

AGENDA ITEM

To: CHAIRMAN RIVENBARK AND BOARD MEMBERS

From: TIM H. HOLLOMAN, EXECUTIVE DIRECTOR

Date: December 12, 2022

Re: Resolution Authorizing request for the Design Build of a 10 mile 54" parallel line for the Lower Cape Fear Water and Sewer Authority

Reviewed and approved as to form: MATTHEW A. NICHOLS, AUTHORITY ATTORNEY

Background: The Lower Cape Fear Water and Sewer Authority (Authority) serves Brunswick, Bladen, Pender, New Hanover, Columbus Counties, and the City of Wilmington, with a Board of Directors representing those local governments. As the largest regional water system in Eastern North Carolina, the Authority's primary role is to provide raw water from Cape Fear to supply treatment facilities that serve 550,000 customers.

The Lower Cape Fear Water & Sewer Authority (Authority) has evaluated the feasibility of paralleling the 10-mile, 48-inch raw water main that supplies Pender County, CFPWA, and several industries on US 421. The route of the existing pipeline begins at the 3-million-gallon ground reservoir located near the Brunswick County Northwest Water Plant and traverses north and east through Brunswick, Pender, and New Hanover Counties to US Highway 421. The main runs southward along US 421 and terminates at the CFPWA meter vault adjacent to the Stepan facility (formerly Invista).

The Authority has been awarded funding for a partial project and wishes to proceed forward using the Design Build Model construct a design-build project for a 10 Mile Parallel 54" line.

Action Requested: Motion to approve

**Resolution Establishing Criteria for a Design-Build Delivery Method and
Authorizing Use of the Design-Build Delivery Method for a Phased 10-Mile Parallel
Raw Water Line Project for the Lower Cape Fear Water and Sewer Authority**

WHEREAS, the Lower Cape Fear Water and Sewer Authority (“Authority” or “LCFWASA”) serves Brunswick, Bladen, Pender, New Hanover, Columbus Counties, and the City of Wilmington with a Board of Directors representing those local governments. As the largest regional water system in Eastern North Carolina, the Authority’s primary role is to provide raw water from the Cape Fear to supply treatment facilities that serve 550,000 customers; and,

WHEREAS, on October 10, 2022, the Authority’s Board of Directors passed a Resolution authorizing a phased 10-mile parallel raw water line project, subject to appropriate funding (more fully described herein as the “Project”); and,

WHEREAS, on November 14, 2022, the Authority’s Board of Directors passed a Resolution seeking an Owner’s Advisor for the aforementioned Project; and,

WHEREAS, LCFWASA, Cape Fear Public Utility Authority (“CFPUA”), Pender County (“Pender”) and Brunswick County (“Brunswick”), are currently negotiating and anticipate entering into an Interlocal Agreement (“ILA”) pursuant to Article 20, Part 1 of North Carolina General Statutes Chapter 160A and N.C. Gen. Stat. §153A-278, for the purposes of memorializing their respective duties, responsibilities, and entitlements regarding the design, construction, scheduling, funding, operation, maintenance, use, and ownership of the Project; and,

WHEREAS, LCFWASA received \$23.5 million from the Coronavirus State Fiscal Recovery Fund (“State Fiscal Recovery Fund”) (S.L. 2021-180), established pursuant to Sections 602 and 603 of the Social Security Act, as added by Section 9901 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (“ARPA”); and,

WHEREAS, LCFWASA intends to use the monies received from the State Fiscal Recovery Fund to enter into agreements to design and construct approximately 36,200 linear feet of pipe and related infrastructure (“System Improvements”) to parallel the existing raw water line from the current termination point of redundant infrastructure near the 3 million gallon ground storage tank located at Brunswick County’s Northwest Water Treatment Plant at the 54”/48” interconnection through the 6.86 miles of unparallelled infrastructure within LCFWASA-owned easements and connect with the existing 48” transmission main near the existing 48”X36” tee near the interconnected Pender County supply main in New Hanover County (the “Project”); and,

WHEREAS, LCFWASA recognizes that it is beneficial to have additional raw water capacity and redundancy to support regional growth and the wellbeing of LCFWASA’s customers and the public; and,

WHEREAS LCFWASA, CFPUA, Brunswick and Pender (the “Parties”) previously entered into a Memorandum of Understanding establishing the maximum safe yield and allowable total water withdrawal amount available for allocation among the Parties; and,

WHEREAS, the Project costs in excess of \$23.5 million associated with the System Improvements will be budgeted among benefited Parties based on capacity allocation, as more particularly set forth in the proposed ILA; and,

WHEREAS, due to the nature, size, scope and anticipated time schedule of the Project, the proposed ILA between LCFWASA, CFPWA, Pender and Brunswick sets forth a design-build construction method for the Project; and,

WHEREAS, pursuant to N.C. Gen. Stat. § 143-128.1.A(b), “a governmental entity shall establish in writing the criteria used for determining the circumstances under which the design-build method is appropriate for a project, and such criteria shall, at a minimum, address all of the following:

- (1) The extent to which the governmental entity can adequately and thoroughly define the project requirements prior to the issuance of the request for qualifications for a design-builder.
- (2) The time constraints for the delivery of the project.
- (3) The ability to ensure that a quality project can be delivered.
- (4) The capability of the governmental entity to manage and oversee the project, including the availability of experienced staff or outside consultants who are experienced with the design-build method of project delivery.
- (5) A good-faith effort to comply with G.S. 143-128.2, G.S. 143-128.4, and to recruit and select small business entities. The governmental entity shall not limit or otherwise preclude any respondent from submitting a response so long as the respondent, itself or through its proposed team, is properly licensed and qualified to perform the work defined by the public notice issued under subsection (c) of this section.
- (6) The criteria utilized by the governmental entity, including a comparison of the advantages and disadvantages of using the design-build delivery method for a given project in lieu of the delivery methods identified in subdivisions (1), (2), and (4) of G.S. 143-128(a1).

WHEREAS, based upon the criteria and reasons set forth herein, LCFWASA desires to proceed with the design-build method for the Project pursuant to N.C. Gen. Stat. § 143-128.1.A to construct the 48” 10-mile parallel line, and LCFWASA intends to procure a qualified design-builder to provide design and construction services to install a new 48” Raw Water Transmission Main that will parallel the existing raw water transmission main.

NOW, THEREFORE, BE IT RESOLVED, that based upon the foregoing, pursuant to N.C. Gen. Stat. § 143-128.1.A(b), LCFWASA establishes the following criteria:

Criteria for Determining Whether the Design-Build Delivery Method
Is Appropriate for a Project

(Criteria 1) *The extent to which the Authority can adequately and thoroughly define the project requirements prior to the issuance of the request for qualifications (RFQ) for a design-builder.* The design-build delivery method may be used if it is determined that, for the project, the Authority has professional personnel that are both qualified and experienced to thoroughly define project requirements prior to the issuance of a request for qualifications for a design-builder. Consideration will be given to the qualifications and experience of the Authority's personnel, any Owner-Advisor and consultants retained by the Authority to assist with the project, and the availability of the professional personnel and Staff of LCFWASA's customers to assist in the development of an RFQ, including the departments and areas of Public Works, purchasing, finance and legal.

(Criteria 2) *The time constraints for the delivery of the project.* The design-build delivery method may be used if a project has a firm date by which a facility must be substantially completed and/or operational and the normal delivery method is likely not to be timely (typically RFQ, study, design, bid and construct). The size, scope and cost of a project will dictate complexity and schedule.

(Criteria 3) *The ability to ensure that a quality project can be delivered.* The design-build delivery method may be used if it is determined that, for the project, the Authority has professional and experienced personnel to ensure that the design-build firm will provide a quality project within the budget constraints established by the LCFWASA Board. Consideration will be given to the qualifications and experience of Authority personnel and consultants, and the availability of the professional personnel and Staff of LCFWASA's customers, including the Public Works Departments of LCFWASA's customers.

(Criteria 4) *The capability of the Authority to manage and oversee the project, including the availability of experienced staff or outside consultants who are experienced with the design-build method of project delivery.* The design-build delivery method may be used if it is determined that, for the project, the Authority has professional, experienced and qualified personnel or consultants that are knowledgeable of design-build projects, which may include the availability of the professional personnel and Staff of LCFWASA's customers, to perform the construction management of a design-build contract.

(Criteria 5) *A good-faith effort to comply with G.S. 143-128.2, G.S. 143-128.4, and to recruit and select small business entities.* The design-build delivery method may be used if it is determined that, for the project, requirements will be imposed which ensure that contractors will comply with the M/WBE goals set by the Authority.

(Criteria 6) *The criteria utilized by the Authority, including a comparison of the costs and benefits of using the design-build delivery method for a given project in lieu of the*

other delivery methods identified. The criteria utilized by the Authority when considering a design-build delivery method for a project will be as follows:

- Is the project well defined and does it include qualitative and quantitative characteristics that make a design-build contract more appropriate than other methods of delivery?
- Is the project timeline overly constrained and will it be necessary to have the project/facility complete and operational within a short timeframe?
- Given the scope of the project, is there a maximum budget that must be adhered to in order to allow negotiations and flexibility to make appropriate decisions on scope as the project progresses?
- Does the design-build delivery method meet the ultimate operational goals established for a given project/facility and the quality of product achieved as a result of a more fluid and flexible delivery method?

In general terms, if it is determined that the expected expense of a design-build project will be no more than ten percent (10%) greater than the expected expense of a traditional RFQ, study, design, bid and construct project, the design-build delivery method may be utilized.

Application of Criteria to Phased 10 Mile Parallel Raw Water Line Project

Criteria 1: The proposed Project will involve an Interlocal Agreement, as referenced above, between the Authority, CFPUA, Brunswick and Pender County. The CFPUA's professional Staff and the professional Staff of the Pender County and Brunswick County Public Works Departments (all Parties to the proposed Interlocal Agreement) are both experienced and qualified to thoroughly define the Project requirements with LCFWASA prior to the issuance of a request for qualifications for a design-builder. Additionally, the professional Staff of the Parties to the Interlocal Agreement are available in the areas of purchasing, finance and legal to assist in the development of an RFP.

