

TOWN OF SAWMILLS  
MINUTES OF BUDGET MEETING  
APRIL 26, 1994, 5:00 PM AT TOWN HALL

All council members were present as Mayor Max Andrews called the meeting to order. They were: Dennis Wilson, Reva Tunmire, Paul Pope, Larry Prestwood, and Jim Drum.

A prospective budget was introduced by Assistant Finance Director, Randy Laws.

After the line items were gone over the following changes were made:

Congregate all training into one category called Professional Development and giving it the figure of 3000.

Increasing Donations to include \$3000 for the civic center.

Increase R&M Building & Grounds to \$15000.

Increase Powell Bill Expenditures to \$150000.

Add Capital Outlay - Small Truck \$10000.

These were the only changes made, but it was decided to have another budget meeting with the time and date being set at the next regular meeting.

At 7:00 pm Reva Tunmire made the motion to adjourn and Dennis Wilson seconded.

*Randy Laws*

Randy Laws, Asstnt. FD

*Max Andrews*

Max Andrews, Mayor

TOWN OF SAWMILLS  
MINUTES OF BUDGET MEETING  
May 10, 1994, 7:00 PM AT TOWN HALL

All council members were present as Mayor Max Andrews called the meeting to order. They were: Dennis Wilson, Reva Tunmire, Paul Pope, Larry Prestwood, and Jim Drum.

A revised budget was presented by Assistant Finance Director Randy Laws and the following changes were made:

Increase wages to \$200000.

Change the line item name of Medical Supplies to First Aid Supplies.

Add \$300 to donations for the shelter home.

Increase Workers Compensation to \$6000.

Randy Laws was instructed to contact Neil Annas, with Granite Insurance Agency, to obtain a list of bid specifications on insurance.

Other line items were discussed, but no changes were made. It was decided to schedule another budget meeting later.

At 9:25 pm reva Tunmire made the motion to adjourn and Dennis Wilson seconded. Vote was unanimous.

*Randy Laws*

Randy Laws, Asstnt. FD

*Max Andrews*

Max Andrews, Mayor

TOWN OF SAWMILLS  
MINUTES OF BUDGET MEETING  
May 23, 1994, 7:00 PM At TOWN HALL

All council members were present as Mayor Max Andrews called the meeting to order. They were: Dennis Wilson, Reva Tunmire, Paul Pope, Larry Prestwood, and Jim Drum.

The revised budget was presented by Randy Laws, Assistant Finance Director.

A new line item added last regular meeting, Comprehensive Study \$100000 was discussed. Larry Prestwood made a motion to dismiss this entry and Paul Pope seconded. All were in favor.

The possibility of establishing a line item amount to pay the accrued liability for going on state retirement was brought up. Dennis Wilson made the motion to leave it out and Jim Drum seconded. Dennis Wilson, Reva Tunmire and Jim Drum voted for the motion.

The council finally expressed its satisfaction with the budget and gave consent for it to be presented at the next regular meeting. A motion was made at 8:30 pm by Dennis Wilson and seconded by Reva Tunmire to adjourn. Motion carried.

*Randy Laws*  
Randy Laws, Asstnt. FD

*Max Andrews*  
Max Andrews, Mayor

WASTEWATER TRANSPORT AND TREATMENT AGREEMENT  
BETWEEN THE  
TOWN OF GRANITE FALLS AND THE TOWN OF SAWMILLS

THIS AGREEMENT, made and entered into this 3<sup>rd</sup> day of May, 1994, by and between the Town of Granite Falls, North Carolina, a municipal corporation hereinafter referred to as "Granite Falls", and the Town of Sawmills, a municipal corporation, hereinafter referred to as "Sawmills".

WITNESSETH

THAT WHEREAS, Granite Falls owns, operates and maintains certain wastewater collection and transmission lines and treatment plants within its service area; and

WHEREAS, Sawmills desires to install certain wastewater collection and transmission lines and appurtenant facilities for discharge into the wastewater system of Granite Falls for transmission and treatment; and

WHEREAS, Granite Falls and Sawmills desire to cooperate with each other to provide wastewater service in their respective service areas in the most cost effective and practical manner possible.

