

**AN INTERLOCAL AGREEMENT TO MERGE THE WATER AND WASTEWATER  
SYSTEMS OF THE CITY OF SANFORD AND THE COUNTY OF CHATHAM**

THIS INTERLOCAL AGREEMENT (hereinafter the “**Agreement**”) is dated \_\_\_\_\_, 2024, (“**Effective Date**”) and entered into by the CITY OF SANFORD, a municipal corporation of the State of North Carolina (hereinafter the “**City**” or “**Sanford**”), the COUNTY OF CHATHAM, one of the one hundred counties of the State of North Carolina and body both politic and corporate, (hereinafter referred to as “**County**” or “**Chatham**”), and the SOUTHWEST CHATHAM WATER DISTRICT, THE SOUTHEAST CHATHAM WATER DISTRICT, AND THE NORTHWEST CHATHAM WATER DISTRICT, each water district being a municipal corporation created by the County in 2004, (collectively, the “**Water Districts**” and together with Sanford and Chatham, the “**Parties**”).

WITNESSETH:

**WHEREAS**, Sanford owns, operates, and maintains a water utility system within and outside its corporate limits (“**City Utility System**”); and

**WHEREAS**, Chatham owns, operates, and maintains a water and wastewater utility system within the County lines, including utility systems operated for the benefit of the Water Districts (collectively, the “**County Utility System**”) and serves all of Chatham County not served by Sanford under separate agreement or by another municipality (the “**County Service Area**”); and

**WHEREAS**, the Parties agree that a merger of County Utility System and City Utility System is the most efficient and cost-effective way to provide utility services to the County’s current and future customers, provide economies of scale with a larger system to the City’s customers, and enhance the ability of the merged systems to provide economic development assistance to the region; and

**WHEREAS**, N.C.G.S. § 160A-274 expressly authorizes a county to convey its interests in real and personal property to the City upon such terms and conditions as it deems wise, with or without consideration; and

**WHEREAS**, N.C.G.S. § 160A-461 *et seq.* authorizes units of local government to enter into interlocal agreements with each other to execute any undertaking and allows the participating units to determine the reasonable duration of the interlocal agreements; and

**WHEREAS**, N.C.G.S. § 160A-461 requires that interlocal agreements be ratified by resolution of the governing board of each participating unit, and the resolution spread upon the minutes of the governing board; and

**WHEREAS**, N.C.G.S. § 160A-312 authorizes a city to have authority to acquire, construct, establish, enlarge, improve, maintain, own, operate, and contract for a public enterprise.

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants and agreements hereinafter contained, the Parties hereto agree as follows:

## ARTICLE 1

### PURPOSES AND DESCRIPTION OF AGREEMENT

**Section 1.01. Purpose.** The purposes of this Agreement are:

- (a) The provision of high quality, reliable, economical, safe, and sanitary water and wastewater utility services within the County Service Area;
- (b) Provide for the orderly and permanent transfer of responsibility for the ownership, construction, operation, maintenance, management, and financing of the County Utility System;
- (c) Transfer from the County to the City the managerial, operational, and financial responsibility of owning, constructing, operating, maintaining, and expanding the County Utility Systems serving the County Service Area; and
- (d) Enable the City to own, construct, operate, maintain, and expand the County Utility System to accommodate planned growth and development within the County in accordance with the terms and conditions hereinafter stated.

**Section 1.02. Acquisition of the County Utility System by the City Utility System.** The City will acquire the County Utility System in its entirety, taking on all the assets, liabilities, operations, maintenance, permits, contracts, agreements, allocations, customers, and any other aspects of the County Utility System.

**Section 1.03. Right to Operate.** The County hereby irrevocably grants the City as of the date of execution of this Agreement the right to design, construct, operate, maintain, and perform all related activities required to operate, maintain, expand, upgrade, and improve the County Utility System (together, the “**Right to Operate**”), which Right to Operate includes the right to decommission, sell, or otherwise dispose of property, in accordance with the City Utility System standards and policies for operation and performance, level of service, reliability, and redundancy. The Right to Operate includes the encroachment authority for Sanford to operate in all public rights-of-way over which the County has the sole authority or joint authority with the North Carolina Department of Transportation. The City’s Utility System standards and policies shall be applied in the County to the same extent and in the same manner as applied to other customers of the City Utility System.