Criteria 2: The Project is under significant time constraints due to required completion before the award and funding cycle elapse with the ARPA award.

Criteria 3: Pursuant to the proposed ILA, the CFPUA shall serve as the Project Manager for the Project. The CFPUA Staff has professional and experienced personnel that are knowledgeable of the type and complexity of the Project. The Project parameters with river crossing result in additional complexity. Furthermore, the LCFWASA is seeking an Owner-Advisor to assist LCFWASA with the Project. With the team of the Owner-Advisor, LCFWASA Staff and partner assistance through the ILA, the Authority can assure that the Project deliverables will be very high quality with adherence to budget and best budgeting and financial practices.

Criteria 4: As noted above, CFPUA shall serve as the Project Manager for the Project pursuant to the proposed ILA. LCFWASA, CFPUA, Pender County and Brunswick County (all Parties to the proposed ILA), have professional and experienced personnel

that are knowledgeable in the Project area to assist. Furthermore, LCFWASA is in the process of engaging an Owner-Advisor with thorough knowledge and expertise with the Design-Build construction method.

Criteria 5: The Authority shall make good faith efforts to comply with N.C.G.S. 143-128.2, N.C.G.S. 143-128.4, and to recruit and select small business entities. Requirements shall be imposed to ensure that contractors will comply with M/WBE requirements for funding and all applicable state and Federal requirements.

Criteria 6: As noted in Criteria 2, the Project is under significant time constraints due to required completion before the award and funding cycle elapse with the ARPA award. The Design-Build process may reduce the overall project schedule by approximately 12 to 18 months, which has a benefit on the Project budget. Reducing the Project time frame may also help eliminate any price escalation that could occur within that time period. The Design-Build delivery method is not expected to result in expenses above the traditional RFQ, study, design, bid and construction process. The Project will have reduced scope and design efforts enabling more of the Project budget to meet actual construction and line improvements. This is expected to enable between 5% and 10% of Project funds to address construction and Owner-Advisor responsibilities.

NOW, THEREFORE, BE IT FURTHER RESOLVED, by the Chairman and the Directors of the Lower Cape Fear Water and Sewer Authority, that the Board approves the criteria for the use of the design-build delivery method. The Board further determines that the design-build delivery method is appropriate for the above-referenced 48" parallel raw water main phased 10-mile parallel line Project, and the Board authorizes the Executive Director to move forward with use of the design-build delivery method for the Project.

THEREFORE, BE IT FURTHER RESOLVED, that a copy of this Resolution be recorded in the permanent minutes of this Board.

Adopted this 12th day of December 2022.

Charlie Rivenbark, Chairman

ATTEST:

Harry Knight, Secretary

NEW BUSINESS (NB5)

**Lower Cape Fear Water & Sewer
Authority**

AGENDA ITEM

To: CHAIRMAN RIVENBARK AND BOARD MEMBERS

From: TIM H. HOLLOMAN, EXECUTIVE DIRECTOR

Date: December 12, 2022

Re: Resolution Approving an Interlocal Agreement for a Phased 10 Mile Parallel
Raw Water Line Project for the Lower Cape Fear Water and Sewer Authority

Reviewed and approved as to form: MATTHEW A. NICHOLS, AUTHORITY ATTORNEY

Action Requested: Motion to approve/disapprove

STATE OF NORTH CAROLINA

COUNTIES OF NEW HANOVER, PENDER, & BRUNSWICK

INTERLOCAL AGREEMENT REGARDING RAW WATER PIPELINE SYSTEM IMPROVEMENTS

THIS INTERLOCAL AGREEMENT (hereinafter, "Agreement") is entered into and made effective as of this _____ day of _____, 2022, by and between LOWER CAPE FEAR WATER & SEWER AUTHORITY (hereinafter, "LCFWASA"), a water and sewer authority organized under North Carolina General Statute Chapter 162A; CAPE FEAR PUBLIC UTILITY AUTHORITY (hereinafter, "CFPUA"), a water and sewer authority organized under North Carolina General Statute Chapter 162A; BRUNSWICK COUNTY, a political subdivision of the State of North Carolina (hereinafter, "Brunswick"); and PENDER COUNTY, a political subdivision of the State of North Carolina (hereinafter, "Pender"), collectively hereinafter referred to as the "Parties."

WITNESSETH:

WHEREAS, LCFWASA and CFPUA own existing raw water transmission mains and raw water systems running from intake sites in Bladen County to New Hanover County, North Carolina;

WHEREAS, all parties hereto confirm that it is beneficial to have additional raw water capacity and redundancy to support regional growth and the wellbeing of the parties' customers; and

WHEREAS, the parties have previously collaborated on projects to provide additional raw water capacity and redundancy to support regional growth and the wellbeing of the parties' customers; and

WHEREAS certain parties purchase raw water from LCFWASA; and

WHEREAS, LCFWASA received \$23.5 million from the Coronavirus State Fiscal Recovery Fund ("State Fiscal Recovery Fund") (S.L. 2021-180), established pursuant to Sections 602 and 603 of the Social Security Act, as added by Section 9901 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 ("ARPA"); and

WHEREAS, LCFWASA intends to use the monies received from the State Fiscal Recovery Fund to enter into agreements to design and construct approximately 36,200 linear feet of pipe and related infrastructure ("System Improvements") to parallel the existing raw water line from the current termination point of redundant infrastructure near the 3 million gallon ground storage tank located at Brunswick County's Northwest Water Treatment Plant at the 54"/48" interconnection through the 6.86 miles of unparallelled infrastructure within LCFWASA-owned easements and connect with the existing 48" transmission main near the existing 48"X36" tee near the interconnected Pender County supply main in New Hanover County.(the "Project"); and

WHEREAS, the Parties recognize the mutual benefits to their citizens, customers, and the public from additional raw water capacity and redundancy to support regional growth and public wellbeing; and

WHEREAS LCFWASA, CFPUA, Brunswick, and Pender Counties previously entered into a Memorandum of Understanding establishing the maximum safe yield and allowable total water withdrawal amount available for allocation among the Parties; and

WHEREAS, the Parties are entering into this Agreement to memorialize their respective duties, responsibilities, and entitlements regarding the design, construction, scheduling, funding, operation, maintenance, use, and ownership of the Project; and

WHEREAS Project costs in excess of \$23.5 million associated with the System Improvements will be budgeted among benefited Parties based on capacity allocation; and

WHEREAS, this Interlocal Agreement is entered into pursuant to Article 20, Part 1 of North Carolina General Statutes Chapter 160A and N.C. Gen. Stat. §153A-278.

NOW, THEREFORE, in consideration of the promises, mutual goals, and objectives set forth herein, and the mutual benefits resulting therefrom, the Parties agree as follows:

I. Purpose.

This Agreement establishes the framework for funding, design, construction, maintenance, operation, and ownership of the progressive design build services and System Improvements required to parallel the existing LCFWASA 48" raw water line from the current termination point of redundant infrastructure near the 3 million gallon ground tank located at Brunswick County's Northwest Water Treatment Plant, through approximately 6.86 miles of the last ten miles of unparalleled infrastructure within easements owned and maintained by LCFWASA and connect with the existing 48" transmission main near the existing 48"X36" tee near the interconnected Pender County raw water supply main in New Hanover County (the "Project").

II. Term.

This Agreement shall become effective upon the date of final authorization and execution by all Parties and shall remain in effect until ownership of the System Improvements is transferred to LCFWASA.

III. Capacity Allocation

A. The Parties acknowledge and reaffirm that, per notice provided on January 25, 2012, by Director Thomas A. Reeder, the North Carolina Division of Environmental Quality ("NCDEQ") Division of Water Resources (DWR) established an allowable total water withdrawal amount of 106 million gallons per day from the Cape Fear River during low flow periods just upstream of Lock and Dam #1 in East Arcadia, Bladen County. From this notice, maximum safe yield allocation of the served agencies is as follows:

| Agency | Amount (mgd) |
|------------------|--|
| Brunswick County | 50 |
| CFPUA | 48 (38 in LCFWASA system) (10 in CFPUA system) |
| Pender County | 6 |
| LCFWASA | 2 |
| Total | 106 |

B. As previously memorialized in Interlocal agreement titled "Regarding Raw Water Pipeline Design, Construction and Ownership" dated July 8, 2019, the parties reaffirm that if NCDEQ

revises the allowable total water withdrawal amount (also identified herein as the maximum safe yield) in the future, the safe yield allocation for each agency will be adjusted proportionately.

C. The Parties acknowledge that this Agreement does not adjust the allocations of either capacity or cost within the components of the LCFWASA system constructed under the Interlocal Agreement titled "Regarding Raw Water Pipeline Design, Construction and Ownership" dated July 8, 2019.

D. If any agency purchases additional capacity from another agency, the allocation for those agencies will be adjusted accordingly.

IV. Funding

A. State Fiscal Recovery Fund /ARPA Funding. LCFWASA will provide \$23.5 million in State Fiscal Recovery Fund /ARPA funding for the completion of the Project and, therefore, is not subject to the provisions contained herein relating to Cost Share of Project costs or Reallocation. The \$23.5 million of State Fiscal Recovery Fund /ARPA funding to be provided by LCFWASA will be expended in full toward the completion of the Project prior to any Cost Share payment by any other party to this Agreement.

B. Cost Share

1. The agencies below shall share fees and expenses associated with Project costs that exceed the LCFWASA State Fiscal Recovery Fund /ARPA funding of \$23.5 million, based upon on the pro-rata redundant capacity allocation made available by the project according to the chart below:

| Agency | Initial Funding Structure (MGD) | Initial Funding Structure (%) | Cost Share (Dollars) |
|----------------|---------------------------------|-------------------------------|----------------------|
| Brunswick | 0 | 0 | 0 |
| CFPUA | 38 | 0.826 | \$9,670,000 |
| Pender | 6 | 0.130 | \$1,521,000 |
| 421 Industries | 2 | 0.0435 | \$509,000 |
| Total | 46 | | \$11,700,000 |

2. The total Cost Share amount among the Parties is based upon an estimated cost with contingency. If the final project costs exceed the estimated cost and contingency, each party will return to their respective governing body to recommend proportional increased contributions.

