costs. All of the changes our Bond Attorney, Paul Billow, recommended has been incorporated into the Agreement. The Brunswick County Commissioners voted unanimously for this Amendment on September 18th. The LGC will not allow the County to move forward with Revenue Bonds until the City approves this Amendment and there is a signed copy available to them.

DEPARTMENT HEAD COMMENTS: Not applicable

CITY MANAGER COMMENTS: The draft first amendment to the County/City Agreement outlines the financing for the City for the expansion of the County Sewer Plant. Because we are bringing into the project the amount of $29,783,014, which is 60% of the total cost of the project, we would be allocated 60% of the MGD of the expansion capacity which will allow us to have .45 MGD of the .75 MGD which is the expansion's total capacity. If we go over that amount, we will pay commercial rates. We would need to pay a County Monthly Service Charge (Section 3.5) which is our share of the operating costs, as well as the cost of a new transmission line (Section 3.6) which was a part of the original Agreement with the County. If a Merger Agreement is approved by the Board and the County Commissioners, then this agreement would no longer be needed, and we would become a member and pay member rates for the flow.

ATTACHMENTS: Proposed First Amendment to the Interlocal Agreement Between the County and the City for the Provision of Wastewater Treatment Services.

REQUESTED ACTION: Review of the Draft Amendment

PROPOSED MOTION: Motion to approve of the First Amendment to the Interlocal Agreement between the County and the City for the provision of Wastewater Treatment Services and authorize the Mayor to sign the Amendment.

NORTH CAROLINA
BRUNSWICK COUNTY

FIRST AMENDMENT TO WASTEWATER SYSTEM SEWER SERVICE REGIONAL PARTICIPANT AGREEMENT

THIS FIRST AMENDMENT (hereinafter referred to as the "First Amendment") is made and entered into by and between Brunswick County, a body politic and corporate of the State of North Carolina (hereinafter referred to as "County"), and the City of Southport, a municipality organized and existing pursuant to the laws of the State of North Carolina and located in Brunswick County (hereinafter referred to as "City," "Southport" or "Participant");

WITNESSETH:

WHEREAS, on November 2, 2020, the County and the City entered into an agreement titled "West Brunswick Regional Wastewater System Sewer Service Regional Participant Agreement" (the "Original Agreement" and, together with this First Amendment, the "Amended Agreement") for purposes of affirming a regional approach to the provision of wastewater treatment services and for addressing the expansion of such services for the benefit of Southport (attached hereto as Exhibit 1); and

WHEREAS, this First Amendment clarifies the nature of certain obligations between the parties and outlines responsibilities of each should certain contingencies occur, such as the potential merger of the Southport water and sewer utilities system into the County's water and sewer utilities system; and

WHEREAS, on April 13, 2023, the Board of Alderman of the City adopted a Resolution for Wastewater Expansion Project with the County which referenced an ongoing feasibility study being performed for the City "with the intent to ask the County to merge our system with theirs;" and

WHEREAS, the County and the City each agree that the cooperative endeavor contemplated hereby will be beneficial to both parties; and

WHEREAS, the County and the City, in order to set out the provisions and conditions under which said services or resources will be provided, have entered into the Original Agreement and this First Amendment as authorized by Article 20, Part 1 of Chapter 160A of the North Carolina General Statutes;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and promises contained herein, the County and the City do hereby agree as follows:

SECTION 1

PURPOSES AND INTENT OF AGREEMENT

1.1 The purpose of this First Amendment is to update and clarify certain financing projections and mechanisms and to account for future changes to service delivery.

1.2 The purpose of the First Amendment is also the same as stated in the Original Agreement: to affirm a regional inter-governmental approach to the provision of wastewater treatment services and to provide and fund the expansion of wastewater treatment services for the benefit of the City and unincorporated areas of the County. The availability of these services is vital to the public health, welfare, and economic growth of these units of local government.

1.3 The County owns and operates the West Brunswick Regional Wastewater Reclamation Facility, the Shallotte Wastewater Treatment Plant, associated regional pump stations, sewer transmission force mains and effluent disposal facilities (together comprising the "West Brunswick Regional Wastewater System" or "West System"), with daily treatment capacity of 6.5 million gallons. The County has participation agreements with the Towns of Holden Beach, Oak Island, and Shallotte for guaranteed capacity in the West System, along with the County itself. The City, while not being a participant in the West System, had leased capacity of 0.75 million gallons per day (MGD) in the West System. Because increasing levels of use among all participants has diminished the excess capacity available in the West System, the County is no longer able to continue to lease capacity to the City without further plant expansion. Consequently, upon expiration of the City's agreement for leased capacity, the City began paying the commercial retail rate charged to non-participants in the West System, which is the rate the City currently pays.

1.4 The City has a current and long-term need for additional wastewater treatment capacity for its citizens. On February 10, 2020, the Board of Alderman of the City unanimously passed a resolution stating its desire to join the West System and requesting an allocation of treatment capacity in the amount of 0.75 MGD.

1.5 Participation by the City in the West System provides the benefits of regional cooperation, which include the ability to use available excess capacity in the West System subject to permit requirements, as well as lower operating costs and maintenance. The County remains responsible for State permit compliance, as well as for the legal, financial, and administrative details of operating the West System.

1.6 The County, with funding assistance from the City, plans to construct a 0.75 MGD expansion of the West System for wastewater treatment and effluent disposal, and the City will purchase wastewater treatment services and a portion of the 0.75 MGD of wastewater plant capacity commensurate with their ability to contribute to the costs of this expansion, pursuant to terms outlined herein.

1.7 The County and the City have determined that participating in a regional wastewater treatment and transmission system creates economies of scale and a long-term secure source of high-quality wastewater treatment with savings and other tangible and intangible benefits for system users.

SECTION 2

PLANT EXPANSION TO ACCOMMODATE CITY

2.1 The County will construct a 0.75 MGD expansion of the West Brunswick Regional Wastewater System such that the system will have a total treatment capacity of 7.25 MGD (the "Expansion Project"). Construction of the Expansion Project will also include effluent reuse lines to designated effluent reuse locations and effluent disposal systems at the effluent reuse sites.

2.2 Once the City becomes a Participant in the West Brunswick Regional Wastewater System, the County agrees to provide the City a guaranteed reserved sewer service allocation in the amount of 0.45 MGD, as set forth in detail in Section 3 hereof.

SECTION 3

PROJECT FINANCING

3.1 In Section 3.6 of the Original Agreement, the City represented that it had an agreement with the Division of Water Infrastructure (DWI) for use of the proceeds of DWI's loan to the City to reimburse the County for the engineering, design, and construction of the Expansion Project and for the purchase of existing transmission system allocation. Further, in Section 3.7 of the Original Agreement, the City agreed to commit the loan proceeds for the use and/or reimbursement of the County for engineering, design, transmission capacity purchase, and construction of the Expansion Project in such a manner as the County deemed necessary to provide the City with transmission capacity and treatment of 0.75 MGD of wastewater, depending upon final construction costs and the amount of total loan proceeds available.

3.2 Because the provision of 0.75 MGD of wastewater treatment referenced in Section 3.1 hereof was dependent on final construction costs and the amount of loan proceeds and other funds available to the City, now that such costs and amounts are known, the parties are able to modify the contemplated capacity allocation to reflect the updated construction-related numbers and the amount of loan proceeds or other funds contemplated to be provided by the City.

3.3 On July 14, 2022, the City adopted a resolution of acceptance the loan referenced in Section 3.1 hereof. The loan amount awarded by the NC Department of Environmental Quality and accepted by the City totaled $29,783,014. The purpose of the loan was for costs related to the expansion of the Brunswick County Wastewater Treatment Plant that serves the City.

3.4 Although the County will construct a 0.75 MGD expansion of the West Brunswick Regional Wastewater System, the City will receive a treatment allocation based on the prorated cost for the design, construction, and financing costs related to these improvements relative to the City's commitment of their loan proceeds toward the costs of the Expansion Project.

Based on bids received, the cost of construction, and only construction, of expanding the West System to add 0.75 MGD of capacity is approximately $46,413,000. Additionally, the total cost of preliminary services such as design, permitting, easements, bid services, advertising, underwriting and other bond-related financing expense is approximately $3,618,463, for a total project cost estimate for the Expansion Project of $50,031,463. Relative to this total project cost

of $50,031,463, the City's loan amount of $29,783,014 represents 60% of the total cost of the Expansion Project. Therefore, a 60% allocation of the total capacity of 0.75MGD equals an allocation for the City of 0.45MGD, which is allocated to the City pursuant to Section 2.2 hereof. The City promises to pay the $29,783,014 loan amount to the County following award of the construction contract for the Project and when the loan proceeds are available to the City upon receipt by the City of evidence that that the County has incurred reimbursable projects costs for the amount of reimbursement so requested from time to time.

3.5 In addition to the payment of the amount set forth in Section 3.4 and any other amounts described herein, the City, as a Participant in the West System, agrees to pay, on an ongoing basis, the Monthly Service Charge (Participant rate) for sewer treatment and transmission service and to assume the Participant's obligations set forth in the Amended Agreement. The reduction of the rate from the commercial retail rate to the Participant rate shall take effect when the Expansion Project is operational. If the City exceeds the allocation of 0.45MGD for any month, then the City shall pay the commercial retail rate rather than the Participant rate for any usage over the 0.45 MGD allocation. All obligations of the City for payments under the Amended Agreement shall be limited to the funding provisions described herein or from revenues derived by the City from the operation of its water and sewer system. The City covenants and agrees to maintain rates, fees and charges for all services furnished by its water and sewer systems which shall at all times be sufficient to satisfy and discharge its obligations under the Amended Agreement and under any other agreement relating to the financing of the Expansion Project, in addition to the City's other operations and maintenance costs or any debt service of the City secured by a pledge of its water and sewer revenues.