NOW THEREFORE, in consideration of the mutual covenants, terms and conditions hereto, Granite Falls and Sawmills mutually agree as follows:

A. GENERAL

1. Granite Falls will receive wastewater from Sawmills at points of delivery herein specified during the term of this Agreement or extension thereof, and will transport said wastewater for treatment in quantities defined in this Agreement.
2. Granite Falls will furnish, install, operate and maintain adequate wastewater transportation and treatment systems to transport and treat wastewater quantities at points of delivery as specified herein from Sawmills.
3. Granite Falls shall transmit and treat all wastewater discharged by Sawmills into Granite Falls lines in accordance with this Agreement, provided however, that Granite Falls shall not be liable for failure to transmit and treat such wastewater in the event that such failure is caused by circumstances over which Granite Falls has no control, including, but not limited to, the following:
  - (a) Acts of God including storms, floods, hurricanes, earthquakes, or other similar natural occurrences;
  - (b) Theft, fire, vandalism, sabotage, criminal acts, or acts of war;

- (c) Strikes, equipment and/or electric failure or unavailability of supplies; and
- (d) Orders by the Government of the United States or the State of North Carolina.

In the event that such failures occur it is agreed that Sawmills shall be afforded the same rights and protection as any Granite Falls customer and that Granite Falls shall exercise due diligence in providing for the repair, replacement or other corrective actions as required to reestablish service to the effected areas. These corrective actions may include the use of temporary structures, equipment, or facilities as deemed appropriate.

- 4. Nothing in this Agreement shall imply or contrive any ownership rights by Sawmills in any wastewater treatment facilities.
- 5. This Agreement constitutes the sole Agreement between Granite Falls and Sawmills related to wastewater matters and may be amended from time to time if the Parties so mutually agree to do so.

B. WASTEWATER SERVICE AREAS

- 1. The wastewater service areas of Granite Falls and Sawmills shall be as described in this Agreement with each party having sole ownership of the existing and future wastewater facilities in their respective service areas.
- 2. Sawmills shall serve, as feasibility allows, wastewater customers of all classification (residential, commercial, industrial, institutional, etc.) existing and future, that are within the Town's boundaries and its areas of extraterritorial jurisdiction as they currently exist and as may be amended from time to time by annexation or any other legal process.
- 3. Granite Falls shall serve, as feasibility allows, all wastewater customers of all classification (residential, commercial, industrial, institutional, etc.), existing and future, that are within its Town limits and its areas of extraterritorial jurisdiction as they currently exist and as may be amended from time to time by annexation or any other legal process.
- 4. Other areas outside of the respective municipal and extraterritorial jurisdictional limits may be served by either Party as feasibility and practicality may allow at the time such service is needed; however, it is the expressed intent of this agreement for Granite Falls to provide wastewater treatment service only for the central business district of the Town of Sawmills.
- 5. Should it not be feasible for Sawmills to extend sewer service to an adjoining area, Granite Falls shall have the first right of refusal to provide such service should it so desire.
- 6. Should either party acquire jurisdictional responsibility of any wastewater service areas previously designated to the other party under the terms and conditions of this Agreement, the party so making the service area acquisition shall pay to the other party a sum that will purchase any existing wastewater facilities in the newly acquired service area at the time of acquisition. The sum for payment shall be based on a depreciated value of those facilities existing at the time of purchase, such depreciated value to be in accordance with the depreciation schedule

employed by the auditors of Granite Falls and based on the original expenditure of local funds by the selling party for construction of the facilities.

C. GUARANTEED CAPACITY

1. Subject to the limitations and conditions set forth herein, Granite Falls agrees to accept in the Granite Falls wastewater system from Sawmills when needed or desired the maximum daily flow of 50,000 gallons per day.
2. The hydraulic flows at each delivery point are further defined as the maximum amount of wastewater discharged by Sawmills over any 24 hour period. There shall not be any instantaneous rate of wastewater discharge exceeding 4 times the maximum daily amount.
3. The capacity of the Billy Branch interceptor sewer will be evaluated and if it is determined the flow of 50,000 gpd from Sawmills will exceed the interceptor's capacity, the multiplier cited in C-2 above shall be reduced by negotiation to protect Granite Falls from a possible sewer overflow.