## ARTICLE 2

### RESPONSIBILITIES, REPRESENTATIONS, AND WARRANTIES

**Section 2.01. City’s Responsibilities.** The City will perform the services customarily performed by water and wastewater utility systems with respect to the County Utility System, such as:

- (a) read all meters of, send all bills to, and collect all payments from the County Utility System’s new and existing customers;
- (b) administer the provision of Utility Services to existing and new customers and regulate the construction of related infrastructure by developers intending to connect to the County Utility System;

(c) maintain, repair, and improve the County Utility System in a timely manner and operate and manage the County Utility System in a manner consistent with good business and operating practices for comparable facilities and in full compliance with all issued permits, operational requirements, industry standards, as set by the City now and in the future, and the applicable laws, rules, and regulations of regulatory bodies, governmental units, or agencies thereof;

(d) operate, maintain, and manage the County Utility System with employees who have the operational expertise and professional credentials and licenses necessary to perform their respective duties, and perform the administrative and managerial duties required for the operation of the Utility Services and provide adequate tools and equipment for such purpose;

(e) undertake and complete all activities relating to the design, construction, startup, and operation of the County Utility System Projects, in accordance with the City Utility System standards for operation and performance, level of service, reliability, and redundancy;

(f) upon the completion of any construction, operation, maintenance, replacement, improvement, or related activity causing damage to property in the County, repair or replace such property in accordance with the County's ordinances;

(g) operate and maintain the Utility System consistent with Sanford's obligation and commitment to provide proper, efficient, and environmentally sound Utility Services now and in the future;

(h) solicit input from the County on current and future Utility Services needs of the County, as set out in Article 3; and

(i) provide for the current and future needs of the County for Utility Services as set out in Article 3.

**Section 2.02. County's Responsibilities.** The County will:

(a) provide the City with true, accurate, and complete copies of the following: the County's current rates and fees for Utility Services; all ordinances, resolutions, contracts, agreements, and rules and regulations relating to the County Utility System; and all other plans, specifications, and operation/maintenance manuals for the County Utility System;

(b) provide and transfer or assign to the City true, accurate, and complete copies of each permit, contract, and agreement associated with the County Utility System under which the County is obligated to perform;

(c) prior to the Transfer Date or for such time as the County remains in possession of any Transfer Items, as defined and described in Section 4.01, continue to manage and operate the County Utility System in a manner consistent with good business and operating practices for comparable facilities and in full compliance with all issued permits, operational requirements, industry standards, and the applicable laws, rules, and regulations of regulatory bodies, governmental units, or agencies thereof;

(d) prior to the Transfer Date, redeem in whole the Southeast Chatham Water District general obligation and revenue bonds outstanding; and

(e) prior to the Transfer Date, create and fund a defeasance escrow to pay when coming due the portion of the County's 2012 limited obligation bonds (the "2012 LOBs") allocated to utility equipment in order to ensure a release of the lien on the utility equipment currently serving as collateral for the 2012 LOBs.

**Section 2.03. City Representations and Warranties.** The City hereby represents and warrants as follows:

(a) This Agreement, and all other documents and instruments related or required hereby, have been duly authorized, executed, and delivered by the City and constitute valid, binding, and enforceable obligations by the City.

(b) The City's execution and delivery of this Agreement and compliance with its provisions will not conflict with or constitute a breach or violation of, or a Default under any contracts or agreements to which the City is a party, any applicable law, rule, or regulation of any governmental unit or agency thereof, or any applicable judgment or decree of any court or other governmental agency or body.

(c) The City will perform its responsibilities under this Agreement with the same reasonable care and diligence as is used when it performs those services for its customers within City limits.

**Section 2.04. County Representations and Warranties.** The County hereby represents and warrants as follows:

(a) The County has the power and authority to assign the permits, contracts, agreements, assets, and liabilities associated with the County Utility System to the City, and no events of Default have occurred or are occurring thereunder; the permits, contracts, agreements, and liabilities remain in full force and effect, and are enforceable in accordance with their respective terms and conditions. In the event that there are additional requirements on the County before it can assign permits, contracts, agreements, assets, or liability, the County agrees to cooperate with the City in complying those requirements to effectuate an assignment to the City of permits, contracts, agreements, assets, and liabilities associated with the County Utility System.

(b) This Agreement, and all other documents and instruments related hereto and/or required hereby, has/have been duly authorized, executed, and delivered by the County and constitute valid, binding, and enforceable obligations by the County.