For avoidance of doubt, the remaining 0.30 MGD capacity of the Expansion Project shall be paid for by, and allocated to, the County, and the City shall have no responsibility for the payment of any costs relating thereto (including payment of any debt service on the County's revenue bonds to be issued for the purpose of paying the remaining costs of the Expansion Project), except as otherwise expressly provided in Section 3.3 and Section 3.6 hereof.

3.6 The City acknowledges that the County will undertake a transmission line infrastructure project related to the Expansion Project at or nearing completion thereof. In the event that City and County have not reached agreement on merger of its systems at such time as this project commences, the City agrees that it will share in the cost of the transmission line and will negotiate in good faith with the County to establish a suitable method of compensating the County for its allocable portion of such project costs.

3.7 The County will construct, own, and operate the Expansion Project and the West System.

3.8 The Expansion Project will be accounted for in a manner consistent with generally accepted accounting principles and in consultation with independent accounting firms engaged by both the City and County and with the Local Government Commission of North Carolina in an effort to ensure that neither entity incurs audit exceptions. It is anticipated that the assets will be owned by the County and shown as assets in the County's audited financial statements. The City will not obtain an ownership interest in the assets relating to the Expansion Project, but rather is purchasing wastewater treatment services and reserved capacity in the West System to meet City's

needs. The DWI clean water revolving loan as described in Section 3.1 hereof, debt service payments on which will be made by the City, will be shown as a liability in the City's audited financial statements.

SECTION 4

EFFECT OF POTENTIAL MERGER OF CITY PUBLIC UTILITY SYSTEM WITH COUNTY PUBLIC UTILITY SYSTEM

4.1 On April 13, 2023, the Board of Alderman of the City adopted a Resolution for Wastewater Expansion Project with Brunswick County.

4.2 The resolution referenced an ongoing feasibility study being performed for the City "with the intent to ask the County to merge our system with theirs."

4.3 If the governing boards of each party proceed with a merger agreement, then it is expected that such agreement will address various items including, but not limited to, the following:

(i) the transfer from the City to the County of real and personal property of the City's water and wastewater systems, including all collection and distribution infrastructure and permits associated with operating the same (such real and personally property to be so transferred to be mutually agreed upon by the City and the County);

(ii) the provision of necessary easements for operation of the merged systems;

(iii) the transfer from the City to the County of the exclusive right to operate, maintain, improve, and expand the City water and wastewater systems;

(iv) offers of employment to City utilities employees as may be mutually agreed upon;

(v) transfer of records of accounts and allocation of deposits, reserves, accounts receivable, and accounts payable as may be mutually agreed upon;

(vi) plans for satisfaction or payment of any outstanding indebtedness relating to the City's water and sewer systems;

(vii) plans for maintenance, repair, and capital improvements to the City's water and wastewater infrastructure; and

(viii) provisions for achieving uniform rates as between the City and the County.

4.4 If the parties finalize and execute a merger agreement and complete the steps required therein for transfer, then the following provisions (but not limited to the following provisions) of the Amended Agreement shall be altered or removed in an amendment handled at the time of such merger:

(i) Section 1.10 of the Original Agreement regarding the City's sole right to service certain parcels;

(ii) Section 3.2 of the Original Agreement and Section3.5 of this First Amendment regarding the City's rate setting responsibilities;

(iii) the various provisions of Section 4 of the Original Agreement to reflect the change in relationship; and

(iv) such other provisions as may require amendment if the City's utilities customers become direct customers of the County.

SECTION 5

TERM, TERMINATION, AND MODIFICATION OF AMENDED AGREEMENT

5.1 This First Amendment shall be in full force and effect for the same period as the Original Agreement.

5.2 The Amended Agreement may be terminated only by mutual agreement of the parties upon such terms and conditions as the parties may agree at the time in question. Each party hereto reserves to itself all legal rights and remedies available at law or in equity in the event of any other breach of the Amended Agreement by the other.

5.3 This Amended Agreement may be further supplemented, amended or modified by mutual agreement of the parties, adopted with the same formality as the Amended Agreement.

SECTION 6

REPRESENTATIONS AND COVENANTS

6.1 Each party to this First Amendment represents to the other party each of the following as of the effective date of this First Amendment and covenants with the other party that each such representation will remain true and correct during the term hereof:

(i) It has full power and authority to enter into this First Amendment and to enter into and carry out the transactions contemplated by this First Amendment;

(ii) It has by proper action authorized the execution and delivery of this First Amendment and is not in default under any provisions of this First Amendment;

(iii) The execution, delivery and performance of this First Amendment does not violate or conflict with or require any consent or waiver under any of the terms or conditions in its governing documents or any material contract to which it is a party or by which any of its assets are bound or affected, or any law, rule, regulation, order, writ, judgment, decree or other legal or regulatory determination applicable to it;

(iv) This First Amendment constitutes a legal, valid and binding obligation enforceable at law and in equity in accordance with its terms and, to the extent that certain remedies under this First Amendment require or may require enforcement by a court, such principles of equity as the court having jurisdiction may impose;

(v) It will comply with all applicable federal, state and local laws with respect to any activities conducted under or pursuant to this First Amendment;

(vi) No elected or appointed official or employee has any interest (financial, employment, or other) in the transactions contemplated by this First Amendment; and

(vii) It will take no act (or engage in any failure to act) that will prevent, delay, obstruct, frustrate, or otherwise impair or undermine the activities conducted under or pursuant to this First Amendment, except as may be necessary to enforce this First Amendment or ensure compliance with applicable laws, regulations, and ordinances.

SECTION 7

MISCELLANEOUS PROVISIONS

7.1 Exhibits. Any and all exhibits referenced in this First Amendment are incorporated herein by reference as integral parts of this First Amendment. A copy of the executed Original Agreement is attached hereto as Exhibit 1.

7.2 Notices. All notices required or permitted by this First Amendment must be in writing. Any notice will be deemed given (i) on the date delivered by hand or (ii) on the date it is received by mail, as evidenced by the date shown on a United States mail registered mail receipt, in any case addressed as follows:

If to the County, as follows:

Brunswick County
Attn: County Manager
30 Government Center Dr. NE
P.O. Box 249
Bolivia, NC 28422

If to the City, as follows:

City of Southport
Attn: City Manager
1029 N. Howe St.
Southport, NC 28461

Any party may designate a different address for communications by notice given under this Section to the other party. Whenever in this First Amendment the giving of notice is required, the giving of such notice may be waived in writing by the party entitled to receive such notice, and in any such case the giving or receipt of such notice will not be a condition precedent to the validity of any action taken in reliance upon such waiver.

7.3 Counterparts. This First Amendment may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall be considered one and the same agreement. This First Amendment may also be executed electronically. By signing electronically,

the parties indicate their intent to comply with the Electronic Commerce in Government Act (N.C.G.S § 66-58.1 et seq.) and the Uniform Electronic Transactions Act (N.C.G.S § 66-311 et seq.). Delivery of an executed counterpart of this First Amendment by either electronic means or by facsimile shall be as effective as a manually executed counterpart.

7.4 Controlling Law. This First Amendment shall be construed and enforced in accordance with the laws of the State of North Carolina.

7.5 Effective Date. This First Amendment shall become effective upon vote of adoption by the governing boards of each party at the date of the last required signature by authorized representatives of the parties.

7.6 Scope of First Amendment. This First Amendment shall amend, modify and revise the Original Agreement only to the extent set forth expressly in this First Amendment and, except to the extent expressly set forth in this First Amendment, all remaining terms and conditions of the Original Agreement shall remain in full force and effect after the effective date hereof. For avoidance of doubt, the provision of Sections 2.2, 3.1, 3.2, 3.3, 3.4, 3.7 and 3.12 of the Original Agreement shall be deemed to be superseded by the provisions of this First Amendment.

IN WITNESS WHEREOF, the parties hereto, acting by and through their duly authorized representatives pursuant to the resolutions of their respective governing bodies, have caused this First Amendment to be executed as of the day and year first above written.

BRUNSWICK COUNTY

ATTEST:

By: _____
Chairman, Board of Commissioners

_____
Clerk to the Board

(SEAL)

CITY OF SOUTHPORT

ATTEST:

By: _____
Mayor

_____
City Clerk

(SEAL)

"This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act."

_____
Aaron C. Smith, Director of Fiscal Operations
Brunswick County, NC

"This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act."

_____
Finance Officer, City of Southport

EXHIBIT 1

WEST BRUNSWICK REGIONAL WASTEWATER SYSTEM

SEWER SERVICE REGIONAL PARTICIPANT AGREEMENT

THIS SEWER SERVICE REGIONAL PARTICIPANT AGREEMENT, dated as of the 2 day of November, 2020 by and between the COUNTY OF BRUNSWICK, a political subdivision of the State of North Carolina (the "County"), and the CITY OF SOUTHPORT, a municipal corporation organized under the laws of the State of North Carolina (the "City" or "Participant") is made pursuant to North Carolina General Statutes, Article 20, Part 1 of Chapter 160A; Article 16, Part 1 of Chapter 160A; and Article 15 of Chapter 153A, and in consideration of the promises made to one another in this Agreement, as follows:

SECTION 1

PURPOSES AND INTENT OF AGREEMENT

1.1 The purpose of this Agreement is to affirm a regional inter-governmental approach to the provision of wastewater treatment services and to provide and fund the expansion of wastewater treatment services for the benefit of the City of Southport and unincorporated areas of Brunswick County. The availability of these services is vital to the public health, welfare, and economic growth of these units of local government.