D. CHARACTER OF WASTEWATER FLOW

1. Sawmills will provide Granite Falls with data and information regarding its discharge in order for Granite Falls to make provision for adequate and proper treatment of the wastewater. The data and information so provided shall be complete, accurate and projected for future conditions. Should Sawmills data and information be found to be inaccurate, or should the characteristics, extent or circumstances of flow be found at difference with such representations, Granite Falls may require and, if requested, Sawmills shall act to limit or control such delivery to conform with the data and information therefore provided.
2. The Granite Falls sewer use ordinance and pretreatment program guidance documents, including amendments thereto, are hereby incorporated into this agreement by reference.
3. Except as may otherwise be specifically provided, Sawmills shall not knowingly discharge or allow to be discharged into Granite Falls' wastewater system any wastewater not in compliance with the information provided by Sawmills or the sewer use ordinances and pretreatment programs of Granite Falls as they currently exist and may be promulgated and amended in the future. Sawmills shall comply with all enforcement provisions of the respective sewer use ordinances and pretreatment programs of Granite Falls as applicable. In particular, a process wastewater discharge from the leather tanning establishment into the Sawmills sewer system is prohibited unless such discharge meets all provisions of Granite Falls' sewer use ordinance and pretreatment program.
4. The discharge of septage into the Granite Falls sewer system is prohibited and the same prohibition is hereby extended to Sawmills.
5. Granite Falls shall provide wastewater treatment services for Sawmills, and shall administer an area wide pretreatment ordinance on behalf of Granite Falls and Sawmills only for the duration of this contract. Sawmills shall support and aid in enforcement of the pretreatment ordinance. Granite Falls shall carry out the industrial waste permitting process required by State and Federal regulations and shall monitor the industrial users and shall enforce the provisions of the sewer use ordinance for applicable industrial discharges in Sawmills. In the event of violation of such regulations by such users, Granite Falls shall enforce said

ordinance provisions to the same extent as the industrial users located within Granite Falls. In the event of a violation to the extent that a surcharge or penalty shall be owed by any industrial user, Sawmills shall remit such surcharge or penalty from the violating industrial user but any failure on the part of Sawmills to make such collection shall not relieve Sawmills from its obligation to Granite Falls. Granite Falls shall further have the right and responsibility to enforce other provisions of said sewer use ordinance within Sawmills' sewage collection area. Granite Falls shall notify Sawmills immediately at the time it discovers any violation of its ordinances or regulations by industrial users on Sawmills' system and shall further notify Sawmills of any action being taken as a result of such violations. Sawmills shall abide by the policies of Granite Falls relating to sewer use and other such policies that will be from time to time promulgated by Granite Falls relating to the operation of its wastewater transportation and treatment systems. However, any such regulations, ordinances or policies shall not be arbitrary, capricious or unreasonable and shall be no more restrictive upon Sawmills than other Granite Falls customers. Granite Falls shall immediately inform Sawmills of any amendments or changes to its Sewer Use Ordinance or other such policies.

6. Sawmills shall hold harmless Granite Falls for the transportation and treatment of wastewater received from Sawmills not in compliance with the requirements herein.
7. Sawmills may adopt its own policies, ordinances and regulations relating to sewer use and pretreatment if so desired. Should this occur, such policies, ordinance and regulations will meet or exceed the requirements of their counterparts in Granite Falls.

E. POINTS OF DELIVERY

1. The initial point of delivery of wastewater from Sawmills to Granite Falls shall be at a suitable pumping station site on U.S. Hwy. 321-A in the northwestern part of the Granite Fall's service area or at the northwestern end of the Billy Branch gravity sewer.
2. Sawmills shall notify Granite Falls no less than one hundred and twenty (120) calendar days prior to any initial wastewater discharge to the Granite Falls wastewater system as to the estimated date that such initial discharge will occur.

F. OWNERSHIP OF SEWERAGE IMPROVEMENTS

1. Unless otherwise herein provided, Sawmills shall furnish and install and Granite Falls shall own, operate and maintain at the designated points of delivery the necessary metering and sampling equipment of proper type for measuring the quantity of wastewater delivered by Sawmills. The location, design and construction of such metering and sampling facilities shall be in accordance with sound engineering principles and shall be acceptable to both Granite Falls and Sawmills.
2. Granite Falls hereto agrees to maintain the respective metering facilities in such a manner as to ensure accurate measurement of flow. Sawmills shall have the right to inspect, read and test metering equipment and Granite Falls shall cooperate fully in this regard. Granite Falls shall perform repairs or adjust any metering equipment not conforming to the standards of accuracy for which it was designed.

