

**NORTH CAROLINA
ORANGE COUNTY**

**INTERLOCAL AGREEMENT BETWEEN AND AMONG ORANGE COUNTY AND THE
TOWNS OF CARRBORO AND CHAPEL HILL REGARDING THE REIMBURSEMENT
OF COSTS FOR INSTALLATION OF PRIVATE SEWER SERVICE LATERAL
CONNECTIONS FOR LOW-TO-MODERATE INCOME HOMEOWNERS OF
HERITAGE LOTS WITH EXISTING DWELLINGS IN THE ROGERS ROAD SEWER
PROJECT AREA**

THIS AGREEMENT, made and entered into this ____ day of _____, 2019 between and among the Towns of Carrboro and Chapel Hill, both North Carolina municipal corporations (hereinafter jointly referred to as the “Towns”), and Orange County, a political subdivision of the State of North Carolina (hereinafter referred to as the “County”), for reimbursement to the County by the Towns for the County’s expenditures for the installation of private sewer service lateral connections for low-to-moderate income homeowners of Heritage Lots with existing dwellings in the Rogers Road Sewer Project Area (hereinafter referred to as “LMI Heritage Lot Households”). County and Towns may be referred to collectively as the “Parties”.

WITNESSETH

WHEREAS, the County and Towns are public bodies, politic and/or corporate, under the laws of the State of North Carolina and are vested with the power and authority by Article 20 of North Carolina General Statute Chapter 160A to enter into this Interlocal Agreement (hereinafter referred to as the “Agreement”); and

WHEREAS, the Historic Rogers Road Neighborhood Task Force Report (dated September 13, 2013) identified 86 parcels in the Rogers Road Sewer Project Area as Heritage Lots, as defined and shown in exhibits therein; and

WHEREAS, representatives of the County and Towns have previously agreed in principle that the total number of Heritage Lots in the Rogers Road Sewer Project Area has been reduced from 86 Heritage Lots to 81 Heritage Lots, due to lot configuration corrections that were completed subsequent to the release of the Historic Rogers Road Neighborhood Task Force Report; and

WHEREAS, representatives of the County and Towns have previously agreed in principle that 62 of the 81 Heritage Lots in the Rogers Road Sewer Project Area had existing dwellings located on the respective Heritage Lot parcels concurrent with the release date of the Historic Rogers Road Neighborhood Task Force Report (based on the evaluation of March 2013 aerial imagery), and have identified the 62 Heritage Lots with existing dwellings; and

WHEREAS, the 62 Heritage Lots in the Rogers Road Sewer Project Area with existing dwelling units may have household income levels at or below moderate incomes as defined by US Housing and Urban Development (HUD); and

WHEREAS, representatives of the County and Towns have previously agreed in principle to jointly fund the installation of private sewer service lateral connections for the 62 Heritage Lots with existing dwellings and with household income levels at or below moderate incomes (LMI Heritage Lot Households) to the public sewer system under construction; and

WHEREAS, as defined in the following schedule, the timeline for joint funding coverage will begin after the execution of this Agreement by all Parties and upon the County's receipt of a valid dated application from the LMI Heritage Lot Household: Year 1 and Year 2 (100% cost coverage); Year 3 (50% cost coverage); Year 4 and beyond (0% cost coverage); and

WHEREAS, representatives of the County and Towns have previously agreed in principle that the County will solicit pre-qualifications from a minimum of five (5) licensed local plumbing contractors for the installation of private sewer service lateral connections for LMI Heritage Lot Households; and

WHEREAS, the County has pre-allocated \$243,000 for the installation of private sewer service lateral connections for LMI Heritage Lot Households wishing to connect, to be reimbursed by the Towns in accordance with this Agreement; and

WHEREAS, the County's expenditures for the installation of private sewer service lateral connections for LMI Heritage Lot Households will include the cost of installation by the pre-qualified plumber of the private sewer service lateral and associated appurtenances (i.e. from the existing sewer service stub-out at the property line to the household to be served), the cost of disconnecting and abandoning the existing septic system per County standards, the Orange Water and Sewer Authority (OWASA) sewer system development fee, and all other applicable fees; and