1.2 Brunswick County owns and operates the West Brunswick Regional Wastewater Reclamation Facility, the Shallotte Wastewater Treatment Plant, associated regional pump stations, sewer transmission force mains and effluent disposal facilities (together comprising the "West Brunswick Regional Wastewater System" or "West System"), with daily treatment capacity of 6.5 million gallons. The County has participation agreements with the Towns of Holden Beach, Oak Island, and Shallotte for guaranteed capacity in the System, along with the County itself. The City of Southport, while not being a participant in the system, had leased capacity of 0.75 MGD in the West System. Increasing levels of use among all participants diminished the excess capacity available for continued lease without further plant expansion.

1.3 The City of Southport has a current and long-term need for an additional wastewater treatment capacity for its citizens. On February 10, 2020, the City of Southport unanimously passed a motion stating its desire to join the County's West Brunswick Regional Wastewater System and requesting an allocation of treatment capacity in the amount of 750,000 gallons per day.

1.4 Participation in the West System provides the benefits of regional cooperation, which include the ability to use available excess capacity in the system subject to permit requirements, as well as lower operating costs and maintenance. The County remains responsible for State permit compliance, as well as for the legal, financial, and administrative details of operating the System.

1.5 The County, with funding assistance from the City of Southport, will construct a 0.75 MGD expansion of the West System for wastewater treatment and effluent disposal, and the City of Southport will purchase 0.75 MGD of transmission capacity in the existing system, pursuant to terms outlined herein.

1.6 The County and the City have determined that participating in a regional wastewater treatment and transmission system creates economies of scale and a long-term secure source of high-quality wastewater treatment with savings and other tangible and intangible benefits for system users.

1.7 The County and the City have previously entered into agreements related to sewer service as follows:

a) 2008 Short Term Use of County's Treatment Capacity in the West Brunswick Regional Wastewater Treatment System by the City of Southport;

b) 2011 City of Southport Sewer Transmission Facilities Agreement;

c) 2012 Modification Agreement (of the 2011 Agreement);

d) 2015 Amendment No. 1 to the 2008 Short Term Use Agreement;

e) 2017 Sewer Service Agreement; and

f) 2018 Interlocal Agreement for Funding of Wastewater Plant Expansion Between Brunswick County and the City of Southport.

1.8 The County and City acknowledge and agree that all of the agreements listed in the preceding section are terminated, null, and void.

1.9 Within 30 days after execution of this Agreement, the City will convey to the County its rights, title, and interests in the Sandy Lane Pump Station, the wastewater meter vault on Highway 211 near Dutchman's Acres Subdivision, and the 16" effluent Force Main downstream of the Sandy Lane Pump Station (Sandy Lane Pump Station to its connection with the County's force main on Highway 211 near St. James Drive). (The City may tie future force mains or gravity sewers into the receiving manhole at the Sandy Lane Pump Station.) If the Sandy Lane Pump Station is encumbered by debt related to its construction when this Agreement is executed, then the County will work with the City to pay off such debt so that ownership may be conveyed unencumbered and free of claims to the satisfaction of the County. In addition, the City acknowledges that it will continue to honor and

effectuate the property rights assignments and transfers granting unrestricted access and use of easements, lands, interests, and rights in lands required for the operation, maintenance, construction, re-construction, and expansion of the Sandy Lane Pump Station, the wastewater meter vault on Highway 211 near Dutchman's Acres Subdivision, the 16" effluent Force Main downstream of the Sandy Lane Pump Station, and the County's force main that runs from Boiling Spring Lakes to the Rivermist Pump Station through the Wescott Estates and Rivermist subdivisions. The easements and rights of way on the road leading from the Sandy Lane Pump Station to North Howe Street are specifically included in this conveyance.

1.10 The City of Southport shall have the sole right to provide wastewater service to any parcel or property within its municipal limits, as well as any other property connected and being served by the city as of the date of this agreement. The complete list of properties located outside the city limits that are connected and being provided wastewater service by the City are contained in Exhibit B. Execution of this agreement shall not require the exchange of any customers between the City and the County. The County shall continue to provide wastewater service to subdivisions it currently services and to any future phases thereof.

The property owner of any other parcel may pursue, and be provided, wastewater service from any public provider willing, able, and legally permitted to do so; however, neither the County nor the City may install wastewater collection system pipes in the same public street or road rights-of-way alongside or directly across from where the other party has already installed and is maintaining wastewater collection system pipes, without the other party's consent.

SECTION 2

PLANT EXPANSION TO ACCOMMODATE CITY

2.1 Brunswick County will construct a 0.75 MGD expansion of the West Brunswick Regional Wastewater System such that the system will have a total treatment capacity of 7.25 MGD. Construction will also include effluent reuse lines to designated effluent reuse locations and effluent disposal systems at the effluent reuse sites.

2.2 Once the City becomes a Participant in the West Brunswick Regional Wastewater System, the County agrees to provide the City sewer service in the amount of seven hundred fifty thousand gallons per day (gpd).

2.3 Brunswick County will initiate future expansions and calculate participant costs and allocations in accordance with the West Brunswick Regional Wastewater Project Policy Guidelines and Rules and Regulations for Rendering Sewer Service, as amended and in effect at the time.

SECTION 3

PROJECT FINANCING

3.1 The City will be financially responsible for all design, construction, and financing costs related to the improvements made to serve the City of Southport relative to the 0.75 MGD expansion. The elements of those costs are set out in more detail in Section 3.3.

3.2 In addition to the expansion costs described in detail hereafter, Participant agrees to pay, on an ongoing basis, the County's Monthly Service Charge for sewer treatment and transmission service and to assume the Participant's obligations set forth herein. All obligations of the County for payments under this contract shall be limited to the funding provisions described herein or from revenues derived by the County from the operation of the Sewer System. The Participant covenants and agrees to maintain rates and charges for all services furnished by its sewer collection system which shall at all times be sufficient to satisfy and discharge its obligations under this contract and under any other agreement relating to the financing of the Project, in addition to the Participant's other operations and maintenance costs or any debt service of the Participant secured by a pledge of revenues.

3.3 The City promises to pay the County Capital Charges following award of the construction contract and/or when SRF loan proceeds are available to the City and the County has incurred reimbursable projects costs. Capital Charges shall be actual costs incurred and agreed upon capital contributions for use of existing infrastructure. Based on preliminary budget estimates, the cost of design and construction of expanding the West System to add 0.75 MGD of capacity would be approximately $25,760,000. This estimated total cost figure consists of the expansion design, permitting and construction cost estimate of $18,338,881 and the 0.75 MGD transmission capacity payment for capital contribution toward existing transmission line infrastructure of $7,421,119, for a total plant and capacity expansion estimated to cost $25,760,000. The $7,421,119 payment for capital contribution toward existing transmission line infrastructure and engineering costs incurred through the bidding period shall be due within 30 days of the Brunswick County Board of Commissioners awarding the construction contract for the "Project."

3.4 All costs associated with the completion of the 0.75 MGD treatment and effluent disposal expansion, including engineering, design, and construction, will be paid for by the City of Southport. This portion of the cost is estimated at $18,338,881. Also, the cost for participation in system transmission capacity of 0.75 MGD is $7,421,119, for a total plant and capacity expansion estimated to cost $25,760,000.

3.5 The County will construct, own, and operate the expansion and the West System.

3.6 The City represents that it has an agreement with the Division of Water Infrastructure for use of the proceeds of DWI's loan to Southport to reimburse the County for the engineering, design, and construction of the expansion to the County's system, and for the purchase of existing transmission system allocation, but that the City shall remain the applicant and loan recipient.

3.7 The City agrees to commit the loan proceeds for the use and/or reimbursement of the County for engineering, design, transmission capacity purchase, and construction of expansion to the West System in such a manner as the County deems necessary to provide the City with transmission capacity and treatment of 0.75 MGD of wastewater, depending upon final construction costs and the amount of total loan proceeds available.

3.8 The City shall comply with all steps necessary to secure the loan to finance the costs of the design and construction of the Project. The City shall comply with all loan requirements of the Division of Water Infrastructure and shall comply with regulations to ensure that project services are reimbursable to the maximum extent possible.

3.9 The County agrees to design and construct the Project in accordance with the requirements of the NC DEQ Division of Water Infrastructure including approval of the plans and specifications, approval of change orders and related construction documentation, as specified in the Loan Agreement to be executed by and between NC DEQ Division of Water Infrastructure and the City. The County agrees to advertise the Project for bids and award the bids in accordance with the NC DEQ Division of Water Infrastructure requirements. The County agrees to provide such documentation to the City or NC DEQ about the Project as required for approval by the NC DEQ Division of Water Infrastructure. Costs paid by the County for engineering design expenses prior to award of the SRF proceeds will be submitted as project costs for reimbursement as soon as the SRF loan proceeds are available to the City and reimbursement made in the manner described hereafter.