(c) The County's execution and delivery of this Agreement and compliance with its terms and conditions will not conflict with or constitute a breach or violation of, or a Default under any contracts or agreements to which the County is a party, any applicable law, rule, or regulation of any governmental unit or agency thereof, any applicable judgment or decree of any court or other governmental agency or body, or the provisions of any permits held by the County for the ownership, operation, and maintenance of the County Utility System.

(d) All permits held by the County regarding the ownership, operation, and maintenance of the County Utility System are in full force and effect, have been duly complied with in all material respects, and are assignable and transferable to the City.

(e) To the best of the County's knowledge, the County has the right to assign or otherwise transfer to the City all easements held by the County with regard to the County Utility System without the consent of third parties. In the event of any doubt or challenge to a specific easement, the County agrees to cooperate with the City in executing a license or similar agreement to permit the City's use of the easement for the purposes set forth in this Agreement.

(f) All representations, warranties and/or covenants of the County are made to the County's actual knowledge, with no duty to investigate.

**Section 2.05. Existing County Utility System Debt and Obligation.** As of the date of this Agreement, the County has existing County Utility System Debt, including debt of the Southeast Chatham Water District. Pursuant to Section 2.02(c) and (d), the County has agreed to do all things necessary to eliminate the County Utility System Debt prior to the Transfer Date and the City and the County do not intend to transfer any County Utility System Debt to the City in connection with the execution and delivery of this Agreement.

### ARTICLE 3

#### SYSTEM IMPROVEMENTS

**Section 3.01. System Improvements.** The City agrees to make such improvements as required to integrate the County Utility System into the overall Utility System. The City agrees to operate, maintain, and expand the County Water System to accommodate the County's planned development in consultation with the County.

**Section 3.02. Authority to Operate, Maintain, and Expand.** Unless otherwise stated in this Agreement, the City shall have sole authority and discretion as provided by law to own, operate, maintain, and expand the Utility System, set rates, fees, penalties, and charges.

**Section 3.03. Growth Management.** Land use approvals by the County must include a utility service review for decision by the City. Upon Transfer, all future requests for new service connections will be made to the City for the City's review and decision.

**Section 3.04. Commitment to Seek Funding.** The City will take reasonable and necessary steps to seek funding, which includes grants, State loans, and other forms of contributions, in addition to rates and system development fees, for other improvements to the County Utility System. Nothing in this section shall be interpreted to limit the City's authority to set rates, as set out in Article 5. The County, through this Agreement, commits to supporting the City in pursuant to grant funding as outlined in this Section.

**Section 3.05. Specific Projects and Use of Fund Balance.** Among other system improvements, the City agrees to use the Chatham County water fund balance to construct the Hatley Road Looping Watermain project (estimated to cost \$3,391,000) and the Renaissance Drive Looping Watermain project (estimated to cost \$1,419,000). In addition, the City agrees to use the remaining portions of the Chatham County water fund balance on projects that will benefit Chatham County.

## ARTICLE 4

### TRANSFER OF SYSTEM

**Section 4.01. County Utility System Description.** The County agrees that it will transfer to the City all real and personal property composing the County Utility System, including, without limitation, all collection and distribution system infrastructure, all physical infrastructure, real and personal property, cash assets and other revenues, relevant documents and records, customer accounts, and any other items associated with the County Utility System (individually, these are the “**Transfer Items**,” and the act of completely transferring all Transfer Items is the “**Transfer**”). Notwithstanding the foregoing, the County is not required to transfer the “Water Shop,” which is located on property that the County needs to retain for other purposes. However, the County will allow the City to access and use the Water Shop for its intended purpose at no additional cost to the City, and shall execute any documents necessary for City access and use of the Water Shop.

**Section 4.02. Execution and Transfer.** The County agrees to fully complete the Transfer as described above no later than June 30, 2025 (the “**Transfer Date**”). Notwithstanding the obligation to complete the Transfer by the Transfer Date, the County shall have a continuous obligation after June 30, 2025, to transfer any Transfer Items that should have been transferred but were not by the Transfer Date.

(a) Continued Operation Prior to Transfer Date. The City and County contemplate that the Transfer may take place in stages and require coordination between the City and County. As a result, the Transfer Date represents the deadline for completing the Transfer, but Transfer Items may be transferred to the City for ownership prior to the Transfer Date.