3. CFPUA shall receive the invoices from any contractor and/or consulting services associated with the Project. CFPUA will share each invoice with the Parties and promptly invoice the Parties for amounts due and owing on each Party's allocated funding obligation. Each Party shall pay to CFPUA its pro-rata share associated with each invoice within thirty (30) days of CFPUA's issuance of the invoice.

C. 421 Industries

1. The 421 Industries are two industrial users along US Highway 421 who will directly benefit from the Project but that are not a party to this Agreement. Separate agreement(s) with LCFWASA will be executed to secure the individual cost share funding from the private entities.
2. LCFWASA shall guarantee the Cost Share portion for the 421 Industries until such time as the agreement(s) with the 421 Industries are executed.

D. Funding Reallocation

1. Pender Option. Under separate agreement titled "Memorandum of Understanding Regarding Capacity and Cost Allocation for Raw Water Pipeline" dated February 11, 2019, upon completion of the System Improvements identified within the Interlocal agreement titled "Regarding Raw Water Pipeline Design, Construction and Ownership" dated July 8, 2019, Brunswick will provide 5 MGD of its 50 MGD allowable total water withdrawal amount (or pro-rated said amount if the total of 106 MGD is adjusted up or down) as a raw water capacity purchase option to Pender. As noted within that separate agreement, Pender shall provide a notification by Resolution adopted by the Pender County Board of Commissioners to Brunswick of its decision to exercise this option by July 1, 2028.
2. Upon Pender exercising this option, the Cost Share of this Agreement for each party shall be reallocated as follows:

| Agency | Pender Option Funding Structure (MGD) | Initial Funding Structure (%) | Cost Share (Dollars) |
|------------------|---|----------------------------------|-------------------------|
| Brunswick County | 0 | 0 | 0 |
| CFPUA | 48 | 0.79 | 9,243,000 |
| Pender County | 11 | 0.18 | 2,106,000 |
| 421 Industries | 2 | 0.03 | 351,000 |
| Total | 61 | | \$11,700,000 |

3. Upon reallocation, Pender agrees to reimburse CFPUA and LCFWASA, for all costs associated with the purchased capacity, which will be 5% of the Project costs that exceed the LCFWASA State Fiscal Recovery Fund /ARPA funding contribution, currently estimated to be \$11,700,000. Project costs include, but are not limited to, the cost of capital, financing, engineering, land, and legal costs. Pender shall provide full lump sum payment to CFPUA and LCFWASA for that amount of capacity up to 5 MGD, secured in exercising it options under separate agreement titled "Memorandum of Understanding Regarding Capacity and Cost Allocation for Raw Water Pipeline" dated February 11, 2019. Reimbursement from Pender for exercising of its purchase option is currently estimated to be \$585,000. Division of the reimbursement between CFPUA and LCFWASA shall be proportional to revised Cost Share.

4. If any agency withdraws before award of a contract to complete the engineering design and construct the Project by LCFWASA, the remaining fees and expenses for the System Improvements will be divided among the remaining Parties in an amount equal to each pro rata capacity allocation among the Parties and consistent with the capacities set forth in Article III. Said agency shall be liable for all costs incurred through the date of withdrawal of the Project including but not limited to any costs associated with construction contract claims.

5. If any agency withdraws after award of a contract to complete 100 percent engineering design and construct the Project by LCFWASA, the remaining fees and expenses for the System Improvements will be divided among the Parties in an amount equal to each pro rata capacity allocation among the Parties consistent with the capacities set forth in Article III. Said agency shall be liable for all costs incurred through completion of the Project including but not limited to any costs associated with construction contract claims.

V. Project Contract

A. Project Contract

1. The System Improvements are those defined in the plans and specifications submitted by the selected design-build firm ("Contractor") and approved by LCFWASA for the Project. LCFWASA shall bid the Project according to North Carolina law and LCFWASA's purchasing policy. The bid process shall result in a progressive Design-Build contract for the design and construction of approximately 36,200 linear feet of pipe and related infrastructure to parallel the existing raw water line from the current termination point of the 54-inch raw water line at Brunswick Northside Water Treatment Plant at the 54-inch/48-inch interconnection, in alignment with currently unparalleled infrastructure within LCFWASA-owned easements to a termination point at or near the Pender County raw water supply interconnection in New Hanover County. LCFWASA, CFPUA, and Pender shall have the right to review and approve the bids and Scope of Work to ensure that the bid is within amounts budgeted by the Parties.

2. The Project will be bid, awarded, and entered as a LCFWASA contract.

3. LCFWASA will begin the advertising and selection of the progressive design-build firm after final execution of this Agreement. The Design-Build Contract(s) shall be owned by, and in the name of, LCFWASA (the "Contract").

4. CFPUA shall have overall management responsibility of the Contract, subject to regular cooperation and consultation with LCFWASA and representatives of all Parties.

B. Design Phase. The design phase of the Project will be funded as set forth in Article IV, "Funding," and managed by CFPUA. All Parties will serve as equal partners during in the design phase and at design progress meetings for the Project. Brunswick, LCFWASA, CFPUA, and Pender shall have the right to comment on Design and Scope of Work to ensure final design is in keeping with industry accepted standards and specifications.

C. Construction Phase. The construction phase of the Project will be funded as set forth in Article IV, "Funding," and managed by CFPWA. Construction bid results and professional and other services contracts, including but not limited to administration, will be presented to the Parties for review and approval prior to award.

VI. LCFWASA Responsibilities

A. Ownership of System Improvements. LCFWASA shall be the owner of the System Improvements. In consideration for their respective contributions, CFPWA and Pender shall have perpetual rights for the use and benefit of the constructed System Improvements and the water allocations set forth in Article III, "Capacity Allocation." Nothing contained herein shall prevent CFPWA, Pender, or Brunswick from selling all or a portion of their water allocation.

B. Operation and Maintenance. LCFWASA will be responsible for operation, maintenance, and repair of the System Improvements once constructed.

C. Real Estate. Prior to commencement of the construction work on the Project, LCFWASA shall obtain all permanent easements, temporary easements, and/or licenses necessary to accommodate and permit the performance of the Project work. LCFWASA shall consult with CFPWA and Pender County on all matters related to any condemnation proceeding undertaken.

D. LCFWASA will be responsible for securing and/or executing such agreements and instruments as necessary to memorialize in the land records their respective ownership interests in any properties.

E. Permits. Prior to commencement of the construction work on the Project, LCFWASA and/or the Contractor shall obtain and secure all permits, approvals, authorizations, licenses, certificates, encroachments, and consents from all public and governmental authorities which are necessary for the performance and completion of the Project.

F. ARPA Compliance. LCFWASA shall comply with the requirements of the Coronavirus State Fiscal Recovery Fund ("State Fiscal Recovery Fund") (S.L. 2021-180), established pursuant to Section 602 of the Social Security Act, as added by Section 9901 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2, all conditions of Sections 602 and 603 of the Social Security Act, guidance issued by Treasury regarding the foregoing, and the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (also known as the Uniform Guidance), 2 CFR 1, Chapter II, Part 200, et al. Attached hereto and incorporated herein as Exhibit A to this Agreement is the Coronavirus State and Local Fiscal Recovery Funds Addendum.

VII. CFPWA Responsibilities

A. Project Management. Upon execution of this Agreement, CFPWA shall serve as the Project Manager, authorized to act on LCFWASA's behalf with respect to the Project.

B. Administration and Inspection of the Work. Upon award of the Contract, CFPWA shall be responsible for the construction administration, inspection, and materials testing required for the Project. LCFWASA, CFPWA, and Pender shall have the right to inspect all work at any time during

construction. Monthly Progress meetings will be conducted at 235 Government Center Drive with the Contractor and all parties will be invited to attend. Submittals, RFI's, Progress Schedule, and Pay Applications will be reviewed and approved by the Contractor and CFPUA. Work Change Directives (WCD) and Change Orders to the Contract shall be reviewed by the Owner's Advisor and CFPUA. CFPUA and Owner's Advisor shall make a recommendation for the change of Project's Scope of Work to LCFWASA and Pender and receive approval from LCFWASA, CFPUA, and Pender before approving additional scope and/or cost to the Contract. Upon completion of construction, CFPUA shall provide as-built construction drawings to all Parties (digital and one set of drawings).

C. Prompt Payment. To pay its proportionate share of Project costs in a timely manner to LCFWASA upon notice and invoice of the same.

D. Prompt Review. To promptly provide comment on Design and Scope of Work to ensure final design is in keeping with industry accepted standards and specifications.

VIII. PENDER Responsibilities

A. Prompt Payment. To pay its proportionate share of Project costs in a timely manner to LCFWASA upon notice and invoice of the same.

B. Prompt Review. To promptly provide comment on Design and Scope of Work to ensure final design is in keeping with industry accepted standards and specifications.

IX. Project Costs.

A. Design Costs. The Parties will pay all design costs associated with design, for the System Improvements as set forth in Article IV, "Funding."

B. Construction Project Costs. Construction Project Costs include construction costs, construction engineering administration, observation and inspection fees, and costs associated with quality assurance testing. Final construction costs will be based on actual installed quantities. To the extent that any work conditions require mitigation or other work, the Parties will determine the responsibility for such costs in good faith, using commercially reasonable judgment, and as set forth in Article IV, "Funding."

C. Project Management Fee. CFPUA will assign a project manager to provide project management and administration services necessary through final completion of construction associated with the System Improvements. LCFWASA and Pender agree to reimburse to CFPUA direct project management cost within 60 days of award of a construction contract after being invoiced by CFPUA. Each party's share is based on its pro-rata allocation and a CFPUA Senior Project Manager annual salary including benefits of \$156,304.35 for a period of thirty months \$390,760.87, as follows:

| Agency | Allocation (%) | Cost Share (Dollars) |
|-----------|----------------|----------------------|
| Brunswick | 0 | 0 |
| LCFWASA | 0.04 | 15,630.41 |
| Pender | 0.13 | 50,798.91 |

D. Owner's Advisor. LCFWASA may select an Owner's Advisor to provide administrative services and to which it may assign any of its duties and responsibilities under the Agreement.