3.10 The County shall submit to the City a written requisition for all costs to be reimbursed for each month, together with any documents or other items required by the City or Division of Water Infrastructure staff. Upon receipt of any eligible invoices received by the 5th of each month, the City will process and submit a requisition for loan proceeds to the Division of Water Infrastructure within five (5) business days. Upon receipt of funds from the State Water Infrastructure Authority or Division of Water Infrastructure, the City shall, on its next scheduled accounts payable run, remit such funds to the County.

3.11 The Project will be accounted for in a manner consistent with generally accepted accounting principles and in consult with independent accounting firms engaged by both the City and County and the Local Government Commission of North

Carolina in an effort to ensure that neither entity incurs audit exceptions. It is anticipated that the assets will be owned by the County and shown as assets in the County's audited financial statements. The Loan, debt service payments for which will be made by the City, will be shown as a liability in the City's audited financial statements. Payments made by the City to the County pursuant to this Interlocal Agreement will be treated as contributed capital from the City and will offset the costs of the Project paid by the County to the contractors.

3.12 If the City is unable to fund the expansion as described above and the County elects to finance the project through the issuance of revenue bonds, together with any other funds the County elects to use, then the County shall be entitled to recalculate the Capital Charge provided for herein and the City shall be liable for reimbursement payments to the County commensurate and at the same time as the County's debt service payments.

3.13 The County and the City agree to cooperate with each other and provide information to the other, as requested, regarding the City's procurement of project financing as contemplated herein and the submission of requisitions for loan proceeds and regarding the County's design, bidding, contracting, and construction processes, such cooperation to include, but not be limited to, making available design plans and specifications, providing access to the expansion construction site, and sharing information about the status of design, bidding, contracting and construction, any change orders, and other matters that may adversely affect costs. The County agrees to construct the plant expansion and transmission line infrastructure and place them in operation with all reasonable dispatch and thereafter to operate and maintain them in a prudent and economical manner.

SECTION 4

STANDARD PROVISIONS FOR SEWER SERVICE

4.1 In order to receive sewer service from the County, the Participant agrees to be bound by these Standard Provisions.

4.2 Definitions. The following words as used in this Sewer Service Agreement shall have the following meanings.

"Act" shall mean The State and Local Government Revenue Bond Act, constituting Article 5 of Chapter 159 of the General Statutes of North Carolina, as amended.

"Advances for Construction" shall mean those funds advanced by the County for planning, project management, acquisition, engineering, legal or construction costs of the Project.

"Ancillary Service Facilities" shall mean those facilities of the Sewer System that have been identified by the County in its sole discretion as directly or indirectly benefiting only the Participant using them and which have no system-wide benefit, and shall include, but are not limited to, (i) the tap to the County's pipeline, and (ii) the meter installation.

"Annual Budget" shall mean the budget or amended budget of the County for each Fiscal Year with regard to the Sewer System.

"Bonds" shall mean the bonds of the County or any other evidence of indebtedness issued by the County or any financing obligation executed by the County to raise funds for the Cost of the Project or to pay for Improvements.

"Bond Order" shall mean the bond order or other resolution or order adopted or financing document executed by the County authorizing issuance of the Bonds, together with all orders amendatory thereof and supplemental thereto.

"Capital Charge" shall mean a periodic payment charged by the County to a Participant for making sewer service available in those cases where the County has advanced funds to pay for Improvements needed to make such sewer service available.

"Capital Expenses" shall mean an obligation incurred to acquire new physical assets and/or incurred to acquire the replacement and/or upgrade of existing physical assets and to be paid from sources other than Current Expenses, i.e. Renewal and Replacement Fund, debt proceeds and designated retained earnings.

"Connection Charge" shall mean a separate charge covering the Cost of Ancillary Service Facilities that is not included as a component of the County's Monthly Service Charges as defined in the Rules and Regulations.

"Cost" shall mean cost as defined in North Carolina General Statute 162A-2(3) and shall include "cost of an undertaking" as that phrase is defined in G. S. 159-81(3).

"County" shall mean the County of Brunswick, a Political Subdivision of the State of North Carolina.

"County Sewer Use Ordinance" shall mean the Sewer Use Ordinance of the County as defined in Section 4.11 of these Standard Provisions.

"Current Expenses" shall mean the County's ongoing and recurring expenses during each Fiscal Year for operation and maintenance of the Sewer System as determined in accordance with generally accepted accounting principles including, but not limited to, all administrative, general and commercial expenses, insurance

and surety bond premiums, payments for the billing and collection of rents, rates, fees or other charges imposed or charged by the County for the use of the Sewer System, legal expenses paid to outside sources, any taxes which may be lawfully imposed on the Sewer System or the income or operations thereof or the property forming a part thereof, usual expenses of maintenance, repair and operation, including cost of power and administrative expenses and salaries, refunds, any other current expenses required to be paid by the County under the provisions of the Bond Order or by law, all to the extent properly and directly attributable to the Sewer System, and the expenses, liabilities and compensation of the Trustee. "Current Expenses" does not include any reserves for operation, maintenance or repair, any allowance for depreciation, amortization, interest on Bonds or other long term indebtedness or similar charges, any expenditure for which the County has made, Connection Charges or any reimbursement of Advances for Construction.

"Debt Service" shall mean the sum of money required to pay installments of principal and interest on indebtedness incurred by the County for the Sewer System in a Fiscal Year.

"Fiscal Year" shall mean the period commencing on July 1 of any year and ending on June 30 of the following year, or such other fiscal year, which the County may adopt.

"Improvements" shall mean any additions, enlargements, improvements, extensions, alterations, fixtures, equipment, land, appurtenances or other facilities to or for the Project.

"Monthly Service Charge(s)" shall mean the rates of charge for sewer service established pursuant to Section 4.12. of these Standard Provisions and the Section 4.1 of the Rules and Regulations.

"Oversight Committee" shall mean the committee established under Section 6.1 of the Rules and Regulations.

"Participant" shall mean a governmental unit, which enters into a Sewer Service Agreement with the County. Southport shall become a Participant once the "Project" is capable of accepting sewage for treatment and has paid all County Capital Charges up to the amount of the SRF funds estimated at $25,795,747. If project costs exceed the funds available through SRF and the City has paid the County up to the SRF funding level, additional Capital Charges may still be due, but "Monthly Service Charges" per Section 4.12 shall be paid at the West Brunswick Regional Wastewater System Participant's wholesale rate. Until then, Southport will continue to pay the commercial rate for monthly sewer treatment; however, the standard commercial sewer Capital Recovery Fees and Sewer Transmission Capital Recovery Fees shall not apply so long as the City continues to pay County Capital Charges when due..

"Participant's Service Facilities" shall mean the sewer collection and transmission facilities owned by a Participant and commencing at the connection on the Participant's side of the County's meter and servicing the sewer collection system, customers or other facilities of such Participant.

"Participant Sewer Use Ordinance" shall mean an ordinance conforming to State and Federal regulations and requirements adopted by each Participant engaging in the sewer collection and/or treatment business regulating the operation and maintenance of its sewer collection and/or sewer treatment facilities.

"Point of Delivery" shall mean the point or points mutually agreeable to the County and a Participant where the County shall accept delivery of sewage from a Participant.

"Political Subdivision" shall mean a municipal corporation, county or other political subdivision of the State.

"Project" shall mean the Project described in Section 1.5 and Section 2 of this Agreement.

"Rules and Regulations" shall mean the rules and regulations adopted from time to time by the County for administering the Sewer System.

"Sewer Service Agreement" shall mean the agreement, as amended, between the County and a Participant for the purchase and sale of sewer treatment capacity, including the Standard Provisions.

"Sewer System" shall mean the Project plus any Improvements.

"Standard Provisions" shall mean the Standard Provisions to Sewer Service Agreements, as amended from time to time.

"State" shall mean the State of North Carolina.

"System Development Charge" is a charge for a Participant's share of capital construction costs and shall have the same meaning as System Development Charge as defined in Section 4.2 of the Rules and Regulations, as amended from time to time.

"Trustee" shall mean the Trustee at the time serving as such under the Bond Order.

4.3 Warranties. The County and each Participant represents and warrants that each has full power and authority to enter into and perform any and all provisions of the Sewer Service Agreement between the County and the Participant.

4.4 Sewer Service. Subject to the other terms of this Sewer Service Agreement, the County will furnish sewer service to each Participant in accordance with the Participant's Sewer Service Agreement. Each Participant will discharge or deliver wastewater to the Sewer System for treatment at a mutually agreeable Point of Delivery through a meter(s) in accordance with the Rules and Regulations. The County and the Participant engaging in the sewer business shall cause to be in force, at all times, a State approved sewer use ordinance and shall abide by and enforce the provisions and requirements of the same.

4.5 County to Provide All Sewer Treatment. So long as the County is capable of providing to a Participant its sewage treatment needs, a Participant shall not acquire or produce sewer treatment capacity from any source other than the County, nor allow treatment of sewage within its jurisdiction by any other entity, without the express written consent of the County, which consent shall not unreasonably be withheld.

4.6 Meters. Procedures for the installation, operation, maintenance, calibration, and reading of meters and adjustment of meter readings shall be set forth in the Rules and Regulations.

4.7 Operation of Sewer System. The County shall operate and maintain, or cause to be operated and maintained, the Sewer System in a safe, efficient and economical manner, making all necessary and proper repairs, replacements and renewals, consistent with good business and operating practices for comparable facilities and in accordance with applicable standards of regulatory bodies. Current Expenses in any Fiscal Year shall not exceed an amount that is reasonable and necessary and that is designated as Current Expenses in the County's Annual Budget for such Fiscal Year.