(b) Form of Transfer. Transfer shall be by execution of deeds and dedication documents prepared by the County and executed by the appropriate County and City representatives, in addition to any other documentation, agreements, or bills of sale necessary to complete the Transfer. The County shall convey to the City the County Utility System by delivering a deed or deeds for the County real property in the County Utility System, including, but not limited to, transfer or assignment of Utility Services easements owned by the County, and an Assignment and Bill of Sale for the County’s personal property including, *inter alia*, the County Utility System infrastructure, facilities, structures (*e.g.*, lift stations, water towers), vehicles, equipment, supplies, funds, permits, agreements, contracts (including, but not limited to, leases to any wireless systems that co-locate on the water towers), other property rights, liabilities, and all other materials and things associated with or required for the ownership, operation, and maintenance of the County Utility System by the City.

(c) Easements. In accordance with subsection (a), City will have the Right to Operate new water and wastewater infrastructure within any easements, rights-of-way, and utility encroachments. Any new easement required to expand the County Utility System shall be the responsibility of the City except as provided in this Agreement.

(d) Effect of Transfer. Upon Transfer, the City shall own, operate, and maintain the County Utility System. The current County water and wastewater customers will become customers of the City. The City shall assume billing for the County Utility System by June 30, 2025.

(e) State Forms or Applications Required. The County and City agree to execute any North Carolina Department of Environmental Quality forms or any other applications, permissions, etc., required to transfer or assign any necessary permits for the operation and maintenance of the County Utility System.

**Section 4.03. Offers of Employment.** The City shall make an offer of employment to all employees of the County who are employed as of the Effective Date and who are eligible under this section. To be eligible for an offer of employment, a Full-Time Employee (“FTE”) must serve in a current role with the County that will be affected by the conveyance of the County Utility System to the City. An employee who is paid in whole or in part out of the County utility enterprise fund is assumed to be “affected.” Prior to the Effective Date, the County will provide to the City a list of employees who have been affected by the conveyance. The County and City will cooperate to ensure that offers of employment to County Utility System FTEs can occur on or before June 30, 2025. Offers of employment shall be on terms and conditions and include benefits and perquisites substantially equal to those of current City employees in similar positions. Leave accumulation shall be calculated with length of service to the County credited as length of service with the City, and transferred FTEs shall have the right to participate in all City employee benefit programs on equal terms with other City employees. Any FTE offered employment with the City shall retain previously accrued sick leave and vacation leave. In the event that the Transfer contemplated by this Agreement is not consummated, any offer of employment shall be void and of no further force or effect.

**Section 4.04. System Integration.** The Parties agree to work collaboratively to resolve any system integration issues. Unless otherwise agreed to, the County Utility System infrastructure, meters, software, billing & accounts, customer service, and other systems will be integrated with the City Utility System no later than June 30, 2025.

**Section 4.05. Information, Records, and Assets Transferred by the County.** The list of information, records, and assets to be transferred by the County to the City will be provided to the City no later than June 30, 2025.

**Section 4.06. Allocation of Costs and Payments.** All of the County Utility System’s deposits, reserves, accounts receivable, accounts payable, and cash on hand will be transferred and/or assigned to the City. The County may pay any amounts remaining as current accounts payable from the County Utility System reserve funds prior to the Transfer Date. Cost of transfer from the County to the City will be paid by Sanford and recovered through rates, fees, and charges for new and existing customers of the County Utility System and from transferred reserve funds from the County.

**Section 4.07. No General Fund Liability.** It is the intent of the Parties that after the completion of the Transfer of all assets and employees from the County to the City, there shall be no residual liability to the County General Fund or the City’s General Fund. During the period of transition, the County will retain liability for, and maintain insurance coverage for, all assets and employees until the time of transfer, and the City will accept liability for and will procure insurance coverage for, all transferred assets and employees at the time of transfer.

**Section 4.08. City Ordinances, Policies, and Standards Apply.** The County shall adopt such ordinances as are reasonably necessary to regulate the proper use of the Utility System and any extensions thereof by the customers and users within the jurisdiction of the County. Said ordinances shall be reviewed and approved by the City prior to adoption by the County, and further grant to the City all administrative, permitting, regulatory, and enforcement authority necessary for the regulation, operation, maintenance, and improvement of the Utility System serving the County Service Area. The County shall update such ordinances as necessary to have the same or similar provisions as in the City's ordinances regarding the Utility System. The City and the County shall each have equal authority to enforce any County utility related ordinance or regulation.