3. In the case of meter equipment failure, billing for wastewater flow shall be made on the basis of an average of the previous twelve (12) months until such failure is remedied.
4. Metering equipment shall be calibrated on an annual basis at the expense of Granite Falls unless either party requests a more frequent calibration. The party requesting the more frequent calibration shall bear the expense of such.

G. PAYMENT FOR SERVICES

1. Sawmills shall provide for the design, construction and financing of the required metering and sampling facilities at the point of delivery.
2. Sawmills shall pay all costs associated with connecting to any existing Granite Falls wastewater collection or transmission lines at the points of delivery.
3. Sawmills shall pay Granite Falls for the metered wastewater flow in amounts up to the herein stated quantity allowances at each delivery point at a rate of \$1.75 per 1,000 gallons for a period of one (1) year from the date of this Agreement.
4. At the end of this initial one (1) year period, and annually thereafter, Granite Falls will evaluate the actual cost of operation and maintenance of its wastewater system. Those costs will be directly applied to a revised rate structure for Sawmills. Sawmills shall pay Granite Falls for the metered wastewater flows at a rate per 1,000 gallons that shall be the standard municipal rate charged by Granite Falls to its municipal customers, notwithstanding any other contractual agreements or obligations by Granite Falls. Granite Falls shall make available to Sawmills all information relating to the derivation of the above reference cost such that Sawmills can make a full and complete yearly audit of such cost.
5. If, at any time, the flow amount at any point of delivery shall exceed the stated maximum daily flow allocation, Sawmills shall pay to Granite Falls, in addition to all other rates, fees and charges, a penalty per 1,000 gallons for all flow amounts that exceed the current flow allocation, said penalty to equal 100% of the municipal rate for the excess flow on the first day of occurrence, 200% of the municipal rate for excess flow on days 2 through 5, and 300% of the municipal rate for excess flow on each day thereafter.
6. It is the expressed desire of both parties to coordinate their respective rate structures. Each party shall notify the other party no less than three (3) months prior to the adoption of any rate changes.
7. Granite Falls will bill Sawmills for the wastewater services provided in accordance with their standard billing procedures for all other wastewater customers. Granite Falls shall have the right to suspend service to Sawmills upon Sawmills' failure to pay for the services billed and to continue such suspension until such payment is made. Late payment charges and any other penalties shall be applicable within the policies of Granite Falls.

H. DISPUTES

1. All claims, counterclaims, disputes and other matters in question between the parties hereto arising out of or relating to this Agreement or the breach thereof shall be decided by formal mediation in a court of competent jurisdiction. If the