4.8 Inspection of the System. If requested by the Technical Review Committee hereinafter established in the Policy Guidelines and Rules and Regulations for Rendering Sewer Service, the County shall cause a consulting engineering firm experienced in wastewater treatment plant operation to inspect the Sewer System at least once every twelve (12) months and to submit a report identifying any operational, maintenance, or repair problems of the Sewer System and setting forth for the next ensuing (twelve) 12-month period (i) recommendations as to any revisions that should be made in the methods of operation or maintenance of the Sewer System and any repairs that must be made to maintain the Sewer System in such period, together with an estimate of the cost of such repairs and methods, (ii) an estimate as to the amount of adequate reserves for extraordinary repairs, renewals and replacements to the system in such period, (iii) an estimate as to the staffing requirements of the County for the Sewer System for such period, and (iv) an estimate as to any additional insurance that may be needed to insure the County against loss due to casualty loss or damage to the Sewer System. The County

shall be obligated to undertake any action recommended in the engineer's report, which the County would be required to take to comply with Section 4.7. of these Standard Provisions. A Participant may at its own cost and expense cause a consulting engineer to inspect the Sewer System at least once every twelve (12) months upon sixty (60) days' notice to the County. A copy of the Participant's inspection report shall be provided to the County.

4.9 Insurance. The County shall carry at all times insurance covering all properties belonging to the Sewer System as are customarily insured, against loss or damage from such causes as are customarily insured against by enterprises of a similar nature and of a type and form as may be required by the Bond Order. The County also shall carry workers' compensation insurance, use and occupancy insurance, employer's liability insurance, boiler and machinery insurance, public officials liability insurance, automobile liability insurance, and commercial general liability insurance insuring against bodily injury and property damage arising out of the operations of the County. Such insurance shall be maintained with a financially responsible insurance company or companies, authorized and qualified under the laws of the State to assume the risk thereof. The proceeds of insurance shall be applied as provided in the Bond Order. If the County determines, and so certifies to the Trustee, that the amount of insurance coverage required by this Section or by the Bond Order is not available on reasonable terms and conditions, the insurance coverage required by this Section and the Bond Order may be modified in accordance with such determination, and the coverage as modified shall constitute the minimum requirements of this Section and the Bond Order.

4.10 Observance of Regulations. Each Participant covenants and agrees to observe the Rules and Regulations which have been adopted by the County (and as they may be amended) respecting the use of and services furnished by the Sewer System or legally required by any other authorized regulatory body.

4.11 Observance of Sewer Use Ordinance. Each Participant covenants and agrees to observe the Sewer Use Ordinance of the County adopted November 21, 1994, as amended (the "County Sewer Use Ordinance"), respecting discharge of wastewater to the Sewer System. Any Participant that operates a sewer collection and transmission system agrees (i) to cause its own customers to comply with the Participant's Sewer Use Ordinance or the County Sewer Use Ordinance, whichever is more stringent, and (ii) to adopt and at all times maintain in effect and enforce a State approved sewer use ordinance for its own system which shall require compliance with the County Sewer Use Ordinance notwithstanding the provisions of the Participant's Sewer Use Ordinance. A Participant's Sewer Use Ordinance shall also require that any customer of the Participant which intends to discharge non-domestic strength wastewater to the Participant's wastewater collection system shall first make application to the Participant. A Participant shall be responsible to the County for any damage to the Sewer System caused by its own customers and/or civil

penalties assessed for violation of the County Sewer Use Ordinance or the County's discharge/non-discharge permit for the Project.

4.12 Monthly Service Charge. The County shall fix and determine on an annual basis a Monthly Service Charge for sewer treatment furnished to all Participants. Monthly Service Charges shall be established by the County at such levels as may be necessary to provide funds, together with other available funds, at least sufficient in the aggregate at all times to pay (i) Current Expenses, and (ii) Capital Expenses in each fiscal year for which Debt Service is not incurred and (iii) the Debt Service on financing obligations of the County for the Sewer System as the same become due, including all debt service reserves and other funds, coverage, accounts and reserves as may be required by any order or resolution authorizing the issuance of bonds, including the Bond Order. A Participant will receive a credit against its payment obligation under this Section for any amount paid under Section 3. The County shall be entitled to revise its Monthly Service Charges through an annual budget for a fiscal year to be presented for review by the Oversight Committee by March 1st of each year to comply with this Section. The Brunswick County Board of Commissioners shall take action establishing the Monthly Service Charge, effective July 1, on the first Monday in April. Monthly billings to a Participant shall be determined by applying the rates determined pursuant to this Section to the total amount of sewage treated for each Participant as obtained from the County's meter readings. The County may present charges based on budget estimates, subject to adjustment based on actual meter readings. The monthly billings and payments of the Participant are based on a rate that it estimated to provide funding adequate for actual and necessary operating expenditures and debt service of the West Brunswick Regional Wastewater Project. Since the rate for billing is based on estimated revenues and expenditures it will be necessary for Participants in the plant to make a "true up" payment annually in the event actual expenditures are in excess of actual revenues or in the event actual annual revenues are in excess of expenditures, surpluses will either be credited back to the Participants or based upon the recommendation of the Oversight Committee, be placed into the Capital Replacement Reserve Fund.

4.13 Payment. Each Participant covenants and agrees to pay promptly when due the County's Monthly Service Charges as determined in accordance with this Article and billed to the Participant from time to time and the Capital Charge by wire transfer to the account provided in written directions from the County. Payment for sewerage treated for a Participant during any month is due in full as provided in the Rules and Regulations at the office of the County. Payment of Monthly Service Charge shall be due notwithstanding that a Participant disputes the accuracy or legality thereof or notwithstanding that the County curtails or interrupts service to the Participant pursuant to these Standard Provisions. There shall be no free sewer service rendered by the County. Nothing contained herein shall require a Participant to pay for sewer treatment the County is incapable of delivering or providing.

4.14 Disputes. Even if a Participant disagrees with Monthly Service Charges received from the County for any given service period, the Participant shall be obligated to pay, in full, said Monthly Service Charges, but can do so "under protest". The "protest" shall be resolved according to the provisions of this Agreement.

If a Participant disputes all or part of any Monthly Service Charge or other payment due to the County, the Participant shall within fifteen (15) days of learning of the nature of the dispute notify the County in writing that the charges are disputed, the grounds for the dispute, and the amount in dispute. Failure to have made the full payment as provided in Section 4.13. hereof will result in the County, at its option, denying the Participant's claim. Upon receipt of notification of dispute, representatives of the County and the Participant shall meet within fifteen (15) days to resolve such dispute. The County and the Participant shall promptly and continuously attempt to resolve the dispute within five (5) business days of meeting. In the event that it is determined that the Participant shall have overpaid, it shall receive a credit for the overpayment. If the dispute cannot be thus resolved, each party shall thereafter be entitled to exercise any remedies available at law or in equity including non-binding mediation.

4.15 Limitation. Nothing herein shall prevent the County and a Participant from limiting the obligation of any Political Subdivision to pay Monthly Service Charges and the County's other rates and charges to or from non-tax revenues of the Political Subdivision so that a Sewer Service Agreement with such Political Subdivision will not constitute a debt secured by a pledge of the Political Subdivision's faith and credit which has not been approved in accordance with the provisions of Article V, Section 4 of the Constitution of North Carolina.

4.16 Bills. As a convenience to the Participants, the County will mail each Participant a bill not later than the date for mailing provided for in the Rules and Regulations covering sewer treatment provided during the previous month. All bills shall be sent to the address of the premises being served by the County, unless a Participant notifies the County in writing of some other address to which bills are to be mailed. Failure to receive bills will not be considered justification for non-payment of amounts due, nor permit an extension of the date when the account will be considered delinquent. The County may, at any time, correct any bills for service that may be in error.

4.17 Interest. Interest on delinquent Monthly Service Charges shall accrue during the period of non-payment at the rate of 10% per annum, subject to periodic adjustment by the County subsequent to review by the Oversight Committee.

4.18 Credits. The County will by lump sum payment within ninety (90) days of the date a determination is made that a refund is due, refund any Monthly Service Charges or other charges or parts thereof that the County or a court of competent

jurisdiction by final judgment determines were (a) inaccurate, illegal or otherwise not entitled to be collected or (b) paid in the immediately preceding Fiscal Year in excess of the amounts required for such Fiscal Year under clause (iii) of the second sentence of Section 4.12. Rather than making a refund by lump sum payment, the County may at its option make refunds in successive monthly installments over such ninety (90)-day period or may make the refund in the form of a credit to future amounts due to the County by the Participant over such ninety (90)-day period. Interest shall accrue on the refund at the same per annum rate specified in Section 4.17.

4.19 System Development Charges; Connection Charges. The County shall, in accordance with the Rules and Regulations, Sections 4.2 and 4.3, collect from Participants who apply for new or expanded service a System Development Charge and such Connection Charges as are appropriate to the service being provided by the County.

4.20 Industrial Wastewater. The County shall require all Industrial and other Participants who generate wastewater other than domestic strength wastewater to pre-treat its wastewater so that when it is discharged to the Sewer System it is of domestic strength as defined in the latest version of the Sewer Use Ordinance. If for any reason a Participant discharges wastewater to the Sewer System, which exceeds domestic strength, the County agrees to surcharge such Participant so that the Monthly Service Charges charged other Participants are not impacted by the added cost incurred by the County in treating the non-domestic strength wastewater.

The Participant shall not allow a customer, or itself, to dilute a high-strength wastewater as a method of treatment of said wastewater in order to comply with the County's Sewer Use Ordinance.