E. Construction claims. Any claims for this Project shall be considered a Project Cost and included in the Construction Project Costs as defined herein.

F. Invoicing and Reimbursement. CFPUA shall require the contractor to submit monthly invoices for completed work in accordance with the Contract. Upon verification of completed units of work by CFPUA, progress payments to the contractor or other vendors will be issued. CFPUA will invoice the Parties for their portion of completed Project costs. Copies of all approved Contract pay requests, invoices and other Project Cost documentation will be provided with each invoice to document completed work. The Parties shall submit to CFPUA their portion of completed Project Costs within thirty (30) days of the receipt thereof. Actual Project Costs shall be proportionally shared by the Parties as set forth in Article IV, "Funding."

X. Termination and Suspension.

A. This Agreement shall terminate upon contractor's final completion, engineer's certification and owners acceptance of the infrastructure improvements under the Project; provided however, those provisions contained herein which are necessarily intended to have perpetual effect shall be deemed to survive the termination date.

B. Termination for Cause. Any party may terminate this Agreement for cause if another party materially breaches a provision of this Agreement and fails to cure such breach within thirty (30) days of receipt of written notice describing the breach in reasonable detail.

C. Non-Appropriation. In the case of non-appropriation by the governing board of any Party, then this Agreement shall automatically expire without penalty to any party.

D. Cancellation. Should LCFWASA, CFPUA, and/or Pender elect not to proceed with construction of the System Improvements after execution of this Agreement and prior to award of the 100 percent design and construction contract to the design builder, said party or parties shall be liable for all costs incurred through the date of cancellation of the Project by the other parties including but not limited to any costs associated with construction contract claims.

XI. General Provisions.

A. Mutual Cooperation. The Parties agree to mutually cooperate to meet their mutual goals and objectives as set forth herein and, specifically, in achieving completion of the Project.

B. Dispute Resolution. In the event of conflict or default that might arise for matters associated with this Agreement, the Parties agree to informally communicate to resolve the conflict. If any such dispute cannot be informally resolved, then such dispute, or any other matter arising under this Agreement, shall be subject to resolution in a court of competent jurisdiction.

C. Enforcement. It is recognized that the Parties' remedies at law may not be adequate in the event of a breach of this Agreement. Accordingly, specific performance of this Agreement is a proper remedy in the event of a breach or default.

D. Waiver. No failure by any party to insist upon the strict performance of any covenant, duty, agreement, or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach of any other covenant, duty, agreement, or condition.

E. Applicable Law. All matters relating to this Agreement shall be governed by the laws of the State of North Carolina, without regard to its choice of law provisions, and venue for any action relating to this Agreement shall be New Hanover County Civil Superior Court or the United States District Court for the Eastern District of North Carolina, Southern Division.

F. No Waiver of Sovereign or Governmental Immunity. Nothing in this Agreement shall be construed to mandate purchase of insurance by any Party to this Agreement; or to in any other way waive any Party's defense of sovereign or governmental immunity to any cause of action alleged or brought against a Party if otherwise available as a matter of law.

G. No Waiver of Qualified Immunity. No officer, agent or employee of any Party shall be subject to any personal liability by reason of the execution or implementation of this Agreement, or any other documents related to the transactions contemplated hereby. Such officers, agents, or employees shall be deemed to execute this Agreement in their official capacities only, and not in their individual capacities. This section shall not relieve any such officer, agent, or employee from the performance of any official duty provided by law.

H. Notices. Any communication required or permitted by this Agreement must be in writing except as expressly provided otherwise in this Agreement. Any communication under this Agreement will be sufficiently given and deemed given when delivered by hand, by confirmed electronic mail, by Federal Express or similar express delivery service, or on the date shown on a certified mail delivery receipt, when addressed as follows:

If to LCFWASA: Lower Cape Fear Water and Sewer Authority (LCFWASA)
Tim Holloman, Executive Director
1107 New Pointe Blvd., Suite 17
Leland, NC 28451

With a copy to: Matthew A. Nichols, General Counsel LCFWASA
Law Office of Matthew A. Nichols
3205 Randall Parkway, Suite 104
Wilmington, NC 28403

If to CFPUA: Cape Fear Public Utility Authority (CFPUA)
Kenneth Waldroup, Executive Director
235 Government Center Drive
Wilmington, NC 28403

With a copy to: Linda Miles, General Counsel CFPUA
235 Government Center Drive
Wilmington, NC 28403

If to Pender County: County Manager
Pender County
805 S. Walker Street
Burgaw, NC 28425

With a copy to: County Attorney
Pender County
805 S. Walker Street
Burgaw, NC 28425

If to Brunswick County: County Manager
Brunswick County
30 Government Center Drive NE
Bolivia, NC 28422

With a copy to: County Attorney
Brunswick County
30 Government Center Drive NE
Bolivia, NC 28422

Any addressee may designate additional or different addresses for communications by notice given under this Section to the other party.

I. Severability. If any section, subsection, paragraph, sentence, clause phrase or portion of this is for any reason held invalid, unlawful, or unconstitutional by any court of competent jurisdiction, such portion shall be deemed severable, and such holding shall not affect the validity of the remaining portions hereof.

J. Amendments. This Agreement constitutes the entire agreement between the Parties with respect to its general subject matter. This Agreement may not be changed except by subsequent written agreement, consented to and duly executed by all Parties.

K. Assignments; Binding Effect. No party may sell or assign any interest in or obligation under this Agreement without the prior express written consent of the other party. Subject to the specific provisions of this Agreement, this Agreement will be binding upon and inure to the benefit of and be enforceable by the Parties and their respective successors and assigns.

L. Time. Time is of the essence for this Agreement and each of its provisions.

M. No Third-Party Beneficiaries. There are no entities which are, or which are intended as, third-party beneficiaries of this Agreement.

N. Counterparts. This Agreement may be executed in several counterparts, including separate counterparts. Each will be an original, but all of them together constitute the same instrument.

O. Complete Agreement; Exhibits. This Agreement is the complete and exclusive understanding and agreement between the Parties regarding the subject matter of this

Agreement and supersedes all prior agreements, understandings, and communications, oral or written, between the Parties regarding the subject matter of this Agreement. Specifically referenced in this Agreement are the following Exhibits:

- **Exhibit A: Coronavirus State and Local Fiscal Recovery Funds Addendum**

In cases of conflict between this Agreement and any of the above attachments, the terms of this Agreement shall prevail.

[REMAINDER OF PAGE INTENTIONALLY BLANK; SIGNATURES FOLLOW]

IN WITNESS WHEREOF, the Boards or Council of the respective parties have approved this Agreement and have caused it to be signed by the Chairperson or Mayor and attested to by the Secretary or Clerk, as of the year and day first written above.

This, the _____ day _____, 2022.

CAPE FEAR PUBLIC UTILITY AUTHORITY

(SEAL)

By: _____

_____, Chairperson

ATTEST:

Secretary

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act this the ____ day of _____, 2022.

Authority Finance Officer

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

I, _____, a Notary Public of the State and County aforesaid, certify that _____ personally appeared before me this day and acknowledged that he is the Secretary of the CAPE FEAR PUBLIC UTILITY AUTHORITY, a North Carolina body politic and corporate, and that by authority duly given and as the act of the Authority, the foregoing instrument was signed in its name by its Chairperson, sealed with its corporate seal and attested by its Secretary.

WITNESS my hand and notarial seal, this ____ day of _____, 2022.

Notary Public

My Commission Expires:

(Seal)

LOWER CAPE FEAR WATER AND SEWER AUTHORITY

(SEAL)

By: _____

_____, Chairperson

ATTEST:

Secretary

This instrument has been pre-audited in the manner required by the Local Government Budget
and Fiscal Control Act this the ____ day of _____, 2022.

Authority Finance Officer

STATE OF NORTH CAROLINA

COUNTY OF _____

I, _____, a Notary Public of the State and County
aforesaid, certify that _____ personally appeared before
me this day and acknowledged that he is the Secretary of the LOWER CAPE FEAR WATER AND SEWER
AUTHORITY, a North Carolina body politic and corporate, and that by authority duly given and as the act
of the Authority, the foregoing instrument was signed in its name by its Chairperson, sealed with its
corporate seal and attested by its Secretary.

WITNESS my hand and notarial seal, this ____ day of _____, 2022.

Notary Public

My Commission Expires:

(Seal)

PENDER COUNTY

(COUNTY SEAL)

By: _____

_____, Manager

ATTEST:

County Clerk

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act this the ____ day of _____, 2022.

County Finance Officer

BRUNSWICK COUNTY

(COUNTY SEAL)

By: _____

_____, Manager

ATTEST:

County Clerk

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act this the ____ day of _____, 2022.

County Finance Officer

CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS ADDENDUM

This **CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS ADDENDUM** (this "Addendum") is entered into by and between LOWER CAPE FEAR WATER & SEWER AUTHORITY (hereinafter, "LCFWASA"), a water and sewer authority organized under North Carolina General Statute Chapter 162A; CAPE FEAR PUBLIC UTILITY AUTHORITY (hereinafter, "CFPUA"), a water and sewer authority organized under North Carolina General Statute Chapter 162A; BRUNSWICK COUNTY, a political subdivision of the State of North Carolina (hereinafter, "Brunswick"); and PENDER COUNTY, a political subdivision of the State of North Carolina (hereinafter, "Pender"), collectively hereinafter referred to as the "Parties," and forms an integral part of the Agreement (as defined in Section I hereof).