WHEREAS, the total number of LMI Heritage Lot Households wishing to connect within the specified three-year period for joint funding (i.e. Year 1, Year 2, Year 3) and the exact cost for each LMI Heritage Lot Household wishing to connect are unknown at this time due to the variable sizes of the dwellings to be served, the variable distances between the dwellings and the public sewer service stub-outs, and other specific characteristics of each lot; and

WHEREAS, representatives of the County and Towns have previously agreed in principle on an educated estimate of eleven (11) LMI Heritage Lot Households wishing to connect within Town of Carrboro jurisdictional areas within the specified three-year period for joint funding (i.e. Year 1, Year 2, Year 3) and on an educated estimate of sixteen (16) LMI Heritage Lot Households wishing to connect within Town of Chapel Hill

jurisdictional areas within the specified three-year period for joint funding (i.e. Year 1, Year 2, Year 3); and

WHEREAS, representatives of the County and Towns have previously agreed in principle that each LMI Heritage Lot Household wishing to connect within Year 1 and Year 2 following the execution of this Agreement will have an estimated 100% coverage joint funding cost of approximately \$9,000 per LMI Heritage Lot Household; and

WHEREAS, representatives of the County and Towns have previously agreed in principle that each LMI Heritage Lot Household wishing to connect within Year 3 following the execution of this Agreement will have an estimated 50% coverage joint funding cost of approximately \$4,500 per LMI Heritage Lot Household; and

WHEREAS, the County and Towns desire to formally establish the terms of the Towns' reimbursements to the County for the installation of private sewer service lateral connections for LMI Heritage Lot Households connections.

NOW, THEREFORE, in consideration of the foregoing and based on mutual promises and obligations set forth herein, the receipt and sufficiency of which is hereby acknowledged, the County and Towns agree as follows:

1. TERM AND TERMINATION

- a. This Agreement shall commence upon execution by all Parties and shall continue until all reimbursements are paid in full with such payment in full occurring no later than June 30, 2023.
- b. The Town of Carrboro shall provide payment to the County up to 14% of the current total project estimate, or \$34,020, whichever is less, plus any financing costs (up to 3 percent annually) incurred by the County for the installation of LMI Heritage Lot Household sewer connections within the Town of Carrboro's jurisdiction unless mutually agreed by both the Town of Carrboro and the County. These payments are for the installation of up to 11 LMI Heritage Lot Household sewer connections within the Town of Carrboro's jurisdiction. The Town of Carrboro shall, within thirty (30) days of receipt of a County generated invoice, reimburse the County for the Town of Carrboro's respective share of the total principal and interest associated with the installation of LMI Heritage Lot Household sewer connections within the Town of Carrboro's jurisdiction.
- c. The Town of Chapel Hill shall provide payment to the County of up to 43% of the current total project estimate, or \$104,490, whichever is less, plus any financing costs (up to 3 percent annually) incurred by the County for the installation of LMI Heritage Lot Household sewer connections within the Town of Chapel Hill's jurisdiction unless mutually agreed by both the Town of Chapel Hill and the County. These payments are for the installation of up to

16 LMI Heritage Lot Household sewer connections within the Town of Chapel Hill's jurisdiction. The Town of Chapel Hill shall, within thirty (30) days of receipt of a County generated invoice, reimburse the County for the Town of Chapel Hill's respective share of the total principal and interest associated with the installation of LMI Heritage Lot Household sewer connections within the Town of Chapel Hill's jurisdiction.

- d. If overall participation by LMI Heritage Lot Households exceeds the \$243,000 pre-allocated by the County, the County will request additional funds and this Agreement will be amended so as to adjust Sections 1-4 accordingly, subject to funding availability and approval by governing boards of the Parties.
- e. This Agreement may be renewed or amended upon written agreement of the Parties.