**Section 4.09. County Water Districts.** Pursuant to Article 6 of Chapter 162A of the North Carolina General Statutes, the County created the **Water Districts** For purposes of this agreement, any and all real and personal property owned by one or more Water District shall be considered to be part of the County Utility System, any debt obligations undertaken by a Water District shall be considered to be County Utility System Debt, and each Water District agrees to take all steps necessary to convey such assets to the City upon the same terms and conditions that apply to the County's obligations under this Agreement. The parties agree that upon the redemption of any outstanding debt obligations issued by any Water District, the County will abolish the Water Districts pursuant to G.S. 162A-87.2.

## ARTICLE 5

### RATES

**Section 5.01. Utility Rates.** One goal of this Merger is to achieve rate parity between the County and all other constituent pieces of the merged system. However, it is also the intent of this Merger that the City's rate payers will not be required to subsidize the operating costs or known capital improvement costs of the County Utility System, and the County's rate payers will not be required to subsidize the operating costs or known capital improvement costs of the City Utility System. To this end, the Parties acknowledge and agree that the rates and system development fees charged to the customers within the County Service Area shall be set at a level sufficient to support the construction, operation, and maintenance of the County Utility System. The date that rate parity is achieved will be impacted by a number of factors, including, but not limited to, the amount of debt needed to pay for capital improvements and the amount of revenue generated by increased consumption, economies of scale, and grants and other funding opportunities. Sanford shall manage the merged system in good faith effort to achieve the goal of rate parity.

**Section 5.02. Authority to Set Rates.** From and after the Effective Date, all rates, charges, fees, deposit rates, penalties, and system development fees associated with the County Utility System shall be set by the City. The City will set and charge rates in accordance with operation and maintenance expenses, routine capital expenditures, debt service expense, and necessary reserve funding.

**Section 5.03. Rates, Fees, Penalties, and Charges Consultation.** The City agrees to consult with the County about rates, fees, or penalties (1) prior to any increase in rates, fees, penalties, or charges; and (2) at least once annually.



## ARTICLE 6

### GENERAL TERMS

**Section 6.01. Specific Performance in Event of Default.** The Parties acknowledge that monetary damages would not fully compensate either Party in the event of any breach or Default of this Agreement. The Parties therefore agree that in the event of a breach or Default by either Party, the other Party shall, in addition to seeking damages, be entitled to seek and obtain the specific performance of the defaulting Party's obligations hereunder.

**Section 6.02. Term of the Agreement.** This Agreement shall be perpetual. The County and the City hereby agree that such perpetual duration is reasonable and necessary in light of the purposes of this Agreement. If for any reason a court of competent jurisdiction rules in a final decision that may not be appealed that a perpetual term to this Agreement is unlawful, then this Agreement shall have a term of ninety-nine (99) years (the "Term"). If the Term of this Agreement is so limited to ninety-nine (99) years, the expiration of the Term shall affect only the agreements hereunder with respect to events and performances that occur after the expiration date of such term, and shall not affect the existence or validity of any transfer, conveyance, undertaking, liability, or other action or right that occurred or arose prior to the expiration date.

**Section 6.03. Cooperation of the Parties.** The County and the City agree to cooperate, fully, effectively, and efficiently with each other to accomplish the intent and purposes of this Agreement, execute all supplementary documents necessary to enforce its terms, and to take all additional actions deemed necessary and appropriate so as to give full force and effect to the terms, conditions, and intent of this Agreement. Neither Party shall unreasonably withhold or delay providing such cooperation. The County further agrees to provide to the City, if requested, all plans, as-built drawings, financial information, and all other information, documents, materials, and other things in its possession or control associated with the Utility System, and the performance of the terms and conditions set forth herein.

**Section 6.04. Dispute Resolution.** In the event of conflict or Default that might arise, the Parties involved agree to informally and formally communicate to resolve the conflict. If this communication is not successful in resolving the conflict, the matter will be presented to the City Manager of Sanford and the County Manager of Chatham for consultation.

**Section 6.05. First Right of Refusal Upon Sale and Prohibition of Sale to Third Parties.** The City agrees that the County shall have a right of first refusal on any proposed sale of the Utility System, or major components of the Utility System.

**Section 6.06. Disposition of Property at Termination.** Upon termination of this Agreement prior to the Transfer Date, all real property that is subject to this Agreement reverts to the Party that owned it at the time this Agreement was executed. Upon termination of this Agreement after the Transfer Date, all real property that is subject to this Agreement reverts to the City.

**Section 6.07. Method of Termination.** This Agreement may be terminated only by the mutual consent of all Parties participating in this Agreement.

**Section 6.08. Disposition of Property at Expiration.** All property, real or personal, shall remain with the City upon termination or expiration of this Agreement.