4.21 Limitations on Service; Curtailment. Any duty or obligation of the County to meet a Participant's sewer treatment needs, over and above any stated capacity the County contracts to provide in the Sewer Service Agreement with the Participant, is subject to limitations upon the County's ability to do so caused by (i) the amount of sewage discharge permitted or available to the County, (ii) obligations of the County pursuant to Sewer Service Agreements to provide sewer service to other Participants, (iii) the capacity of the Sewer System and (iv) completion of any Improvements the County elects to make to enable it to provide sewer service to a Participant.

4.22 Temporary Interruptions. The County may at any time shut down the Sewer System in case of an accident, or for the purpose of making connections, alterations, repairs, changes or for any other lawful reasons. The County will endeavor to give as much notice as possible in advance of any interruption of service. It is the obligation of Participants and not the County to protect the Participant's

facilities connected with the Sewer System so that damage will not occur if service is suspended without notice.

4.23 Shut Off for Default; Acceleration and Notices. If payments of Monthly Service Charges or Capital Charges due from a Participant remain delinquent for a period of more than thirty (30) days, the County may take one (1) or any combination of the following remedial steps:

(i) service may, where permitted by applicable laws and regulations of the State, be suspended by the County;

(ii) the County, by written notice to the Participant, may declare an amount equal to the then outstanding Monthly Service Charges, Capital Charges and accrued interest thereon to be immediately due and payable as liquidated damages under this Sewer Service Agreement and not as a penalty, whereon the same shall become immediately due and payable; or

(iii) the County may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance and observation of any obligation, agreement or covenant of the Participant under this Sewer Service Agreement.

The County will give each Participant twenty-four (24) hours' notice prior to suspending service on account of non-payment of rates and charges. The County may also suspend service after thirty (30) days' notice when a Participant violates any terms of a Sewer Service Agreement with the County or any rule or regulation and fails to remedy or cure such violation within the thirty (30) day notice period.

4.24 Sewer Service to New Participants. After notification of the Oversight Committee and all other Participants, the County shall only provide sewer service to new Participants pursuant to a Sewer Service Agreement.

4.25 Future Financing. The County may, in its sole discretion, incur debt to pay for Project Cost overruns or Improvements.

4.26. Construction and other Cooperation. The County and each Participant currently constructing wastewater collection systems agree to cooperate with each other during design and construction of the Project and their sewer collection systems, such assistance to include, but not be limited to, exchange and review of design plans and specifications, providing access to each other's work sites and easements for purposes of connecting to the Project and sharing information about start and completion dates, change orders and other matters that may adversely affect Costs. Each such Participant agrees to construct its respective wastewater collection system and place it in operation with all reasonable dispatch and thereafter

to operate and maintain it in a prudent and economical manner. The same shall be true for all subsequent additions and Improvements as required to provide sewer services to all Participants, both current and future.

4.27 Books and Records. The County and City shall keep proper books and records related to this project in accordance with generally accepted accounting principles which each party shall make available for inspection to the other at reasonable times upon request. The County shall cause an annual audit of its books and records to be made by an independent certified public accountant at the end of each Fiscal Year. An allocated portion of the audit expense shall be a part of the O&M cost of the project.

SECTION 5

TERM, TERMINATION, AND RENEWAL OF AGREEMENT

5.1 This Sewer Service Agreement shall be in full force and effect for a period ending at forty (40) years from the date of its execution.

5.2 This Agreement may otherwise be terminated only by mutual agreement of the parties. A mutually agreeable termination of this agreement will be on such terms as the parties may agree at the time in question. Each party hereto reserves to itself all legal rights and remedies available at law or in equity in the event of any other breach of this agreement by the other.

5.3 This Agreement may be amended by mutual agreement of the parties, adopted with the same formality as the original.

SECTION 6

REPRESENTATIONS AND COVENANTS

6.1 Each party to this Agreement represents to the other party each of the following as of the effective date of this Agreement, and covenants with the other party that each such representation will remain true and correct:

6.1.1 It has full power and authority to enter into this Agreement, and to enter into and carry out the transactions contemplated by this Agreement.

6.1.2 It has by proper action authorized the execution and delivery of this Agreement and is not in default under any provisions of this Agreement.

6.1.3 The execution, delivery and performance of this Agreement does not violate or conflict with or require any consent or waiver under any of the terms or conditions in its governing documents or any material contract to which it is a party or by which any of its assets are bound or affected, or any

law, rule, regulation, order, writ, judgment, decree or other legal or regulatory determination applicable to it.

6.1.4 This Agreement constitutes a legal, valid and binding obligation enforceable at law and in equity in accordance with its terms and, to the extent that certain remedies under this Agreement require or may require enforcement by a court, such principles of equity as the court having jurisdiction may impose.

6.1.5 It will comply with all applicable federal, state and local laws with respect to any activities conducted under or pursuant to this Agreement.

6.1.6 No elected or appointed official or employee has any interest (financial, employment, or other) in the transactions contemplated by this Agreement.

6.1.7 It will take no act (or engage in any failure to act) that will prevent, delay, obstruct, frustrate, or otherwise impair or undermine the activities conducted under or pursuant to this Agreement, except as may be necessary to enforce this Agreement or ensure compliance with applicable laws, regulations, and ordinances.

SECTION 7

MISCELLANEOUS PROVISIONS

7.1 Exhibits. All exhibits referenced in this Agreement are incorporated herein by reference as integral parts of this Agreement.

7.2 Amendment to Agreement. This Agreement may be modified or amended only by written amendments that are approved and signed on behalf of both Parties in the same manner as original adoption.

7.3 Notices. All notices required or permitted by this Agreement must be in writing. Any notice will be deemed given (i) on the date delivered by hand or (ii) on the date it is received by mail, as evidenced by the date shown on a United States mail registered mail receipt, in any case addressed as follows:

If to Brunswick County, as follows:

Brunswick County
Attn.: County Manager
P.O. Box 249
Bolivia, NC 28422

If to Southport as follows:

City of Southport
Attn: City Manager
1029 N. Howe St
Southport, NC 28461

Any party may designate a different address for communications by notice given under this Section to the other party. Whenever in this Agreement the giving of notice is required, the giving of such notice may be waived in writing by the Party entitled to receive such notice, and in any such case the giving or receipt of such notice will not be a condition precedent to the validity of any action taken in reliance upon such waiver.

7.4 No Third-Party Beneficiaries. Nothing in this Agreement shall give any person other than the parties any rights to enforce any provision of this Agreement. There are no intended third-party beneficiaries of this Agreement.

7.5 Survival of Representations and Covenants. All representations and covenants made by the parties in this Agreement shall survive the delivery of this Agreement.

7.6 Successors and Assigns. Each Sewer Service Agreement, including these Standard Provisions, shall be binding upon, inure to the benefit of and be enforceable by the parties thereto and their respective successors and assigns; provided, however, that neither a Participant nor the County may assign their rights, liabilities and obligations hereunder without the consent of the other party except that the County may assign all Sewer Service Agreements to the Trustee without the consent of any Participant.

7.7 Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this Agreement.

7.8 Entire Contract. This Agreement, including its Exhibits, constitutes the entire Agreement between the parties with respect to its subject matter.

7.9 Action by a Party. Any references to approvals or other actions by any party will be deemed to be references to actions taken by the party's Governing Board or taken pursuant to express, specific direction given by the party's Governing Board or a person delegated by that Board to give approval or take action.

7.10 Personnel. All responsibilities of the parties under this Agreement will be performed by personnel employed by them or under contract to them.

7.11 Waiver. Any party's failure to insist upon the strict performance of any provision of a Sewer Service Agreement, or to exercise any right based upon a breach thereof, or the acceptance of any performance during such breach, shall not constitute a waiver of any rights under the Sewer Service Agreement.

7.12 Counterparts. Sewer Service Agreements may be executed in several counterparts, any of which shall be regarded for all purposes as one original.

7.13 Controlling Law. This Agreement shall be construed and enforced in accordance with the laws of the State of North Carolina.

7.14 Effective Date. This Agreement shall become effective upon vote of adoption by the governing boards of each party at the date of the last required signature by authorized representatives of the parties.

IN WITNESS WHEREOF, the parties hereto, acting by and through their duly authorized representatives pursuant to the resolutions of their respective governing bodies, have caused this Agreement to be executed as of the day and year first above written.

