

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF CHATHAM COUNTY,  
NORTH CAROLINA, APPROVING AN INTERLOCAL AGREEMENT TO MERGE THE  
WATER AND SEWER SYSTEMS OF CHATHAM COUNTY AND THE CITY OF SANFORD**

*WHEREAS*, the City of Sanford, North Carolina (the “*City*”), a validly existing municipal corporation of the State of North Carolina, existing as such under and by virtue of the Constitution, statutes, and laws of the State of North Carolina, owns, operates, and maintains water and sewer utility systems within and outside its corporate limits (“*City Utility System*”); and

*WHEREAS*, Chatham County, North Carolina, (the “*County*”), a validly existing county of the State, existing as such under and by virtue of the Constitution, statutes, and laws of North Carolina, owns, operates, and maintains water and sewer utility systems within the County (“*County Utility System*”); and

*WHEREAS*, the City and County have the power, pursuant to the General Statutes of North Carolina to (1) enter into interlocal agreements with other units of local government to execute any undertaking and (2) determine the reasonable duration of such interlocal agreements; and

*WHEREAS*, N.C.G.S. 153A-176 and N.C.G.S. 160A-274 authorizes local government units to exchange with, lease to, lease from, sell to, or purchase from any other governmental unit, with or without consideration and upon such terms and conditions as it deems wise, any interest in real or personal property; and

*WHEREAS*, it is in the best interest of the County to enter into an interlocal agreement to merge the County Utility System with the City Utility System (the “*Merger Agreement*”), in order (a) to provide economies of scale with a larger system to the customers that receive the County’s and the City’s water and sewer services (“*Utility Services*”); and (b) to enhance the ability of the merged systems to provide economic development assistance to the region; and

*WHEREAS*, the County 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, relevant documents and records, customer accounts, and any other items associated with the County Utility System; and

*WHEREAS*, all rates, charges, fees, deposit rates, penalties, and system development fees associated with the merged system will be set by the City, and 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

*WHEREAS*, the Merger Agreement has been brought before the Board of Commissioners for review, and the Board of Commissioners proposes to review and approve the Merger Agreement to effectuate the proposed merger; and

*WHEREAS*, it appears that the Merger Agreement is in an appropriate form and an appropriate instrument for the purposes intended;

*NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF CHATHAM COUNTY, NORTH CAROLINA, AS FOLLOWS:*

**Section 1. Ratification of the Merger Agreement.** All actions of the Chair, the County Manager, the Finance Department Director, the County Clerk, the County Attorney, and their respective designees, whether previously or hereinafter taken, in effectuating the proposed merger and Merger Agreement are hereby approved, ratified, and authorized pursuant to and in accordance with the transactions contemplated by the Merger Agreement.

**Section 2. Authorization to Execute the Merger Agreement.** The County hereby approves the merger in accordance with the terms of the Merger Agreement, which will be a valid, legal, and binding obligation of the County in accordance with its terms. The form and content of the Merger Agreement is hereby in all respects authorized, approved, and confirmed, and the Chair, the County Clerk and the County Manager and their respective designees are hereby authorized, empowered, and directed, individually and collectively, to execute and deliver the Merger Agreement, including necessary counterparts, in substantially the form and content presented to the Board of Commissioners, but with such changes, modifications, additions, or deletions therein as they deem necessary, desirable, or appropriate, their execution thereof to constitute conclusive evidence of the County's approval of any and all changes, modifications, additions, or deletions therein from the form and content of the Merger Agreement presented to the Board of Commissioners. From and after the execution and delivery of the Merger Agreement, the Chair, the County Clerk, the County Manager, and the Finance Department Director of the County, individually and collectively, are hereby authorized, empowered, and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Merger Agreement as executed.

**Section 3. County Representative.** The Chair, the County Manager, and the Finance Department Director of the County, individually and collectively, are each hereby designated as the County's representative to act on behalf of the County in connection with the transactions contemplated by the Merger Agreement. The County's representative and/or designee or designees are in all respects authorized on behalf of the County to supply all information pertaining to the County in the transactions contemplated by the Merger Agreement. The County's representatives or their respective designees are hereby authorized, empowered, and directed, individually and collectively, to do any and all other acts and to execute any and all other documents, which they, in their discretion, deem necessary and appropriate to consummate the transactions contemplated by the Merger Agreement or as they deem necessary or appropriate to implement and carry out the intent and purposes of this Resolution and the on-going administration of the Merger Agreement.

**Section 4. Severability.** If any section, phrase, or provision of this Resolution is for any reason declared to be invalid, such declaration will not affect the validity of the remainder of the sections, phrases, or provisions of this Resolution.

**Section 5. Repealer.** All motions, orders, resolutions, and parts thereof, in conflict herewith are hereby repealed.

**Section 6. Effective Date.** This Resolution is effective on the date of its adoption.

Chatham County

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By: Mike Dasher (seal)

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(SEAL)  
Jenifer Johnson  
County Clerk  
Chatham County, North Carolina

I, *Jenifer Johnson*, County Clerk of Chatham County, North Carolina, ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of a resolution entitled “**RESOLUTION OF THE BOARD OF COMMISSIONERS OF CHATHAM COUNTY, NORTH CAROLINA, APPROVING AN INTERLOCAL AGREEMENT TO MERGE THE WATER AND SEWER SYSTEMS OF CHATHAM COUNTY AND THE CITY OF SANFORD**” duly adopted by the Board of Commissioners of Chatham County, North Carolina, at a meeting held on the 21<sup>st</sup> day of October, 2024.

***WITNESS*** my hand and the corporate seal of Chatham County, North Carolina, this the \_\_\_\_ day of October, 2024.

(SEAL)

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Jenifer Johnson  
County Clerk  
Chatham County, North Carolina