

STATE OF NORTH CAROLINA
COUNTY OF LEE

INTERLOCAL AGREEMENT
FOR A JOINT WATER TREATMENT PLANT
ENGINEERING DESIGN

THIS INTERLOCAL AGREEMENT (“ILA”), made and entered into this _____ day of _____, 2021, by and between the COUNTY OF CHATHAM, one of the one hundred counties of the State of North Carolina and a body both politic and corporate, herein referred to as “County”, and the CITY OF SANFORD, a North Carolina Municipal Corporation, herein referred to as “City”, each additionally referred to herein as either a “Party”, and collectively as the “Parties.”

WITNESSETH:

WHEREAS, this ILA is undertaken due to the mutual interest of both entities to determine if a collaborative water treatment plant expansion is a viable solution for future water treatment needs; and

WHEREAS, the City of Sanford, located in Lee County, currently owns and operates a municipal water treatment plant and distribution system to provide potable water service for residential and commercial customers; and

WHEREAS, the City and County desire to explore mutually beneficial options for expanding future water quantity needs for both Parties; and

WHEREAS, a cost sharing arrangement and the utilization of resources and personnel from both entities will maximize the opportunity for a successful project; and

WHEREAS, a preliminary engineering report regarding the expansion has been completed; and

WHEREAS, the Town of Holly Springs, Town of Fuquay-Varina and the Town of Pittsboro may also participate in this project.

NOW, THEREFORE, the Parties hereto agree as follows:

As a result of increasing water demands and projections, the City and County have determined that additional water treatment capacity will be required within the next 25 years, due to expected population growth. The City and County have agreed in principle to embark on engaging an expert engineering firm to perform an engineering design to obtain contractor pricing.

1. Program of Work

The Parties hereto have agreed that City will engage an engineering firm to conduct a water treatment plant expansion engineering design on behalf of the Parties for a not to exceed amount of \$11,249,000. The City will engage an engineering firm to complete an engineering design for additional water treatment and conveyance capacity such that sufficient capacity will be achieved in an amount to be beneficial to the County.

2. Shared Costs

To mutually share in the costs of conducting the joint water treatment plant expansion design, the entities who benefit from the undertaking shall share in the costs.

Jurisdiction	Incremental Capacity Allocation		18 MGD Expansion Design Cost Allocation
	MGD	Percent	
Sanford	4	22.2%	\$2,497,278.00
Fuquay-Varina	6	33.3%	\$3,745,917.00
Holly Springs	4	22.2%	\$2,497,278.00
Pittsboro	3	16.7%	\$1,878,583.00
Chatham County	1	5.6%	\$629,944.00
Total	18	100%	\$11,249,000.00

The City has incurred preliminary expenses that are typically part of the design effort. These expenses, which are part of the \$11,249,000 design fee shown above, shall be reimbursed under this agreement.

For their portion of the costs, Chatham County shall contribute 5.6%, not to exceed \$629,944.

3. Payment

The City will progress bill on a monthly basis. Invoices shall be paid within thirty (30) days of receipt.

4. Areas of Collaboration

The Parties shall mutually agree to work together to do the following:

- Participate in the joint workshops and meetings.
- Cooperate in distributing available information to the other party as well as to any third parties as required.
- Review infrastructure and water treatment alternatives.
- Develop a design.
- Obtain bids from Contractors.

5. Term of the ILA

This ILA is effective upon full execution by the Parties, and will remain in full force and effect until July 1, 2023. On or before June 30, 2023, the ILA may be reviewed and renewed for an additional one (1) year period by mutual consent of the Parties in writing.

6. Termination

Each party reserves the right to terminate this ILA upon thirty (30) days' written notice to the other; but, in the event of early termination, each party will remain obligated to pay their share of the total project costs of conducting the joint water treatment plant expansion design. In addition, if either party fails to fulfill in timely and proper manner the obligations under this ILA, for any reason, the other party shall have the right to terminate this ILA, by giving written notice, and the termination will be effective upon receipt, but each party will remain obligated to pay their share of the total project cost.

7. Meetings

To accomplish these objectives, the Parties' Staff may meet once per month for the purposes of program planning and monitoring, evaluating outcomes, and to review and ensure that each partner is in compliance with this ILA. Each party shall appoint a direct contact to be responsible for the party under this ILA, as indicated in the Notice provision.