THE COUNTY OF BRUNSWICK

By: _____
Chairman

ATTEST:

_____
Clerk

(SEAL)

CITY OF SOUTHPORT

By: _____
Mayor

ATTEST:

_____
City Clerk

(SEAL)

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

_____

Finance Officer, City of Southport

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

Finance Officer, County of Brunswick

EXHIBIT "A"

WEST BRUNSWICK REGIONAL WASTEWATER PROJECT

POLICY GUIDELINES
AND
RULES AND REGULATIONS
FOR
RENDERING SEWER SERVICE

THE COUNTY OF BRUNSWICK

WHEREAS, the County of Brunswick is a political subdivision of the State of North Carolina operating subject to the Local Government Budget and Fiscal Control Act; and

WHEREAS, the County owns and operates the West Brunswick Regional Wastewater System (the "Project") for the purpose of providing a reliable and self-sufficient source of sewer treatment to potential Participants commensurate with the orderly development and continued prosperity of the central, southern, and eastern parts of the County; and

WHEREAS, it is the County's goal to establish and charge reasonable and economical rates and charges for the service provided by the Project which are sufficient for the County to operate and maintain the Project as a financially self-sustaining enterprise and to assure continued, uninterrupted sewer service to all Participants; and

WHEREAS, the following guidelines for rate making and financing are intended to allocate the Cost of service to all Participants in an equitable manner:

a. Monthly Service Charges. The County shall develop for the Sewer System Monthly Service Charges, which reflect the County's Current Expenses and operating expenses during each Fiscal Year, the County's growth rate, its capital construction programs, and its financing requirements. The Participant recognizes, however, that charges in addition to Monthly Service Charges will be necessary to establish an overall system of rates and charges, which is equitable to all Participants.

b. Capital Charge. The County may, with legal capacity to obligate itself to do so, require Participants to pay for a minimum monthly capital charge without regard to the actual amount of service used by the Participants.

c. System Development Charges. New Participants and Participants requiring expanded service shall pay their fair share of the Cost of existing facilities of the Sewer System, which in the opinion of the County directly or indirectly benefit all of the Participants of the Sewer System. Although it is the general policy of the County that new Participants are entitled to sewer service at the same Monthly Service Charges charged its existing Participants, the County recognizes that existing Participants have and will continue to provide funds to pay part of the Cost of facilities having a system-wide benefit through the payment of Monthly Service Charges or other amounts to the County. The County thus shall establish and collect System Development Charges so that later Participants pay a portion of the Cost of such facilities previously paid by the existing Participants.

d. Connection Charges. The County shall establish and collect from each new Participant Connection Charges sufficient to pay the Cost of all facilities which the County identifies in its opinion as being exclusively for the direct or indirect benefit of the Participant and for which the Participant does not directly pay.

NOW, THEREFORE, the following Rules and Regulations, as they may be hereafter amended, shall, together with the Sewer Service Agreement and the County's Sewer Use Ordinance, govern the rendering of sewer service by the County of Brunswick from the Project.

ARTICLE I

Definitions, Amendments, and Applicability

Section 1.1. Definitions. Capitalized terms used herein shall have the meaning set forth in the Standard Provisions to the Sewer Service Agreement unless otherwise indicated herein.

Section 1.2. Amendments. The County may from time to time amend these Rules and Regulations; however, the County shall give each Participant notice and an opportunity to comment on the proposed amendment.

Section 1.3. Applicability. These Rules and Regulations, as amended, shall be binding on every Participant.

ARTICLE II

Sewer Service

Section 2.1. Application for Service. Any potential Participant desiring sewer service must make a written application to the County (upon forms to be supplied by the County), setting forth in detail the location of the property to be served, including a map thereof, the estimated gallons per day (gpd) to be used or allocated, and such other information as the County may require.

Section 2.2. Sewer Service Agreements. Sewer service shall be supplied to a Participant only pursuant to a Sewer Service Agreement containing the County's Standard Provisions.

ARTICLE III

Connections and Ancillary Service Facilities

Section 3.1. Connections. Each Participant shall be responsible, at its sole cost and expense, to make all installations of facilities necessary for connection to the Sewer System (i.e. pipelines, pump stations and all other necessary Ancillary Service Facilities). All new pump stations connected to the Regional Force Main System shall become part of the Regional Wastewater System and shall be deeded and dedicated to Brunswick County. Operation and maintenance responsibility shall be the responsibility of Brunswick County as part of the Regional Wastewater System. All design plans shall be reviewed by the County prior to submittal to the State for approval. If applicable, all fees and charges due the County for the connection shall be due and payable prior to initiation of service at the Point(s) of Delivery.

Section 3.2. Participant's Service Facilities. The Participant's Service Facilities shall be installed and maintained by such Participant at its sole cost and expense but shall be subject to inspection by the County before service is connected.

Section 3.3. Control of County Equipment. Supply lines, meters, and other equipment of the County shall be under its exclusive control, and no persons, other than authorized employees, agents or contractors of the County, subject to Participant inspection privileges as outlined in Section 1.7 of the Standard Provisions to the Sewer Service Agreement, shall repair, change, or interfere with them in any way.

ARTICLE IV

Monthly Service Charges

Section 4.1. Monthly Service Charges. The County shall annually establish Monthly Service Charges sufficient to cover all expenses for the ensuing Fiscal Year as identified in the Annual Budget for the Sewer System. Monthly Service Charges will be determined in view of sewer use projections for each ensuing Fiscal Year provided by Participants and on historical use data. Monthly Service Charges thus established shall be billed to Participants by the County as hereinafter provided on the basis of actual metered usage. The establishment and billing of Monthly Service Charges shall also reflect the payment of Capital Charges, when applicable.

The County shall adopt an Annual Budget for the Sewer System for each Fiscal Year in accordance with the Local Government Budget and Fiscal Control Act. Expense components of each Annual Budget shall include:

A. Operating Expense Components.

(i) Current expenses.

(ii) An operating and maintenance reserve.

(iii) Appropriations to repair/replacement reserves for purposes of timely correction of any mechanical/physical deficiencies which arise out of normal system use or which are not correctable from insurance proceeds or other monies readily available to the County. The level of such reserves shall be based upon an annual inspection of the Sewer System and recommendations by the County's consulting engineer.

(iv) Debt Service, including such debt service reserves and other funds, accounts, and reserves as may be required by instruments of debt authorization and such other amounts as may be required to comply with the covenants contained in instruments of debt authorization.

(v) An allowance for depreciation or an allowance for establishing a Capital Replacement Reserve Fund (one or the other but not both) may be included if required as a condition of debt authorization of the County. The Capital Replacement Reserve Fund would be established and administered pursuant to Chapter 159, Art. 3, Part 2 of the North Carolina General Statutes. Funds generated under this section for establishment of an allowance for depreciation or a Capital Replacement Reserve Fund cannot be used for the expansion of capacity of the facilities without unanimous approval of the Participants.

B. Capital Expense Components.

(i) Reimbursements of Advances for Construction due during the Fiscal Year, which are not reimbursed from Current Expenses.

(ii) Such other components regarding Sewer System development and growth as the County shall identify as being necessary or appropriate.

(iii) Capital costs associated with system capacity increases and improvements required to maintain the current treatment capacity or comply with new regulations that are not paid for as part of a Contribution in Aid of Construction, out of the Renewal or Replacement Fund, or otherwise. For improvements required to maintain the current treatment capacity or comply with new regulations each existing Participant shall pay its pro rata share of capital costs based upon the existing capacity allocation in the West Brunswick Regional Wastewater System. The County shall collect a capital charge from each Participant receiving a new or expanded capacity allocation based on their prorated share of the total actual cost of the West Brunswick Regional Wastewater System capacity expansion including, but not limited to, design, construction, debt service, and financing costs.

Brunswick County shall begin the design and construction of capacity expansions based on regulatory guidance, historical and anticipated future flow rates, and estimated design and construction schedules. In general, Brunswick County shall select an engineer and begin the planning and design for system expansion when plant usage is more than 70% of design capacity for three months of any rolling 12-month period. The capacity expansion amount shall be based on its logical integration with existing facilities, as well as future anticipated needs based on historic growth rates and consultation with each Participant. A comparison between each Participant's existing capacity allocation and minimum future allocation shall be made to determine the entities that require additional capacity and the minimum additional amount required. Typically, the minimum future allocation shall be based on a minimum fifteen-year projection of the average of the most recent three fiscal year's billed flow with a peaking factor of no less than 1.2 applied. The growth rate shall be the historic annualized growth rate of plant flows from the year of completion of the last expansion through the fiscal year that planning and design commence. The growth rate may be determined from a statistical relationship between plant flow and time using historic data and a simple linear regression analysis. Participants may request additional allocation in excess of the minimum. Brunswick County will endeavor to provide the amount of additional capacity

requested by a Participant but may prorate requested allocation amounts to allocate all capacity in the expansion.

Notwithstanding the foregoing, Monthly Service Charges shall always be established so as to comply with the section Monthly Services Charge of the Standard Provisions of the Sewer Service Agreement or such other provisions of any Sewer Service Agreement controlling the establishment and billing of Monthly Service Charges and to comply with any documents of debt authorization.

Section 4.2. System Development Charges. When unallocated capacity in the West Brunswick Regional Sewer Project Facilities is available without a capacity expansion construction project, Participants may request new or expanded capacity by allocation of the unallocated capacity. The County shall collect from new Participants applying for new service and existing Participants applying for expanded treatment capacity after the effective date of these Rules and Regulations a System Development Charge based on the Cost of the County's West Brunswick Regional Sewer Project Facilities for the applicable Project existing at the time payment of the charge is due. Each System Development Charge shall equal an amount which bears the same ratio to the Cost of the West Brunswick Regional Sewer Project as the average gallons per day (gpd) of sewer capacity requested by a Participant bears to the total average gpd of sewer capacity of the Sewer System, as determined from time to time by the County's consultant. Adjustments to an existing SDC or the initiation of a new SDC will be made if a Participant uses more sewer capacity than allocated. In such cases where a Participant provides sufficient guarantee of payment, the Participant may with the consent of the County pay any System Development Charge by periodic payments upon such terms as the County deems appropriate, including interest.

New Participants that are procuring an allocation by means of a system expansion may also be assessed a System Development Charge for portions of the existing facilities that benefit the new Participant but are not required to be upgraded or expanded to meet the needs of the new Participant. In this case, the amount of the SDC shall approximate the pro rata share (after expansion) of the value of the facilities that do not require an upgrade or expansion. The new Participant shall also be responsible for the capital costs associated with the construction work to expand the regional facilities.