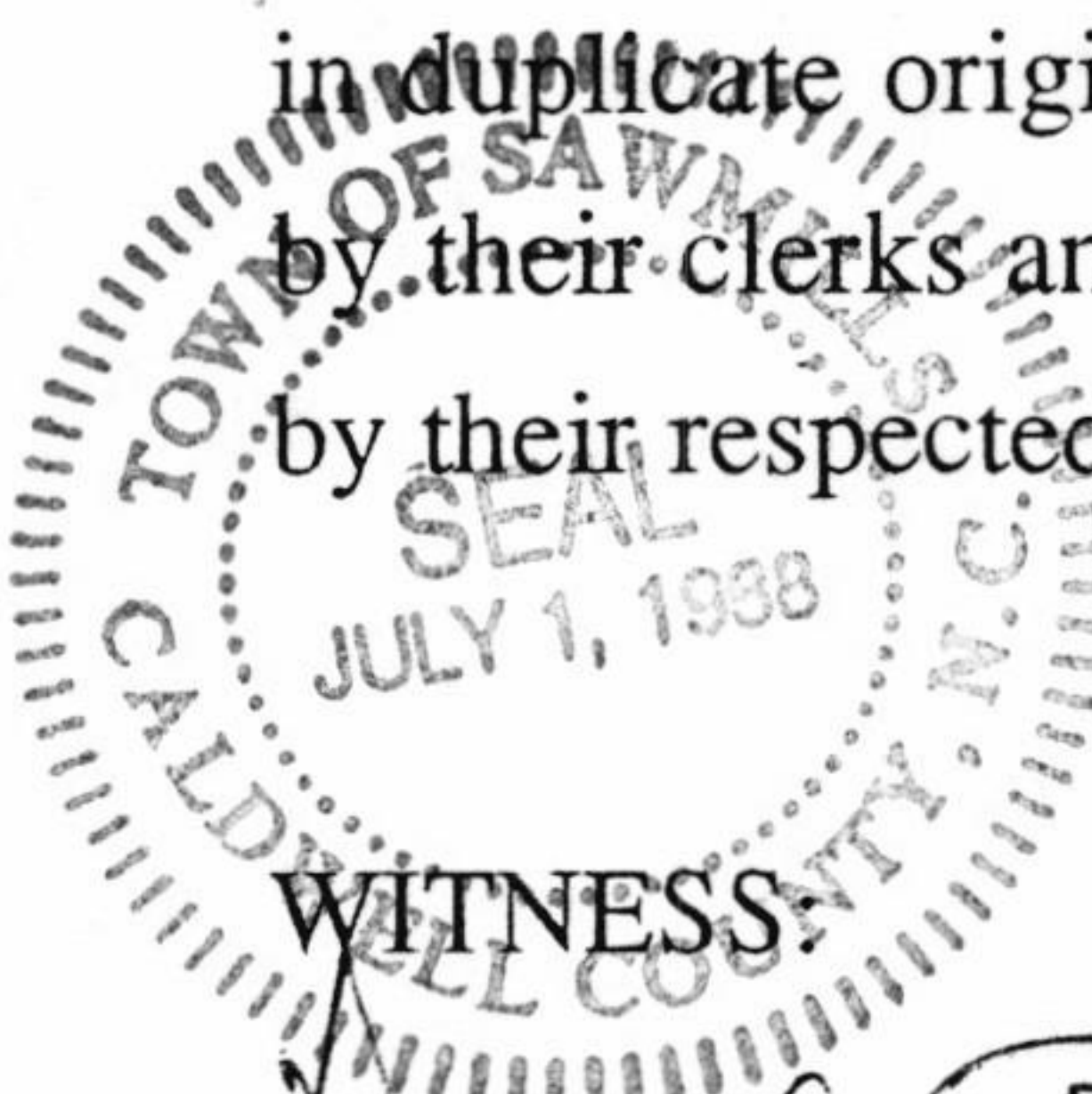
matter of disagreement concerns rates to be paid, it is agreed that participants shall continue payment based on the rate in effect prior to the dispute, until the matter is settled.

I. TERM

1. Except as otherwise provided, the provisions of this Agreement shall continue and be effective for a term of five (5) years from the date of this Agreement or until such time as the City of Lenoir makes sewer service available to Sawmills, whichever first occurs. Any extension of the agreement shall be at the sole discretion of Granite Falls and notice of any extension must be requested by Sawmills eighteen (18) months in advance of termination.
2. Should Sawmills not initiate any wastewater discharge to the Granite Falls wastewater system within three (3) years of the date of this Agreement, this Agreement shall be considered terminated at that time.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate originals in their respective names by their respective elected officials and attested by their clerks and their corporate seals hereto affixed, all pursuant to Resolutions duly adopted by their respected governing boards.