8. Notice

All notices or other communications arising hereunder shall be sent to the following:

City of Sanford
Attn: Victor Czar, Director
Department of Public Works
P.O. Box 3729
Sanford, NC 27330
Phone 919-777-1117
email: victor.czar@sanfordnc.net

County of Chatham
Attn: Larry Bridges, Director
Department of Public Works
P.O. Box 910
Pittsboro, NC 27312
Phone 919-542-8270
email: larry.bridges@chathamnc.org

Either party may change its address for notices by giving written notice of such change to the other party in accordance with the terms of this paragraph.

9. Amendment

Any modification or amendment to this ILA to be effective, must be in writing, signed by both Parties, and executed with the same formality and approvals as this ILA.

10. Assignment

Neither this ILA nor any rights or obligations hereunder shall be assigned or delegated without prior written consent of the City, which consent may be withheld in the City's sole discretion.

11. No Third-Party Beneficiaries

There are no third-party beneficiaries of this ILA. The rights and obligations contained herein belong exclusively to the Parties hereto, and shall not confer any rights or remedies upon any person or entity other than the Parties hereto. Nothing in this ILA shall create or give to third

parties any claim or right of action against City or County.

12. Applicable Law

All matters relating to this ILA shall be governed by the laws of the State of North Carolina, and venue for any proceedings arising hereunder shall be in the courts of appropriate jurisdiction located in Lee County, North Carolina.

13. Relationship of Parties

The County and City are, and shall remain independent contractors, with respect to any service or function performed under this ILA. Except as provided for in this ILA, each party shall select the means, method, and manner of performing their respective services herein. Each party is an independent contractor and shall not represent itself or be deemed as an officer, agent, or employee of the other party, for any purpose. Nothing under this ILA is intended or should be construed in any manner, to create a joint agency, partnership or venture between the Parties. Each party agrees that it will obey all State and Federal statutes, rules, and regulations which are applicable to any responsibility or duty outlined herein.

14. Applicability of North Carolina Public Records Law

Notwithstanding any other provisions of this ILA, this ILA and all materials submitted by the parties to one another are subject to the public records laws of the State of North Carolina and it is the responsibility of the submitting party to properly designate materials that may be protected from disclosure under North Carolina law as such and in the form required by law prior to the submission of such materials to the other party. The parties understand and agree that the City and the County may take any and all actions necessary to comply with federal, state, and local laws and/or judicial orders and such actions will not constitute a breach of the terms of this ILA. To the extent that any other provisions of this ILA conflict with this paragraph, the provisions of this section shall control.

15. E-Verify

The parties shall comply with E-Verify, the federal E-Verify program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law and as in accordance with NCGS 64-25 et. seq. In addition, to the best of the parties' knowledge any subcontractor employed by the parties as a part of this ILA shall be in compliance with the requirements of E-Verify and NCGS 64-25 et. seq.

16. Non-Discrimination

To the extent permitted by North Carolina law, the parties hereto for themselves, their agents, officials, employees and servants agree not to discriminate in any manner on the basis of race, color, creed, national origin, sex, age, handicap, or sexual orientation with reference to the subject matter of this ILA.

17. Severability

If any provision of this ILA shall be determined to be unenforceable by a court of competent jurisdiction, such determination will not affect any other provision of this ILA.

18. Counterparts

This ILA may be executed in several counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, being duly authorized, the County has executed the foregoing with the signature of its County Manager, attested by its Clerk, with the official seal affixed, and, being duly authorized, the City has executed with the signature of its City Manager, attested by its Deputy City Clerk, with the official seal affixed, the day and year first above written.

COUNTY OF CHATHAM

CITY OF SANFORD

By: _____
Dan LaMontagne, County Manager

By: _____
Hal Hegwer, City Manager

ATTEST:

ATTEST:

By: _____
Lindsay Ray, Clerk
(Affix Seal)

By: _____
Bonnie Davis, City Clerk
(Affix Seal)

THIS INSTRUMENT APPROVED AS TO FORM:

Robert Hagemann, County Attorney

Susan C. Patterson, City Attorney

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

By: _____
Vicki McConnell, Finance Director

By: _____
Beth T. Kelly, Finance Director