2. TOTAL COSTS

Item	Carrboro Cost	Chapel Hill Cost	County Cost	Total Cost
<u>Carrboro Lots</u> (11 LMI Heritage Lot Household connections within Carrboro jurisdiction)	\$34,020	\$0	\$64,980	\$99,000
<u>Chapel Hill Lots</u> (16 LMI Heritage Lot Household connections within Chapel Hill jurisdiction)	\$0	\$104,490	\$39,510	\$144,000
TOTALS	\$34,020 (14%)	\$104,490 (43%)	\$104,490 (43%)	\$243,000 (100%)

3. RESPONSIBILITIES OF TOWNS

- a. As provided in Section 1b above, the Town of Carrboro is responsible for up to 14% of the current total project estimate, or \$34,020, whichever is less. The Town of Carrboro shall, within thirty (30) days of receipt of a County generated invoice, reimburse the County for the Town of Carrboro's respective share of the total principal and interest associated with the installation of LMI Heritage Lot Household sewer connections within the Town of Carrboro's jurisdiction.

- b. As provided in Section 1c above, the Town of Chapel Hill is responsible for up to 43% of the current total project estimate, or \$104,490, whichever is less. The Town of Chapel Hill shall, within thirty (30) days of receipt of a County generated invoice, reimburse the County for the Town of Chapel Hill's respective share of the total principal and interest associated with the installation of LMI Heritage Lot Household sewer connections within the Town of Chapel Hill's jurisdiction.
- c. The Town of Chapel Hill's funding contribution shall be used for the benefit of low and moderate income residents, as defined by HUD, residing within the Town of Chapel Hill's Extraterritorial Jurisdiction (ETJ).
- d. The Towns shall pay their full agreed upon obligation as set out in this Section 3 within thirty (30) days of receipt of the County's invoice.
- e. The Towns shall have no further obligation for the cost of maintenance or repair of the private sewer laterals installed with the assistance of their funding, it being agreed by the Parties that the private sewer laterals and all associated work pursuant to this agreement shall upon completion belong to and be the responsibility of the private resident/homeowners.

4. RESPONSIBILITIES OF COUNTY

- a. The County shall issue an informal request for qualifications (RFQ) so as to pre-qualify a minimum of five (5) licensed plumbers for the installation of private sewer service lateral connections for LMI Heritage Lot Households. The County shall work directly with the pre-qualified plumbers to gather a minimum of three (3) site-specific estimates for each LMI Heritage Lot Household and will formally award the private sewer service lateral connection installation work to the lowest responsible bidder.
- b. Contracts for the installation of the private sewer lateral connections and associated work shall clearly state that neither the County nor the Towns shall have any financial responsibility or liability beyond providing the financial assistance and arranging for payment to the contracted plumbers (other than any permitting or inspections responsibilities they may have in their governmental capacities). Said contracts shall provide that the contracting plumbers shall indemnify and hold harmless the Parties for any and all claims arising out of the contracting plumbers' work for the LMI Heritage Lot Households.
- c. The County is responsible for up to 43% of the current total project estimate as shown in Section 2 above, or \$104,490, whichever is less.
- d. The County shall invoice the Towns for the specified reimbursement amounts and/or percentages as shown in Section 3. This invoice will be in the form of

a single invoice upon the conclusion of the services contemplated in Section 1 and Section 2 within the respective jurisdiction of each Town and said invoice shall be accompanied by a written statement indicating those services have concluded.

5. THIRD PARTY RIGHTS

Nothing in this Agreement is intended to create, grant, or convey rights in or to any third party. Nothing herein is enforceable by any third party and the rights of the parties hereto to terminate or amend this Agreement are not subject to the consent of any third party.

6. ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement of the Parties hereto and is effective the date first above recorded.

[Signature Page to Follow]

Including pre-audit certificates for all Parties.

In witness whereof, the Parties, by and through their authorized agents, have hereunder set their hands and seals as of the day and year first above written.

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

Manager, Orange County

ATTEST

Finance Director, Orange County

[SEAL]

By: _____
Clerk

In witness whereof, the Parties, by and through their authorized agents, have hereunder set their hands and seals as of the day and year first above written.

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

Manager, Town of Carrboro

ATTEST

Finance Director, Town of Carrboro

[SEAL]

By: _____
Clerk

In witness whereof, the Parties, by and through their authorized agents, have hereunder set their hands and seals as of the day and year first above written.

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

Manager, Town of Chapel Hill

ATTEST

By: _____

Clerk

Finance Officer, Town of Chapel Hill

[SEAL]

APPROVED AS TO FORM AND
AUTHORIZATION

By: _____
Town Attorney