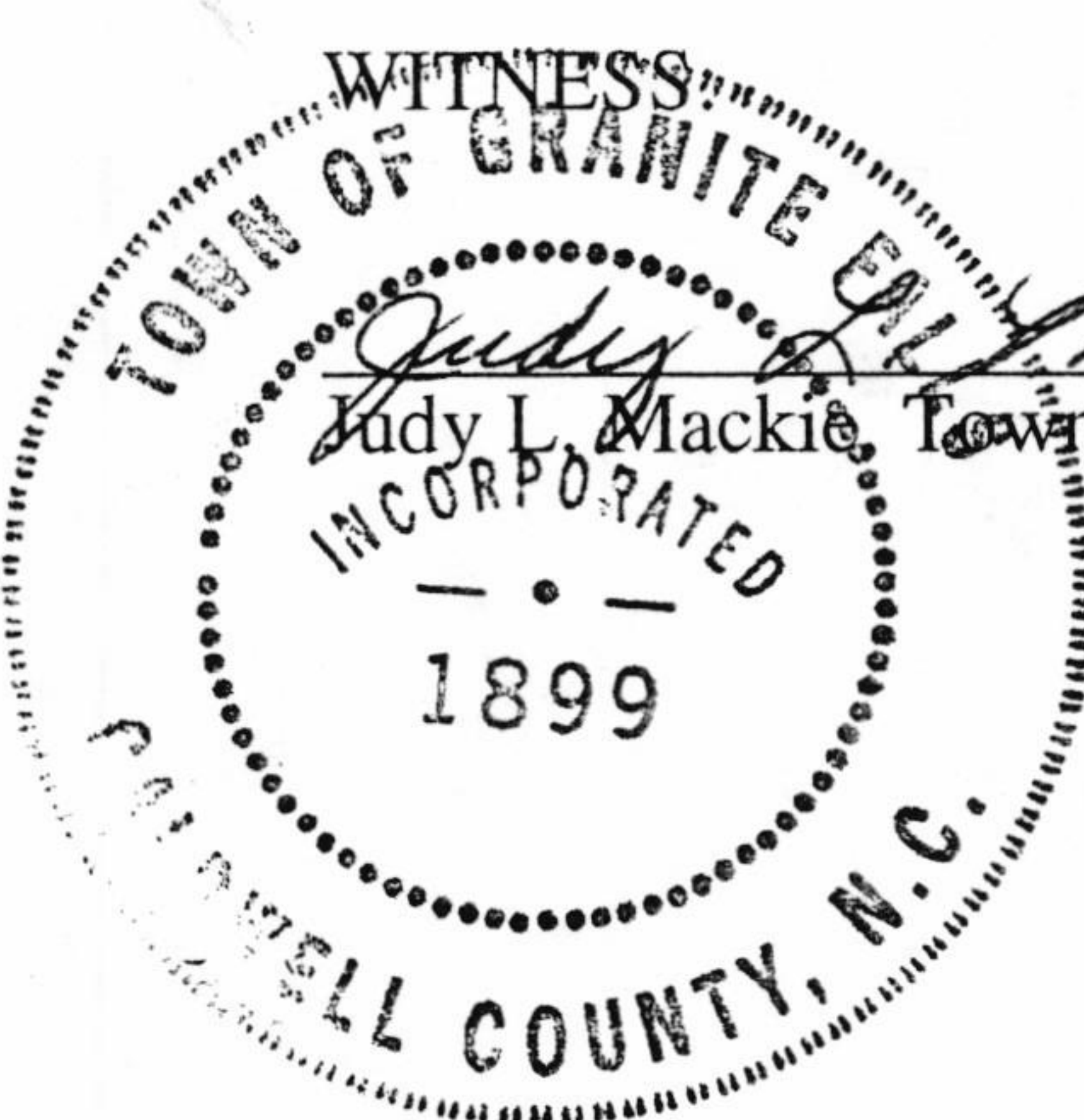
WITNESS:

  
Wanda Reid  
Wanda Reid, Town Clerk

SAWMILLS

Max Andrews  
Max Andrews, Mayor

WITNESS:

  
Judy L. Mackie  
Judy L. Mackie, Town Clerk

TOWN OF GRANITE FALLS

A W Huffman Jr  
A. W. Huffman, Jr., Mayor

STATE OF NORTH CAROLINA

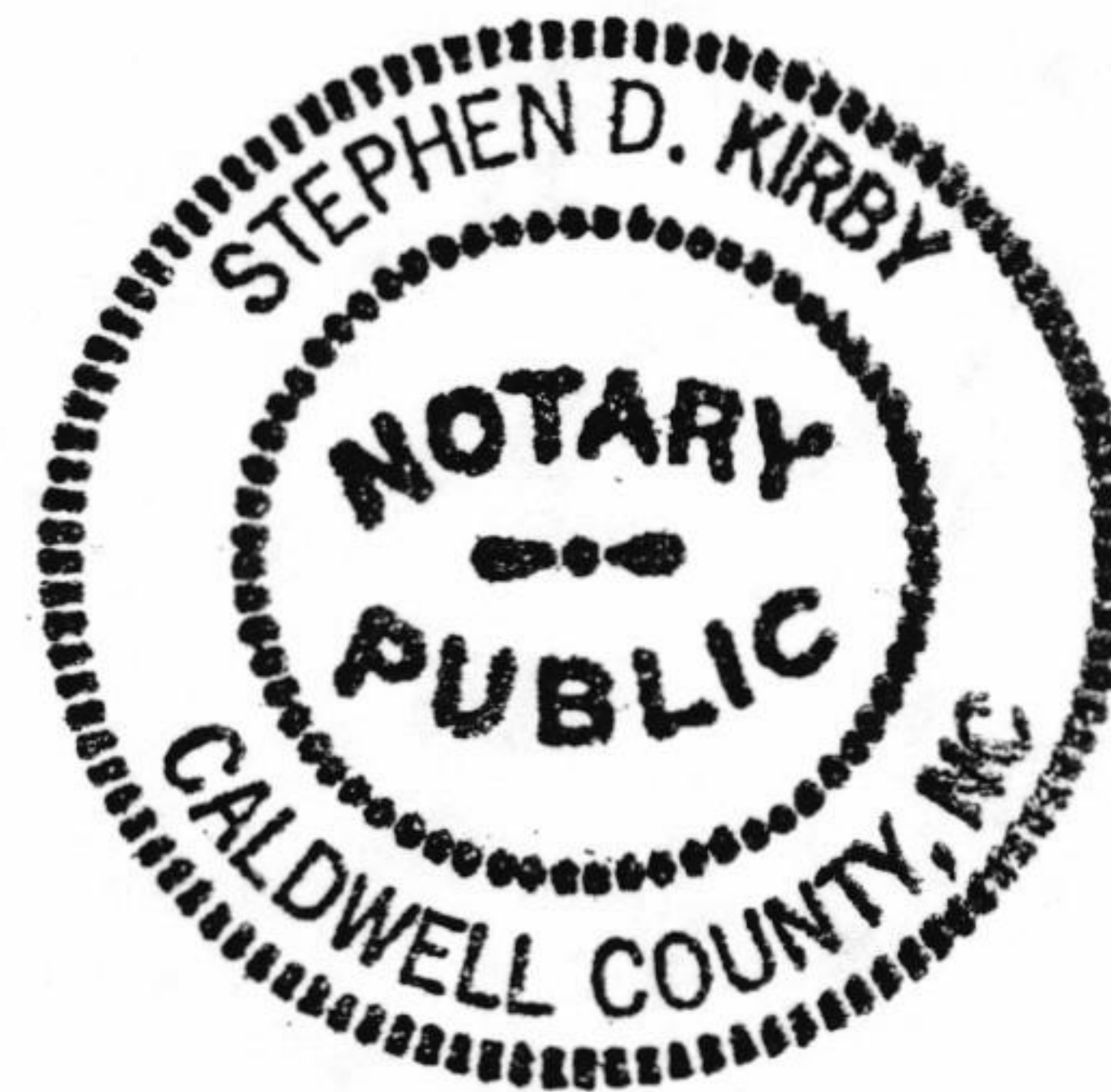
COUNTY OF CALDWELL - TOWN OF GRANITE FALLS

I, a Notary Public of the County and State aforesaid, certify that A. W. Huffman, Jr., personally came before me this day and acknowledged that he is Mayor of the Town of Granite Falls, a municipality within the State of North Carolina, and that he has been duly authorized to sign on behalf of the Town of Granite Falls and this document has been attested by Granite Falls Town Clerk, Judy L. Mackie.

Witness my hand and official seal, this 25 day of April, 1994.

Stephen D. Kirby  
NOTARY PUBLIC

MY COMM. EXPIRES: 11-14-98



STATE OF NORTH CAROLINA

COUNTY OF CALDWELL - TOWN OF SAWMILLS

I, a Notary Public of the County and State aforesaid, certify that Max P. Andrews personally appeared before me this day and acknowledged that he is Mayor of the Town of Sawmills, a municipality within the State of North Carolina, and that he has been duly authorized to sign on behalf of the Town of Sawmills and this document has been attested by Sawmills Town Clerk, Wanda Reid.

Randall Carl Laws  
NOTARY PUBLIC

MY COMM. EXPIRES: 11-08-95