Section 4.3. Connection Charges. The County shall charge each Participant a Connection Charge representing the Cost of any Ancillary Service Facilities provided by the County necessary for connection to the Sewer System (although it is the general policy of the County for Participants to pay such costs directly and perform any work necessary for connection pursuant to plans approved by the County). Ancillary Service Facilities shall include, but are not limited to, (i) the tap to the County's pipeline and (ii) the meter installation. The County shall own Ancillary

Service Facilities notwithstanding that the Cost thereof is paid by a Participant. If any Participant, following the initial service connection, requests a change in service, or the amount of flow tributary to the connection point changes, requiring different Ancillary Service Facilities, all Costs associated with the installation of new Ancillary Service Facilities shall be paid by the Participant.

Section 4.4. Billing and Payment Dates. The County will mail each Participant a bill not later than the 5th day of each month covering sewer treatment provided during the previous month. Payment of bills is due on or before the 20th day of each month in which the bill is rendered.

ARTICLE V

Meters

Section 5.1. Sewer Service Meters. At each Participant connection to the Regional System, each Participant shall be billed based on a separate meter or, if necessary and at the option of the County, through a separate battery of meters. Where a battery of meters is installed, the registrations of such meters shall be combined for billing purposes.

Section 5.2. Installation. Meters shall be furnished, installed, and removed only by the County at the sole cost of the Participant, and the County shall approve the location, type, and size of meter(s) to be installed. Where meters are installed upon the premises of a Participant, the Participant shall provide the County's representatives and employees free, reasonable, and safe access to the same by means of a utility easement.

Section 5.3. Maintenance. Meters will be maintained by the County at its expense insofar as ordinary wear is concerned, but damage to any meter caused by the Participant's facilities, operations, negligence, or carelessness or that of the Participant's own customers shall be paid by the Participant.

Section 5.4. Tests. All meters shall be accurately tested before installation. Meters will also be periodically tested in accordance with accepted practice, but not less than annually. The County may at any time remove any meter for routine tests, repairs, or replacement. The County shall upon request of a Participant, and if the Participant so desires, in the Participant's presence or that of the Participant's authorized representative, make, without charge, a test of the accuracy of the meter in use, provided the meter has not been tested by the County within a period of nine (9) months previous of such request, and that the Participant will agree to abide by the results of such test in the adjustment of disputed charges. A written report of the results of the test shall be furnished to the Participant. If the test results are acceptable, based on manufacturer's specifications and the meter has been tested

within the previous nine (9) month period, the Participant shall pay the cost of the test.

Section 5.5. Error. Whenever a test of a meter reveals it to have an average error of more than three percent (3%), the County shall bill or refund to the Participant, as the case may be, such percentage of the amount reflected on bills covering the consumption indicated by the meter for the previous three (3) months, as the meter was found to be in error at the time of test, unless it can be shown to the satisfaction of the County that the error found had existed for a greater or lesser period, in which case the adjustment shall cover such actual period.

ARTICLE VI

Committees

Section 6.1. Oversight Committee. There is hereby established an Oversight Committee for the Project. Each Participant including the County shall appoint one representative and one alternate representative to represent them on the committee. The Oversight Committee shall meet at least once each quarter. The cost and expenses of the Oversight Committee shall be a Current Expense. The representatives shall be entitled to elect a chairman and vice chairman. The Oversight Committee is formed for the purpose of fostering communications between the Participants and the County. The committee shall:

(i) Review and make recommendations relating to each Annual Budget and any capital project budget relating to Improvements;

(ii) Review quarterly and end-of-year financial reports, each annual audit and annual inspection report of the County relating to the Sewer System;

(iii) Request additional audits, inspections, and work when deemed necessary;

(iv) Review the County's and each Participant's sewer rate structure and make recommendations as to funding of the Capital Replacement Reserve Fund to ensure that the County and/or Participant(s) is capable financially of making Improvements when needed to meet the needs of Participants;

(v) Review expansion plans of each Participant and recommend to the Participant a system of fees that will be available for use by the County when Improvements are required by virtue of the Participant's expansion plans (it is the policy of the County to encourage each

Participant to establish in its respective sewer ordinance a system of impact fees that not only address expansion of the Participant's collection system but also expansions to the Sewer System required by the collection system expansion);

(vi) Recommend amendments to the Sewer Service Agreement, these Rules and Regulations, the County Sewer Use Ordinance, or any Participant's Sewer Use Ordinance;

(vii) Make recommendations concerning expansion of the Sewer System and/or the Participant's Service Facilities;

(viii) Attempt to settle disputes between the County and the Participants or between Participants;

(ix) Otherwise encourage cooperation between the Participants and the County and the success of the Sewer System;

(x) Report its findings and recommendations to the governing body of each Participant.

Section 6.2. Technical Review Committee. There is hereby established a Technical Review Committee comprised of the Participants. Each Participant including the County shall appoint a representative to the Technical Review Committee, which representative shall be the Participant's chief wastewater operations and maintenance officer. The Technical Review Committee may elect a chairman and a vice chairman and shall meet at least once in each fiscal year. The purpose of the Technical Review Committee shall be to:

(i) Review and evaluate construction, operation, and maintenance of the Sewer System;

(ii) Make recommendations as necessary for improvement of operation and maintenance of the Sewer System and delivery of services.

Upon adoption by a majority of the representatives on the Technical Review Committee, such recommendations shall be submitted to the County and the Oversight Committee in writing, and the County shall make appropriate response thereto in writing to the Technical Review Committee and Oversight Committee. The Technical Review Committee and Oversight Committee may be one and the same unless there is an objection by the County or a majority of Participants.

EXHIBIT "B"

PROPERTIES LOCATED OUTSIDE THE CITY LIMITS THAT ARE CONNECTED AND PROVIDED WASTEWATER SERVICE BY THE CITY

Property Address	PIN #
8250 River Rd	209706474662
1609 N Howe St	209718408255
1601 N Howe St	209719501129
3 Downing Ct	209718305008
9 Downing Ct	209718305380
11 Canterbury Ct	209718309013
14 Canterbury Ct	209718401143
12 Canterbury Ct	209718400001
15 Canterbury Ct	209718400260
16 Canterbury Ct	209718309262
18 Forest Oaks	209718307288
1 Forest Oaks	209718306171
311 Champion Ct	209606398717
341 Champion Ct	209606397881
380 Champion Ct	209606490766
361 Champion Ct	209606399847
370 Champion Ct	209606490752
320 Champion Ct	209606399636
340 Champion Ct	209606399632
330 Champion Ct	209606398692
1541 N Howe St	209719501081
290 Bonnet Way	209606396308
288 Bonnet Way	209606395344
278 Bonnet Way	209606393585
276 Bonnet Way	209606393589
274 Bonnet Way	209606393684
272 Bonnet Way	209606393678
266 Bonnet Way	209606393874
260 Bonnet Way	209606394953
262 Bonnet Way	209606394913
277 Bonnet Way	209606395519
273 Bonnet Way	209606395618
255 Bonnet Way	209606395749
201 Holly Dr	209607783509

1650 Ferry Rd	300607594033
901 E Leonard St	209608981524
514 W 11th St	209610472033
294 Bonnet Way	209606396473
254 Bonnet Way	209606395994
268 Bonnet Way	209606393779
110 W 12th St	209607588049
1202 N Atlantic Ave Ext	209607685364
1210 N Atlantic Ave Ext	209607685467
1213 N Atlantic Ave Ext	209607682493
1206 N Atlantic Ave Ext	209607686328
1206 N Howe St	209607681362
295 Bonnet Way	209606396526
206 Park Ave Ext	209608980485
214 Park Ave Ext	209608886685
301 Yaupon Dr	209608882544
270 Bonnet Way	209606393875
381 Champion Ct A-6	209606399941
371 Champion Ct	209606399901
17 Canterbury Ct	209718308274
5 Downing Ct	209718303059
8 Downing Ct	209718304218
264 Bonnet Way	209606393878
321 Champion Ct A-2	209606398821
291 Bonnet Way	209606395541
271 Bonnet Way	209606395712
331 Champion Ct	209606397778
296 Bonnet Way	209606397405
292 Bonnet Way	209606396339
220 Park Ave Ext	209608884542
350 Champion Ct A-12	209606490723
284 Bonnet Way	209606394430
208 Park Ave Ext	209608980512
258 Bonnet Way	209606395904
256 Bonnet Way	209606395944
1209 N Howe St	209607588276
360 Champion Ct A-9	209606490727
351 Champion Ct A-8	209606399807
286 Bonnet Way	209606394394
253 Bonnet Way	209606395890
10 Canterbury Ct	209718308025
293 Bonnet Way	209606395572
13 Canterbury Ct	209718401001

257 Bonnet Way	209606394799
310 Champion Ct A-13	209606399606
275 Bonnet Way	209606395613
608 W 11th St	209610461909
1125 E Leonard St	209720908775
117 E 13th St	209607682604
280 Bonnet Way	209606394408
282 Bonnet Way	209606394424
1433 N Howe St	209607590319
108 W 12th St	209607589101
1730 E Moore St	300700418560*

*1730 E. Moore St is the location of the Archer Daniels Midland facility. ADM currently operates its own wastewater treatment plant for the treatment of its industrial wastewater and utilizes the City for treatment of its domestic wastewater flow. In the future, if ADM decides to seek treatment of its industrial wastewater from a public utility, then the provisions of 1.10 do not apply to ADM's industrial or domestic wastewater treatment.