**Section 6.09. Force Majeure.** A Force Majeure is defined as any event arising from causes beyond the reasonable control of the Parties. It shall not be considered a breach of this Agreement or an event of Default, and Parties shall not be responsible for an inability to perform or for any delays, damages, costs, expenses, liabilities, or other consequences that may arise as a result of Force Majeure.

**Section 6.10. Entire Agreement.** This Agreement constitutes the entire understanding between the Parties and supersedes all prior and independent agreements between the Parties covering the subject matter hereof.

**Section 6.11. Third-Party Beneficiaries.** The existing or future users of the County Utility System and City Utility System shall not be deemed to be third-party beneficiaries of this Agreement and neither the County nor the City shall have any obligation to them, nor shall they be entitled to any rights hereunder.

**Section 6.12. Amendments.** Pursuant to N.C. Gen. Stat. § 160A-464 this Agreement may be amended or terminated by mutual agreement between the Parties. Termination shall not affect the validity of any transfers of property or assets previously completed unless mutually agreed otherwise between the Parties.

**Section 6.13. Implementation.** The City and County Managers are authorized to determine implementation details not covered in this Agreement so long as such determinations substantially conform with the material terms of this Agreement and applicable law.

**Section 6.14. Authorization.** Each Party certifies that all appropriate steps to legally enter into this Agreement have been taken, including approval by the appropriate governing body. Moreover, each Party certifies that all laws, rules, and regulations as well as any local governmental rules were followed with regard to approval of this Agreement and that this Agreement meets all standards for governmental agreements.

**Section 6.15. Section Headings.** The section headings in this Agreement are for convenience and ease of reference only. Such headings are not part of this Agreement and are not to be used in interpreting its provisions.

**Section 6.16. Governing Law.** This Agreement shall be governed by and interpreted in accordance with the law of the State of North Carolina.

**Section 6.17. Severability.** The paragraphs, sections, sentences, clauses, and phrases of this Agreement are severable. If one or more paragraphs, sections, sentences, clauses, or phrases shall be declared void, invalid, or otherwise unenforceable for any reason by the valid, final judgment, or decree of any court of competent jurisdiction, such judgment or decree shall not affect the remaining provisions of this Agreement.

**Section 6.18. Signatures.** This Agreement, together with any amendments or modifications, may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall be considered one and the same agreement.

**Section 6.19. Notices.** Unless specifically provided otherwise by this Agreement, any notice which a Party is required to or may give to another Party shall be in writing and shall be delivered or addressed to the other applicable Party at the address set forth below or to such other address as such Party may from time to time direct by written notice given in the manner herein prescribed. Such notice or communication shall be deemed to have been given or made when communicated by personal delivery, independent courier service, facsimile, or email with a hard copy to be delivered by independent courier service by the next business day.

All notices to the County or a Water District shall be addressed to:

County Manager  
County of Chatham  
12 East Street  
P.O. Box 1809  
Pittsboro, NC 27312

All notices to the City shall be addressed to:

Hal Hegwer  
City Manager  
City of Sanford  
225 E Weatherspoon Street  
P.O. Box 3729  
Sanford, NC 27331

With a copy to the City Attorney:

Susan Patterson  
City Attorney  
225 E Weatherspoon Street  
P.O. Box 3729  
Sanford, NC 27331  
Phone: 919-777-1104  
Electronic Mail: susan.patterson@sanfordnc.net

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

ATTEST:

**City of Sanford**

\_\_\_\_\_  
City Clerk

By: \_\_\_\_\_  
Rebecca Wyhof Salmon, Mayor

[SEAL]

ATTEST:

**County of Chatham**

\_\_\_\_\_  
County Clerk

By: \_\_\_\_\_  
Chair Mike Dasher

[SEAL]

ATTEST:

**Southwest Chatham Water District**

\_\_\_\_\_  
County Clerk

By: \_\_\_\_\_  
Chair Mike Dasher

ATTEST:

**Southeast Chatham Water District**

\_\_\_\_\_  
County Clerk

By: \_\_\_\_\_  
Chair Mike Dasher

ATTEST:

**Northwest Chatham Water District**

\_\_\_\_\_  
County Clerk

By: \_\_\_\_\_  
Chair Mike Dasher

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

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Name:  
Title:

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

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Name:  
Title:

APPROVED AS TO FORM

APPROVED AS TO FORM

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Attorney, County of Chatham

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City Attorney, City of Sanford

## EXHIBIT A