RECITALS

WHEREAS, LCFWASA has received as a Recipient a payment from the Coronavirus State Fiscal Recovery Fund ("State Fiscal Recovery Fund") or Coronavirus Local Fiscal Recovery Fund ("Local Fiscal Recovery Fund" and, together with the State Fiscal Recovery Fund, the "Fiscal Recovery Funds") established pursuant to Sections 602 and 603, respectively, of the Social Security Act, as added by Section 9901 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 ("ARPA"); and

WHEREAS, LCFWASA intends to pay, in part or in whole, for the cost of the Agreement (as defined in Section I hereof) using monies received from the Fiscal Recovery Funds; and

WHEREAS, in using such funds, LCFWASA must comply with the terms of ARPA, regulations issued by the U.S. Department of the Treasury ("Treasury") governing the expenditure of monies distributed from the Fiscal Recovery Funds (including, without limitation, the Interim Final Rule (86 Fed. Reg. 26,786 (May 17, 2021) and Final Rule (87 Fed. Reg. 4,338 (Jan. 27, 2022))), the Award Terms and Conditions applicable to the Fiscal Recovery Funds, and such other guidance as Treasury has issued or may issue governing the expenditure of monies distributed from the Fiscal Recovery Funds (collectively, the "Regulatory Requirements"); and

WHEREAS, pursuant to the Regulatory Requirements, LCFWASA must comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200, other than such provisions as Treasury has determined or may determine are inapplicable to the Fiscal Recovery Funds; and

WHEREAS, pursuant to 2 C.F.R. § 200.327, LCFWASA must include within the Agreement applicable provisions described in Appendix II to 2 C.F.R. Part 200, each of which is contained in this Addendum; and

WHEREAS, LCFWASA shall not enter into the Agreement, the Contract or make any distributions of funds to the Contractor using monies from the Fiscal Recovery Funds absent Contractor's agreement and adherence to each term and condition contained herein.

NOW THEREFORE, LCFWASA, in consideration of the mutual covenants and agreements contained in the Agreement and for other good and valuable consideration, the receipt and sufficiency of which is expressly acknowledged, agrees as follows:

I. Definitions

- A. Unless otherwise defined in this Addendum, capitalized terms used in this Addendum shall have the meanings ascribed thereto in this Section I.
1. "Agreement" shall mean the INTERLOCAL AGREEMENT REGARDING RAW WATER PIPELINE SYSTEM IMPROVEMENTS between LCFWASA, CFPWA, Brunswick County, and Pender County, to which this Addendum is attached and incorporated in full.
 2. "ARPA" shall mean the American Rescue Plan Act of 2021, Pub. L. No. 117-2, as amended.
 3. "Administering Agency" shall have the meaning specified in 41 C.F.R. § 60-1.3.
 4. "Applicant" shall mean LCFWASA and in the alternative have the meaning specified in 41 C.F.R. § 60-1.3, which is provided here for ease of reference: ("An applicant for Federal assistance involving a construction contract, or other participant in a program involving a construction contract as determined by regulation of an administering agency. The term also includes such persons after they become recipients of such Federal assistance.").
 5. "Construction Work" shall have the meaning specified in 41 C.F.R. § 60-1.3, which is provided here for ease of reference: ("[T]he construction, rehabilitation, alteration, conversion, extension, demolition or repair of buildings, highways, or other changes or improvements to real property, including facilities providing utility services. The term also includes the supervision, inspection, and other onsite functions incidental to the actual construction.").
 6. "Contract" shall mean the legal instrument by which LCFWASA as a Recipient shall purchase from a Contractor such services needed to carry out the Project under the federal award that is the subject of the Agreement, and of which this Addendum constitutes an integral part.
 7. "Contractor" for purposes of this Addendum shall mean the entity selected as contractor and has received a Contract from LCFWASA under the terms of the Agreement.
 8. "Federally Assisted Construction Contract" shall have the meaning specified in 41 C.F.R. § 60-1.3, which is provided here for ease of reference: ("[A]ny agreement or modification thereof between any applicant and a person for construction work which is paid for in whole or in part with funds obtained from the Government or borrowed on the credit of the Government pursuant to any federal program involving a grant, contract, loan, insurance, or guarantee, or undertaken pursuant to any federal program involving such grant, contract, loan, insurance, or guarantee, or any application or modification thereof approved by the government of the United States of America for a grant, contract, loan, insurance, or guarantee under which the applicant itself participates in the construction work.").
 9. "Government" shall have the meaning specified in 41 C.F.R. § 60-1.3, which is provided here for ease of reference: ("[T]he government of the United States of America.").

10. "Laborer" or "Mechanic" shall have the meaning specified in 29 C.F.R. § 5.2(m), which is provided here for ease of reference: ("The term *laborer* or *mechanic* includes at least those workers whose duties are manual or physical in nature (including those workers who use tools or who are performing the work of a trade), as distinguished from mental or managerial. The term *laborer* or *mechanic* includes apprentices, trainees, helpers, and, in the case of contracts subject to the Contract Work Hours and Safety Standards Act, watchmen or guards. The term does not apply to workers whose duties are primarily administrative, executive, or clerical, rather than manual. Persons employed in a bona fide executive, administrative, or professional capacity as defined in part 541 of [Title 40 of the United States Code] are not deemed to be laborers or mechanics. Working foremen who devote more than 20 percent of their time during a workweek to mechanic or laborer duties, and who do not meet the criteria of [Title 40 of the United States Code], are laborers and mechanics for the time so spent.").

11. "LCFWASA" shall have the meaning indicated in the preamble to this Addendum.

12. "Recipient" shall mean an entity that receives a federal award directly from a federal awarding agency. The term does not include subrecipients or individuals that are beneficiaries of an award.

13. "Subcontract" shall mean any agreement entered into by a Subcontractor to furnish supplies or services for the performance of this Contract or a Subcontract. It includes, but is not limited to, purchase orders and changes and modifications to purchase orders.

14. "Subcontractor" shall mean an entity that receives a Subcontract.

15. "Tier" shall have the meaning indicated in 2 C.F.R. Part 180 and illustrated in 2 C.F.R. Part 180, Appendix II.

II. Equal Employment Opportunity

A. As the Contract is a Federally Assisted Construction Contract exceeding \$10,000, during the performance of this Contract, any Contractor selected shall be subject to the following conditions:

1. Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
2. Contractor will, in all solicitations or advertisements for employees placed by or on behalf of Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

3. Contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with Contractor's legal duty to furnish information.
4. Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of Contractor's commitments under this Section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
5. Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
6. Contractor will furnish to the Administering Agency and the Secretary of Labor all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Administering Agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
7. In the event of Contractor's noncompliance with the nondiscrimination clauses of this Contract or with any of the said rules, regulations, or orders, this Contract may be canceled, terminated, or suspended, in whole or in part, and Contractor may be declared ineligible for further Government contracts or Federally Assisted Construction Contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965. Such other sanctions may be imposed, and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
8. Contractor will include the portion of the sentence immediately preceding paragraph A.1. of this Section II and the provisions of paragraphs A.1. through A.7. in every Subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each Subcontractor or vendor. Contractor will take such action with respect to any Subcontract or purchase order as the Administering Agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.

Provided, however, that in the event Contractor becomes involved in, or is threatened with, litigation with a Subcontractor or vendor as a result of such direction by the Administering Agency, Contractor may request the United States to enter into such litigation to protect the interests of the United States.

Since the parties to the Agreement are local government agencies, the above equal opportunity clause is not applicable to any agency, instrumentality, or subdivision of such government which does not participate in work on or under the Contract.

9. LCFWASA agrees that it will assist and cooperate actively with the Administering Agency and the Secretary of Labor in obtaining the compliance of Contractor and any Subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor; that it will furnish the Administering Agency and the Secretary of Labor such information as they may require for the supervision of such compliance; and that it will otherwise assist the Administering Agency in the discharge of the agency's primary responsibility for securing compliance.
10. LCFWASA further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and Federally Assisted Construction Contracts pursuant to the Executive Order and that it will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon Contractor and any Subcontractors by the Administering Agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, LCFWASA agrees that if it fails or refuses to comply with these undertakings, the Administering Agency may take any or all of the following actions: Cancel, terminate, or suspend, in whole or in part, this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

III. Copeland "Anti-Kickback" Act

- A. The Contractor and any Subcontractors performing work under the Contract shall comply with 18 U.S.C. § 874. All suppliers, contractors, subcontractors, consultants, and sub-consultants must comply with the with the Copeland "Anti- Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Sub-contractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or sub-recipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. LCFWASA shall report all suspected or reported violations to Treasury.

IV. Davis-Bacon Act

- A. All suppliers, contractors, subcontractors, consultants, and sub-consultants must comply with Davis-Bacon Act, as amended (40 U.S.C. 3141–3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 must comply with the Davis-Bacon Act (40 U.S.C. 3141–3144, and 3146–3148) as supplemented by Department of Labor regulations

(29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction").

V. Contract Work Hours and Safety Standards Act

- A. *Overtime Requirements.* No Contractor or Subcontractor contracting for any part of the Contract work which may require or involve the employment of Laborers or Mechanics shall require or permit any such Laborer or Mechanic in any workweek in which they are employed on such work to work in excess of forty hours in such workweek unless such Laborer or Mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
- B. *Violation; Liability for Unpaid Wages; Liquidated Damages.* In the event of any violation of the clause set forth in Section V.A. (Overtime Requirements), above, Contractor and any Subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such Contractor and Subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory) for liquidated damages. Such liquidated damages shall be computed with respect to each individual Laborer or Mechanic, including watchmen and guards, employed in violation of the clause set forth in Section V.A. (Overtime Requirements), above, in the sum of \$27 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in Section V.A. (Overtime Requirements), above.
- C. *Withholding for Unpaid Wages and Liquidated Damages.* LCFWASA shall, upon its own action or upon written request of an authorized representative of the Department of Labor, withhold, or cause to be withheld, from any monies payable on account of work performed by Contractor or Subcontractor under any such contract or any other federal contract with the same prime contractor, or any other federally assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of Contractor or Subcontractor for unpaid wages and liquidated damages as provided in Section V.B. (Violation; Liability for Unpaid Wages; Liquidated Damages) of this section.
- D. *Subcontracts.* The Contractor or Subcontractor shall insert in any Subcontract the clauses set forth in Sections V.A. through V.D. and a clause requiring Subcontractors to include these clauses in any lower-Tier Subcontracts. Contractor shall be responsible for compliance by any first-Tier Subcontractor or lower-Tier Subcontractor with the clauses set forth in Sections V.A. through V.D.
- E. *Payroll and Records.* Contractor or Subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the Contract for all Laborers and Mechanics, including guards and watchmen, working on the Contract. Such records shall contain the name and address of each such employee, Social Security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Records to be maintained under this provision shall be made available by Contractor or Subcontractor for inspection, copying, or transcription by authorized representatives of the Department of the Treasury and

the Department of Labor, and Contractor or Subcontractor will permit such representatives to interview employees during working hours on the job.

