

Attachment 1

**NORTH CAROLINA
ORANGE COUNTY**

2022 REVISED 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 2022 REVISED INTERLOCAL AGREEMENT, made and entered into **this ____ day of March, 2022** 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”. This **2022 Revised Interlocal Agreement** supersedes and replaces the Interlocal Agreement between the Parties entered into as of July 1, 2019 **and the Revised Interlocal Agreement between the Parties entered into as of June 4, 2020.**

WITNESSETH

WHEREAS, the Parties entered into an Interlocal Agreement on July 1, 2019, hereinafter referred to as the “Original Agreement”; and

WHEREAS, the Parties entered into a Revised Interlocal Agreement on June 4, 2020, hereinafter referred to as the “2020 Revised Agreement”; and

WHEREAS, the Parties have determined that it is necessary to enter into a **2022 Revised Interlocal Agreement** to replace and supersede the Original Agreement **and the 2020 Revised Agreement**; and

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 **2022 Revised 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 84 Heritage Lots, due to lot configuration and engineering feasibility 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 65 of the 84 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 within Exhibit A herein the 65 “Heritage Lots With Pre-Existing Dwellings”; and

WHEREAS, the 65 Heritage Lots in the Rogers Road Sewer Project Area with existing dwelling units may have household income levels at or below 80% of the area median income as defined by U.S. Department of 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 65 Heritage Lots with existing dwellings and with household income levels at or below 80% of the area median income (LMI Heritage Lot Households) to the public sewer system; and

WHEREAS, in 2022, representatives of the County and Towns have previously agreed in principle that there are “Potentially Serviceable Lots” as defined within Exhibit A herein that may have existing dwellings and may have household income levels or below 80% of the area median income as defined by the U.S. Department of Housing and Urban Development (HUD); and

WHEREAS, in 2022, representatives of the County and the Towns have previously agreed in principle to jointly fund the installation of private sewer service lateral connections for “Potentially Serviceable Lots” with existing dwellings and with household income levels at or below 80% of the area median income (LMI Heritage Lot Households) to the public sewer system; 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 competitive bids from licensed local plumbing contractors, and will select the lowest responsive and responsible bidder for the installation of private sewer service lateral connections for LMI Heritage Lot Households; and

WHEREAS, the County has pre-allocated \$220,000 as part of the Historic Rogers Road Area Capital Investment Program (CIP) #10054 for the installation of private sewer service lateral connections for LMI Heritage Lot Households wishing to connect, to be reimbursed by the Towns, in part, 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 lowest responsive and responsible bidder 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 ten (10) 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 fifteen (15) 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 \$8,800 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 \$4,400 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, 2025.**
- b. The Original Agreement is hereby superseded and replaced by this Agreement.
- c. The Town of Carrboro shall provide payment to the County up to 14% of the current total project estimate, or \$30,800, 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 ten (10) 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.
- d. The Town of Chapel Hill shall provide payment to the County of up to 43% of the current total project estimate, or \$94,600, 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 fifteen (15) 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.
- e. If overall participation by LMI Heritage Lot Households exceeds the \$220,000 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.
- f. 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> (10 LMI Heritage Lot Household connections within Carrboro jurisdiction)	\$30,800	\$0	\$57,200	\$88,000
<u>Chapel Hill Lots</u> (15 LMI Heritage Lot Household connections within Chapel Hill jurisdiction)	\$0	\$94,600	\$37,400	\$132,000
TOTALS	\$30,800 (14% of total)	\$94,600 (43% of total)	\$94,600 (43% of total)	\$220,000 (100%)

3. RESPONSIBILITIES OF TOWNS

- a. As provided in Section 1c above, the Town of Carrboro is responsible for up to 14% of the current total project estimate, or \$30,800, 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 1d above, the Town of Chapel Hill is responsible for up to 43% of the current total project estimate, or \$94,600, 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 proposals (RFP) so as to solicit competitive bids from licensed local plumbing contractors for the installation of private sewer service lateral connections for LMI Heritage Lot Households. The County will formally award the private sewer service lateral connection installation work for LMI Heritage Lot Households to the lowest responsive and 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 \$94,600 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.

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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

Finance Director, Orange County

ATTEST

By: _____
Clerk

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Manager, Town of Carrboro

Finance Director, Town of Carrboro

ATTEST

By: _____
Clerk

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Manager, Town of Chapel Hill

Finance Director, Town of Chapel Hill

ATTEST

By:_____

Clerk

Historic Rogers Road Sewer Expansion

Exhibit A - Lot Map

Which Lots Can be Served by the New Public Gravity Sewer Lines?