- F. *Exceptions.* None of the requirements of Section V of this Addendum shall apply if the Contract is a Contract (1) for transportation by land, air, or water; (2) for the transmission of intelligence; (3) for the purchase of supplies, materials, or articles ordinarily available in the open market; or (4) in an amount that is equal to or less than \$100,000.

VI. Rights to Inventions Made Under a Contract or Agreement

- A. The Government reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use for "Government purposes," any subject data or copyright described below. "Government purposes" means use only for the direct purposes of the Government. Without the copyright owner's consent, the Government may not extend its federal license to any other party.
- B. Unless otherwise provided by law, suppliers, contractors, subcontractors, consultants, and sub-consultants are subject to the Bayh-Dole Act, Pub. L. No. 96-517, as amended, and codified in 35 U.S.C. § 200 *et seq.* All suppliers, contractors, and subcontractors, consultants, sub-consultants are subject to the specific requirements governing the development, reporting, and disposition of rights to inventions and patents located at 37 C.F.R. Part 401 and the standard patent rights clause located at 37 C.F.R. § 401.14.
- C. Unless prohibited by North Carolina law, upon request by the Government, LCFWASA will require the Contractor to indemnify, save, and hold harmless the Government, its officers, agents, and employees acting within the scope of their official duties against any liability, including costs and expenses, resulting from any willful or intentional violation by Contractor of proprietary rights, copyrights, or right of privacy arising out of the publication, translation, reproduction, delivery, use, or disposition of any data furnished under the Contract. Contractor shall be required to indemnify the Government for any such liability arising out of the wrongful act of any employee, official, or agent of the Contractor.
- D. Nothing contained in this clause shall imply a license to the Government under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Government under any patent.

VII. Clean Air Act and Federal Water Pollution Control Act

- A. *Clean Air Act.* LCFWASA agrees to comply with all applicable standards, orders, and regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. §§ 7401 *et seq.* The selected Contractor shall report each violation to LCFWASA and LCFWASA will, in turn, report each violation as required to Treasury and the appropriate Environmental Protection Agency Regional Office. The Contractor shall include these requirements in each Subcontract exceeding \$150,000 financed, in whole or in part, with federal assistance provided by Treasury.
- B. *Federal Water Pollution Control Act.* LCFWASA agrees to comply with all applicable standards, orders, and regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. §§ 1251 *et seq.* The selected Contractor shall report each violation to LCFWASA and LCFWASA will, in turn, report each violation as required to assure notification to Treasury and the

appropriate Environmental Protection Agency Regional Office. The Contractor shall include these requirements in each Subcontract exceeding \$150,000 financed, in whole or in part, with federal assistance provided by Treasury.

VIII. Debarment and Suspension

- A. Due to its receipt of Fiscal Recovery Funds, LCFWASA is a participant in a non-procurement transaction (defined at 2 C.F.R. § 180.970) that is a covered transaction pursuant to 2 C.F.R. § 180.210 and 31 C.F.R. § 19.210. Therefore, the Contract is a lower-Tier covered transaction for purposes of 2 C.F.R. Part 180 and 31 C.F.R. Part 19 if (1) the amount of this Contract is greater than or equal to \$25,000 (2 C.F.R. § 180.220(b)(1); 31 C.F.R. § 19.220(b)(1)); (2) the Contract requires the consent of an official of the Department of the Treasury (2 C.F.R. § 180.220(b)(2); 31 C.F.R. § 19.220(b)(2)); or (3) this Contract is for federally required audit services (2 C.F.R. § 180.220(b)(3); 31 C.F.R. § 19.220(b)(3)).
- B. If this Contract is a covered transaction as set forth in Section VIII.A., above, Contractor shall certify as of the date of execution of the Contract that Contractor, Contractor's principals (defined at 2 C.F.R. § 180.995), and any affiliates (defined at 2 C.F.R. § 180.905) of both Contractor and Contractor's principals are not excluded (defined at 2 C.F.R. § 180.935) and are not disqualified (defined at 2 C.F.R. § 180.935). If any of the foregoing persons are excluded or disqualified and the Secretary of the Treasury has not granted an exception pursuant to 31 C.F.R. § 19.120(a), (1) the Contract shall be void, (2) LCFWASA shall not make any payments of federal financial assistance to Contractor, and (3) LCFWASA shall have no obligations to Contractor under the Contract.
- C. The Contractor must comply with 2 C.F.R. Part 180, Subpart C and 31 C.F.R. Part 19 and must include a requirement to comply with these regulations in any lower-Tier covered transaction into which it enters. This certification is a material representation of fact relied upon by LCFWASA, and all liability arising from an erroneous representation shall be borne solely by the Contractor.
- D. If it is later determined that the Contractor did not comply with 2 C.F.R. Part 180, Subpart C and 31 C.F.R. Part 19, in addition to remedies available to LCFWASA, the Government may pursue available remedies, including but not limited to suspension and/or debarment.

IX. Byrd Anti-Lobbying Amendment

- A. The Contractor shall certify to LCFWASA, and shall cause each Tier below it to certify to the Tier directly above such Tier, that it has not used and will not use federally appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. The selected Contractor shall, and shall cause each Tier below it, to disclose any lobbying with non-federally appropriated funds that takes place in connection with obtaining any federal award. Such disclosures (to be set forth on Standard Form-LLL, contained in 31 C.F.R. Part 21, Appendix B) shall be forwarded from Tier to Tier up to the LCFWASA, which will, in turn, forward the certification(s) to Treasury. Contractor shall cause the language of this Section IX.A. to be included in all Subcontracts. This certification is a material representation of fact upon which LCFWASA has relied when entering into the Contract, and all liability arising from an erroneous representation shall be borne solely by the Contractor.

- B. Any Contractor that bids or applies for a contract exceeding \$100,000 (including the Contract, if applicable) also must file with LCFWASA the certification in Attachment 1 to this Addendum, which is attached hereto and incorporated herein.
- C. Any Subcontractor to the Contract with a Subcontract (at any Tier) exceeding \$100,000 shall file with the Tier above it the certification in Attachment 1 to this Addendum, which is attached hereto and incorporated herein.

X. Procurement of Recovered Materials

- A. Section X.B. shall apply if (1) the Contract involves the purchase of an item designated by the Environmental Protection Agency ("EPA") in 40 C.F.R. Part 247 that exceeds \$10,000 or (2) the total value of such designated items acquired during LCFWASA's preceding fiscal year exceeded \$10,000.
- B. All suppliers, contractors, and subcontractors, consultants, sub-consultants must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition.

XI. Domestic Preferences for Procurements

- A. For purposes of this Section XI, the terms below are defined as follows:
 - 1. "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coating, occurred in the United States.
 - 2. "Manufactured Products" means items and construction materials composed, in whole or in part, of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.
- B. As applicable, and to the extent consistent with law, LCFWASA and the selected Contractor should, to the greatest extent practicable, provide a preference for the purchase, acquisition, or use of goods, products, or materials Produced in the United States. This includes, but is not limited to, iron, aluminum, steel, cement, and other Manufactured Products. The Contractor shall cause any Subcontractors to include the requirements of this Section XI in any Subcontracts.

XII. Solicitation of Minority and Women-Owned Business Enterprises

- A. If the selected Contractor intends to let any Subcontracts, LCFWASA shall require that the Contractor (1) place qualified small and minority businesses and women's business enterprises on its solicitation lists; (2) assure that small and minority businesses and women's business enterprises are solicited whenever they are potential sources; (3) divide total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises; (4) establish delivery schedules, where the requirement permits, which encourage participation by small and minority businesses

and women's business enterprises; (5) use the services and assistance, as appropriate, of the Small Business Administration, the Minority Business Development Agency of the Department of Commerce, and the North Carolina Office for Historically Underutilized Businesses.

- B. For the purposes of Section XII.A., an entity shall qualify (1) as a "minority business" or "women's business enterprise" if it is currently certified as a North Carolina "historically underutilized business" under Chapter 143, Section 128.4(a) of the N.C. General Statutes (hereinafter G.S.), and (2) as a "small business" if it is independently owned and operated and is qualified under the Small Business Administration criteria and size standards at 13 C.F.R. Part 21.

XIII. Access to Records

- A. LCFWASA, the selected Contractor, and the parties to the Agreement will provide the Department of the Treasury, the Treasury Office of Inspector General, the Government Accountability Office, and the Comptroller General of the United States, or any authorized representatives of these entities, access to any records (electronic and otherwise) of Contractor which are directly pertinent to this Contract to conduct audits or any other investigations. Any of the foregoing parties may reproduce such records by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.
- B. LCFWASA agrees to retain all records covered by this Section XIII through December 31, 2031, or such longer period as is necessary for the resolution of any litigation, claim, negotiation, audit, or other inquiry involving the Agreement and/or Contract.

XIV. Conflicts of Interest; Gifts and Favors

- A. LCFWASA will use Fiscal Recovery Funds to pay for the cost of this Contract and (2) the expenditure of Fiscal Recovery Funds is governed by the LCFWASA Conflict of Interest Policy, any Regulatory Requirements (including, without limitation, 2 C.F.R. § 200.318(c)(1)), and North Carolina law (including, without limitation, N.C.G.S. §§14-234(a)(1) and -234.3(a)).
- B. The selected Contractor shall certify to LCFWASA that as of the date of execution of the Contract, to the best of its knowledge after reasonable inquiry, no employee, officer, or agent of LCFWASA or any party to the Agreement involved in the selection, award, or administration of the Contract (each a "Covered Individual"); no member of a Covered Individual's immediate family; no partner of a Covered Individual; and no organization (including Contractor) which employs or is about to employ a Covered Individual has a financial or other interest in, or has received a tangible personal benefit from, Contractor. Should the Contractor obtain knowledge of any such interest, or any tangible personal benefit described in the preceding sentence after the date thereof, Contractor shall promptly disclose the same to LCFWASA in writing.
- C. The selected Contractor shall certify to LCFWASA that it has not provided, nor offered to provide, any gratuities, favors, or anything of value to an officer, employee, or agent of LCFWASA. Should the Contractor obtain knowledge of the provision, or offer of any provision, of any gratuity, favor,

or anything of value to an officer, employee, or agent described in the preceding sentence after the date thereof, Contractor shall promptly disclose the same to LCFWASA in writing.

XV. Assurances of Compliance with Title VI of the Civil Rights Act of 1964

- A. The selected Contractor and any Subcontractor, or the successor, transferee, or assignee of the Contractor or any Subcontractor, shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. §§ 2000d *et seq.*), as implemented by the Department of the Treasury's Title VI regulations, 31 C.F.R. Part 22, which are herein incorporated by reference and made a part of this Contract. Title VI also provides protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. §§ 2000d *et seq.*, as implemented by Treasury's Title VI regulations, 31 C.F.R. Part 22, and herein incorporated by reference and made a part of this Contract.

XVI. Other Non-Discrimination Statutes

- A. LCFWASA is bound by and agrees, to the extent applicable to the selected Contractor, to abide by the provisions contained in the federal statutes enumerated below and any other federal statutes and regulations that may be applicable to the expenditure of Fiscal Recovery Funds:
 1. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 *et seq.*), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability;
 2. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance;
 3. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 *et seq.*), and Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance; and
 4. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 *et seq.*), which prohibits discrimination on the basis of disability in programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.

XVII. Miscellaneous

- A. *Increasing Seat Belt Use in the United States.* Pursuant to Executive Order 13043, 62 Fed. Reg. 19,216 (Apr. 18, 1997), LCFWASA shall encourage the selected Contractor to adopt and enforce on-the-job seat belt policies and programs for its employees when operating company-owned, rented, or personally owned vehicles.

- B. *Reducing Text Messaging While Driving.* Pursuant to Executive Order 13513, 74 Fed. Reg. 51,225 (Oct. 6, 2009), LCFWASA shall encourage the selected Contractor to adopt and enforce policies that ban text messaging while driving.

XVIII. Conflicts and Interpretation

- A. To the extent that any portion of this Addendum conflicts with any term or condition of this Contract expressed outside of this Addendum, the terms of this Addendum shall govern.

LOWER CAPE FEAR WATER & SEWER AUTHORITY:

By: _____

Name: _____

Title: _____

ATTACHMENT 1
TO
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS ADDENDUM
APPENDIX A, 31 C.F.R. PART 21 – CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of the undersigned's knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit [Standard Form-LLL, "Disclosure Form to Report Lobbying,"](#) in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
4. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31 of the U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Contractor, _____, certifies and affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. Chapter 38, Administrative Remedies for False Claims and Statements, apply to this certification and disclosure, if any.

 Signature of Contractor's Authorized Official

 Name and Title of Contractor's Authorized Official

 Date

NEW BUSINESS (NB6)

**Lower Cape Fear Water & Sewer
Authority**

AGENDA ITEM

To: CHAIRMAN RIVENBARK AND BOARD MEMBERS

From: TIM H. HOLLOMAN, EXECUTIVE DIRECTOR

Date: December 12, 2022

Re: 2023 Regular Scheduled Meetings Calendar

Reviewed and approved as to form: MATTHEW A. NICHOLS, AUTHORITY ATTORNEY

Approval of the Authority's 2023 Regular Schedule Meetings Calendar.

Action Requested: Motion to approve/disapprove 2023 Regular Scheduled Meetings Calendar



LOWER CAPE FEAR WATER AND SEWER AUTHORITY

2023 REGULAR MEETING SCHEDULE

Regular Board Meeting Dates and Times

9:00 a.m. – Monday, January 9

9:00 a.m. – Monday, February 13

9:00 a.m. – Monday, March 13

9:00 a.m. – Monday, April 10

9:00 a.m. – Monday, May 8

9:00 a.m. – Monday, June 5

9:00 a.m. – Monday, July 10

9:00 a.m. – Monday, August 14

9:00 a.m. – Monday, September 11

9:00 a.m. – Monday, October 9

9:00 a.m. – Monday, November 13

9:00 a.m. – Monday, December 11

Meetings are held at the Lower Cape Fear Water and Sewer Authority's office located at 1107 New Pointe Blvd., Suite 17, Leland, NC.

AGENDA ITEM

To: CHAIRMAN RIVENBARK AND BOARD MEMBERS

From: TIM H. HOLLOMAN, EXECUTIVE DIRECTOR

Date: December 12, 2022

Re: Executive Director's Report

EDR1 - Comments on Customers' Water Usage and Raw Water Revenue for Fiscal Year to Date Ending November 30, 2022

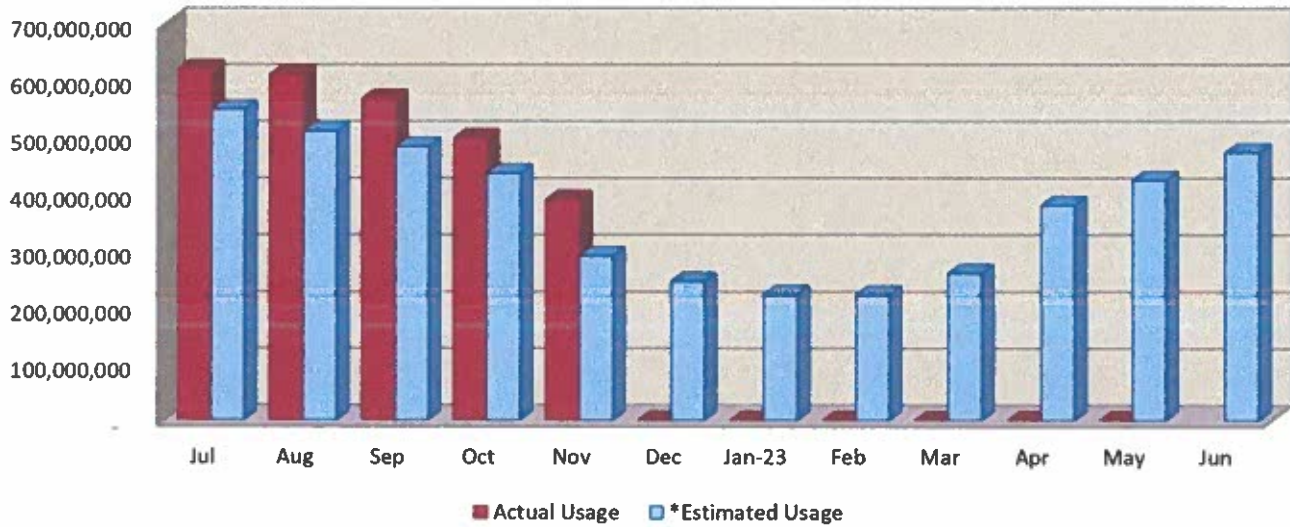
EDR2 - Operating Budget Status, Ending October 31, 2022.

EDR3 - Summary of Activities.

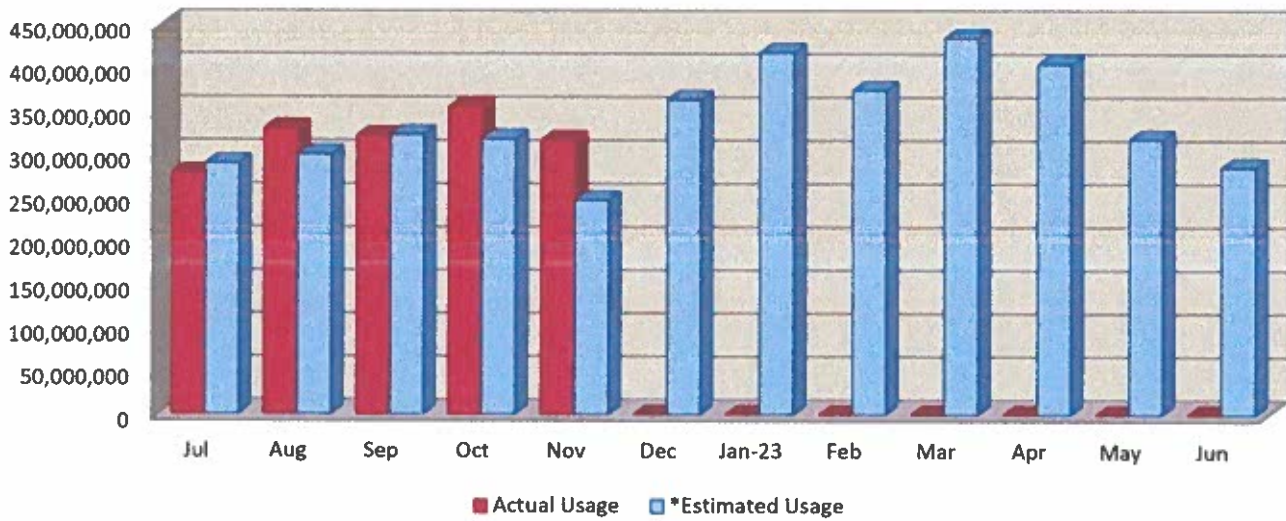
EDR4 – Proposed 2023 Budget Calendar

Action Requested: For information purposes

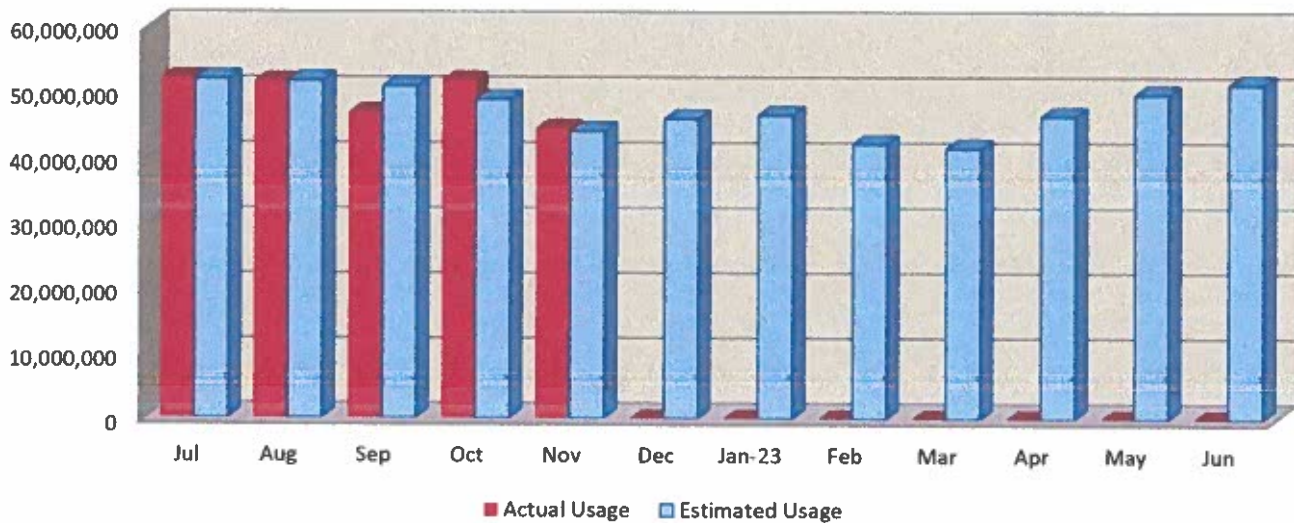
Brunswick County Water Usage FY 22-23



CFPUA Water Usage FY 22-23



Pender County Water Usage FY 22-23



OPERATING FUND BUDGET PERFORMANCE

Jul-1 through Oct 31

| | Approved Annual Budget | Approved Adjusted Budget | Jul 1- Oct 31 Kings Bluff | Jul 1- Oct 31 Bladen Bluffs | Jul 1- Oct 31 OF BUDGET | Budget As of 10/31/2022 |
|---|---------------------------|-----------------------------|------------------------------|--------------------------------|----------------------------|----------------------------|
| Income | | | | | | |
| 3000-01 - OPERATING REVENUE | | | | | | |
| 3001-01 - 01 Bruns County Public Utility | 1,566,597 | 1,566,597 | 824,812 | | 824,812 | 53% |
| 3002-01 - 01 CFPUA | 1,428,403 | 2,857,111 | 1,892,819 | | 1,892,819 | 66% |
| 3003-01 - 01 Pender County | 198,518 | 543,293 | 416,780 | | 416,780 | 77% |
| 3004-01 - 01 HWY 421 - Stepan | 79,618 | 141,566 | 109,114 | | 109,114 | 77% |
| 3005-01 - 01 Praxair, Inc | 2,095 | 61,179 | 60,183 | | 60,183 | 98% |
| 3006-01 - 01 Bladen Bluffs Revenue | 3,654,318 | 3,654,318 | | 1,423,504 | 1,423,504 | 39% |
| Bladen Admin Reimb | 102,190 | 102,190 | | 46,363 | 46,363 | 45% |
| 3007-01 - Sales Tax Refund Revenue | 100,000 | 100,000 | | 0 | 0 | 0% |
| Total 3000-01 - OPERATING REVENUE | 7,132,739 | 9,026,254 | 3,303,707 | 1,469,868 | 4,773,575 | 53% |
| 3100-00 - OF NONOPERATING REVENUE | | | | | | |
| 3120-00 - Revenue-Other | | | | | | |
| Interest & Investment Revenue | 500 | 500 | 59 | | 59 | 12% |
| FEMA Reimbursement | 0 | 0 | 0 | | 0 | 0% |
| Refunds / Insurance Proceeds/ Other | 0 | 0 | 1 | 1,251 | 1,252 | 0% |
| 3155-00 - Rental Income | 0 | 0 | 5,323 | | 5,323 | |
| 3900-01 R&R Fund Appropriated | 0 | 0 | 0 | | 0 | 0% |
| 2900-00 Fund Balance | 0 | 0 | 0 | | 0 | 0% |
| Total 3100-00 - OF NONOPERATING REVENUE | 500 | 500 | 5,384 | 1,251 | 6,635 | 1327% |
| Total Income | 7,133,239 | 9,026,754 | 3,309,091 | 1,471,119 | 4,780,210 | 67% |
| Expense | | | | | | |
| 4000-01 - ADMINISTRATION EXPENDITURES | | | | | | |
| 4001-01 - Salary - gross | 187,024 | 187,024 | 42,576 | 18,702 | 61,278 | 33% |
| 4010-01 - Per Diem= mileage+per diem pay | 62,500 | 62,500 | 12,249 | 6,250 | 18,499 | 30% |
| 4012-01 - Vehicle Allowance | 5,200 | 5,200 | 1,280 | 520 | 1,800 | 35% |
| 4070-02 - Phone Allowance | 520 | 520 | 128 | 52 | 180 | 35% |
| 4015-01 - Payroll Taxes | 19,542 | 19,542 | 4,179 | 1,954 | 6,134 | 31% |
| 4029-01 - Retirement Employer's Part | 22,462 | 22,462 | 4,953 | 2,246 | 7,199 | 32% |
| 4035-01 - 401K Employer PD Contribution | 5,311 | 5,311 | 1,239 | 531 | 1,770 | 33% |
| 4038-01 - Payroll Processing Exp | 2,900 | 2,900 | 759 | | 759 | 26% |
| 4038-01 - Insurance Group | 38,074 | 38,074 | 8,827 | 3,807 | 12,634 | 33% |
| 4039-01 - Insurance, Property | 94,301 | 94,301 | 41,357 | 9,430 | 50,787 | 54% |
| 4046-00 Professional Services General | 15,000 | 15,000 | 0 | 0 | 0 | 0% |
| 4046-01 - Attorney | 30,000 | 45,000 | 12,443 | | 12,443 | 41% |
| 4046-02 - Auditor | 9,000 | 9,000 | 5,400 | 2,800 | 8,200 | 91% |
| 4048-03 - Engineer | 253,041 | 253,041 | 18,523 | 0 | 18,523 | 7% |
| 4049-01 Information Technology | 14,000 | 14,000 | 924 | 0 | 924 | 7% |
| 4055-01 - Office Maint/Repair | 23,902 | 23,902 | 4,770 | | 4,770 | 20% |
| 4058-01 Office Utilities | 5,000 | 5,000 | 722 | | 722 | 14% |
| 4059-01 Office Expense | 14,000 | 14,000 | 5,655 | | 5,655 | 40% |
| 4062-01 Office Equipment | 10,000 | 10,000 | 2,779 | | 2,779 | 28% |
| 4064-01 Printing & Advertising | 6,500 | 6,500 | 1,309 | | 1,309 | 20% |
| 4065-01 Telephone and Internet | 3,500 | 3,500 | 931 | | 931 | 27% |
| 4070-01 - Travel & Training | 26,000 | 29,000 | 9,239 | | 9,239 | 36% |
| 4080-01 - Miscellaneous Expenses | 15,000 | 23,000 | 7,708 | | 7,708 | 51% |
| Total 4000-01 - ADMINISTRATION EXPENDITURES | 862,777 | 888,777 | 187,948 | 46,293 | 234,242 | 27% |
| 4500-01 - OPERATING EXPENDITURES | | | | | | |
| 4501-00 - Sales Tax Expense - Other | 100,000 | 100,000 | | 35,600 | 35,600 | 36% |
| 4510-01 - Bladen Bluffs Expenses | 2,335,094 | 2,335,094 | | 1,212,828 | 1,212,828 | 52% |
| 4520-01 - Utilities-Energy Pump Station | 756,336 | 730,336 | 228,935 | | 228,935 | 31% |
| 4530-01 - Kings Bluff O&M Expenses | 510,822 | 510,822 | 180,109 | | 180,109 | 35% |
| 4535-01 Kings Bluff Hurricane Other FEMA | 0 | 0 | 0 | | 0 | 0% |
| 4543-01 - Series 2012 Bond Principal (ST) | 0 | 0 | 0 | | 0 | 0% |
| 4544-01 - Series 2012 Bond Interest (ST) | 0 | 0 | 0 | | 0 | 0% |
| 4545-01 - Series 2010 Bond Principal (BB) | 850,000 | 850,000 | | 0 | 0 | 0% |
| 4548-01 - Series 2010 Bond Interest (BB) | 297,500 | 297,500 | | 102,605 | 102,605 | 34% |
| 7400-01 - Operating Capital Expense | 911,875 | 2,805,390 | | 1,893,515 | 1,893,515 | 67% |
| 4998-05- Transfer to R&R- KB R&R Expense | 250,000 | 250,000 | | 0 | 0 | 0% |
| 2041-01- 421 Relocation NHC Loan Principal | 258,835 | 258,835 | | 258,835 | 258,835 | 100% |
| Total 4500-01 - OPERATING EXPENDITURES | 6,270,462 | 8,137,977 | 409,044 | 3,503,183 | 3,912,227 | 48% |
| Total Expense | 7,133,239 | 9,026,754 | 596,992 | 3,549,476 | 4,148,468 | 58% |

Executive Director Highlighted Activities:

- Advertised RFQ for Owners Advisor for the 10 Mile Parallel Line Project.
- Attended American Council of Engineering Companies Award where the 54" line project received an Engineering Excellence Award for the McKim and Creed Project
- Met with property owner regarding Weyman Creek concerns
- Continue work with CFPUA and Attorney regarding securing an owner's representative for the parallel line project.
- Reviewed Survey Proposals for Agenda packet
- Reviewed Rate Study Proposal for Agenda packet
- Attended One Water Conference in Charlotte, NC

PROPOSED BUDGET CALENDER 2022

| | |
|------------------|---|
| January 2023 | Meet with Brunswick County Staff and Bladen Bluff Staff to review the next five years' Capital Improvement Needs. |
| February 1, 2023 | Send correspondence to customers requesting estimate of FY 24 Usage |
| March 13, 2023 | Meet with Finance Committed to review current revenues and expenditures. Present Capital Improvement needs for the next five years to the Finance Committee Review Capital Improvement Plan to the Board for the coming five years. |
| April 10, 2023 | Meet with Finance Committee to review proposed FY 2023-24 Budget for recommendation to the Board |
| May 8, 2023 | Present draft budget to the Board. Hold Public Hearing on Proposed Budget |
| June 5, 2023 | Adopt proposed FY 2023-24 Annual Budget |