

**STATE OF NORTH CAROLINA
COUNTY OF PERSON
COUNTY OF GRANVILLE
CITY OF CREEDMOOR
TOWN OF BUTNER
TOWN OF STEM**

INTERLOCAL AGREEMENT FOR THE JOINT OPERATION OF A
STORMWATER MANAGEMENT PROGRAM IN PERSON COUNTY,
GRANVILLE COUNY, THE CITY OF CREEDMOOR, THE TOWN OF
BUTNER, and THE TOWN OF STEM KNOWN AS GRANVILLE-PERSON
STORMWATER SERVICES

**THIS INTERLOCAL AGREEMENT FOR THE JOINT OPERATION OF A
STORMWATER MANAGEMENT PROGRAM IN PERSON COUNTY, GRANVILLE
COUNTY, THE CITY OF CREEDMOOR, THE TOWN OF BUTNER, and THE TOWN
OF STEM** (hereinafter the "Agreement") is made as of _____
by and between **PERSON COUNTY**, a body politic and corporate of the State of North
Carolina, (hereinafter "Person County"), **GRANVILLE COUNTY**, a body politic and
corporate of the State of North Carolina, (hereinafter "Granville County"), the **CITY OF
CREEDMOOR**, North Carolina, a municipal corporation of the State of North Carolina
(hereinafter "Creedmoor"), the **TOWN OF BUTNER**, North Carolina, a municipal
corporation of the State of North Carolina (hereinafter "Butner"), and the **TOWN OF
STEM**, North Carolina, a municipal corporation of the State of North Carolina (hereinafter
"STEM") (collectively, Person County, Granville County, Creedmoor, Butner and Stem
are referred to herein as the "Participating Jurisdictions").

WITNESSETH:

WHEREAS, Water quality standards mandated by state and federal law are requiring that
local governments develop more detailed, advanced, and costly stormwater programs;

WHEREAS, effective stormwater management should be provided to protect, to the
extent practicable, the citizens of the Participating Jurisdictions from the loss of life and property
damage from flooding;

WHEREAS, the construction, operation, and maintenance of stormwater conveyance
systems requires long term planning and stable and adequate funding;

WHEREAS, aging stormwater conveyance systems and increasing demand upon those
systems from development require that local governments engage in long term planning and
increasingly depend upon stable and adequate funding;

WHEREAS, the Participating Jurisdictions have worked together for many months to determine how best to provide stormwater management services within their respective jurisdictions in a cost-effective manner;

WHEREAS, the Participating Jurisdictions have determined that significant economies of scale can be achieved from joining together in a joint Stormwater Management Program to be known as “Granville-Person Stormwater Services;”

WHEREAS, the goal of Granville-Person Stormwater Services is to provide comprehensive storm water services in an efficient, effective, and equitable manner by using, in an efficient manner, resources that are available to each jurisdiction to avoid excessive staffing and purchases of equipment and duplication of services;

WHEREAS, the governing boards of Person County, Granville County, Creedmoor, Butner and Stem believe the most equitable source of revenue for storm water services to be primarily storm water service fees assessed on the basis of contribution of runoff and pollutants in that runoff from each property and have each enacted an Ordinance Establishing A Stormwater Management Utility in each of their jurisdictions;

WHEREAS, North Carolina General Statutes §§153A-277 and 160A-314 require that no storm water service fee may be levied whenever two or more units of local government operate separate structural and natural stormwater and drainage system services in the same area within a County unless units of local government allocate among themselves the functions, duties, powers, and responsibilities of jointly operating a stormwater management program and structural and natural stormwater and drainage system service in the same area within a county; and

WHEREAS, the Participating Jurisdictions should have certain distinct responsibilities in connection with the operation, maintenance and financing of separate systems.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND FULFILLMENT OF THE TERMS OF THIS AGREEMENT, THE PARTICIPATING JURISDICTIONS AGREE AS FOLLOWS:

1. Shared Administrative Costs. The Participating Jurisdictions shall share the costs of the following services based upon the funding allocation set forth in the Work Plan described below:

- (a) Stormwater Utility Services Manager. Granville County shall hire a Stormwater Utility Services Manager who, upon his or her effective date of employment, each of the Participating Jurisdictions hereby designates as its Stormwater Utility Manager as defined in each jurisdiction’s “Ordinance Establishing a Stormwater Management Utility.” The Participating Jurisdictions shall reimburse Granville County for all costs reasonably associated with employing a Stormwater Utility Services Manager for Granville-Person Stormwater Services including, but not limited to, costs of salary, cost² of employment benefits, cost of office space,

equipment and furnishings and all other reasonable costs customarily associated with similar positions. The Stormwater Utility Services Manager shall perform such duties as the Participating Jurisdictions shall jointly agree shall be assigned to him or her in the annual Work Plan (as described herein below). The Participating Jurisdictions shall develop a budget for the Stormwater Utility Services Manager that shall be included as part of the annual Work Plan. The duties of the Stormwater Utility Services Manager shall include, but not be limited to:

- i. Staying abreast of water quality rules, regulations, and permit requirements affecting the Participating Jurisdictions.
- ii. Attending relevant local, state, federal and associational meetings to monitor and report on developments related to water quality including, but not limited to, Upper Neuse River Basin Association meetings.
- iii. Acting as an advocate for the Participating Jurisdictions in various settings including, but not limited to, Upper Neuse River Basin Association meetings so that the Participating Jurisdictions can have a larger voice through collective representation (this shall not imply that the Stormwater Utility Services Manager shall act as a Registered Lobbyist).
- iv. Inventorying and coordinating the resources of the Participating Jurisdictions to determine possibilities for contracting among jurisdictions for necessary personnel, equipment, and services.
- v. Identifying stormwater needs that are beyond the existing capabilities of the Participating Jurisdictions and assisting the Participating Jurisdictions in meeting those needs, individually or collectively, in the most cost effective manner.
- vi. Developing a Credit Application Instruction Manual in coordination with all of the Participating Entities which may be adopted by the Participating Entities.
- vii. Reviewing credit applications in coordination with each Participating Jurisdiction's staff as necessary and approving or rejecting any application for a credit in whole or in part.
- viii. Coordinating and/or performing plan review, BMP maintenance monitoring and inspection and other functions on behalf of the Participating Jurisdictions to the extent desired by each jurisdiction.
- ix. Assisting the Participating Jurisdictions with customer service and particularly interfacing with the tax offices and planning offices in Granville County and Person County to assist with customer service issues.
- x. Hearing and deciding First-Level Appeals for the Participating Jurisdictions as set out in more detail below.

- xi. Coordinating stormwater utility-related communications and information flow between jurisdictions.
 - xii. Performing such other duties as may be assigned to the Stormwater Services Director in the Work Plan.
- (b) Cost of Monitoring. The Participating Jurisdictions shall share the costs of any monitoring determined by the Participating Jurisdictions to be beneficial to the interests of all of the Participating Jurisdictions. Participating Jurisdictions shall develop a budget for any monitoring that shall be included as part of the annual Work Plan.
- (c) Appeals. As set out in each Participating Jurisdiction’s “Ordinance Establishing a Stormwater Management Utility,” all appeals shall be timely filed with the Stormwater Utility Services Manager for review and disposition within 60 days of billing, stating the reasons for the appeal, and providing information pertinent to the calculation of the billed charge. The Stormwater Utility Services Manager shall make the initial decision and disposition on the appeal (“First Level Appeal”) with any further appeal from the Stormwater Utility Services Manager’s decision being decided by the County Manager (or his or her designee) of the County from which the appeal arose (which County Manager is hereby designated as the person to hear such appeals by each of the Participating Jurisdictions).
- (d) Annual Billing Update. Each year Granville-Person Stormwater Services, under the management of the Stormwater Utility Services Manager, shall cause updated tax data to be gathered from each taxing jurisdiction. Using such information determined to be reasonably necessary, Granville-Person Stormwater Services shall update its billing records to reflect any new impervious surface added during the previous year and shall correct any errors that it discovers. The budget for this work shall be set out in the annual Work Plan and shall be performed by such person or persons as shall be determined by Granville County in accordance with its contracting policy following consultation by the Stormwater Utility Services Manager with the Participating Jurisdictions.
- (e) Aerial Photography/ GIS Reconciliation. Once every four years when new aerial photography is available, Granville-Person Stormwater Services, under the management of the Stormwater Utility Services Manager, may reconcile the impervious area calculations obtained from the updated GIS data generated from the review process set out in subparagraph iv. Above with aerial imagery data in order to ensure accurate billing data. The budget for this work shall be set out in the annual Work Plan for the applicable review years and shall be performed by such person or persons as shall be determined by Granville County in accordance with its contracting policy following consultation by the Stormwater Utility Services Manager with the Participating Jurisdictions.
2. Shared Administrative Costs for Granville County, Creedmoor, Butner, and Stem.

Granville County shall perform the following functions on behalf of Granville County, Creedmoor, Butner and Stem:

- (a) Billing and collections. Granville County will bill and collect stormwater fees on behalf of Creedmoor, Butner, and Stem (the “Participating Granville Municipalities”) on the following terms and conditions:
- i. Pursuant to the provisions of Chapter 160A, Article 20, Part One of the General Statutes of North Carolina, and the provisions of G.S. 153A-445 of the General Statutes of North Carolina, Granville County and the Participating Granville Municipalities agree that Granville County will undertake the collection of stormwater utility fees (“Stormwater Management Utility Service Charges”) and penalties which the Participating Granville Municipalities may lawfully impose, effective on the 1st day of July, 2012.
 - ii. On and after July 1, 2012, all Stormwater Management Utility Service Charge and penalties due the Participating Granville Municipalities shall be collected by the Granville County Tax Collector and remitted to the respective Participating Granville Municipalities less the fee described in subparagraph iv. below. In addition to the collection efforts described herein, the Granville County Tax Office shall provide basic customer service functions including answering basic questions about bills and referring more complex questions to the appropriate person or entity for further attention.
 - iii. For the purposes hereof, the operation of the office of the Granville County Tax Collector shall be under the supervision of the Granville County Manager, except as herein otherwise provided.
 - iv. For the fiscal year beginning July 1, 2012 and ending June 30, 2013, the Participating Granville Municipalities shall pay to Granville County as reimbursement for its services in billing and collecting Stormwater Management Utility Service Charges and penalties, a fee of one and one-half percent (1.5%) of Stormwater Management Utility Service Charges and penalties collected, said fee to be withheld from each remittance to the Participating Granville Municipality for which such fees and penalties are collected. This Section 2(a) of this Agreement shall continue in effect from year to year so long as the parties are able to agree upon a renewal fee, as hereinafter provided.
 - v. The fee for services herein provided shall be subject to negotiation annually and shall be agreed upon ninety (90) days prior to the end of the current fiscal year. In the event that Granville County and the Participating Granville Municipalities parties or any combination thereof fail to reach an agreement ninety (90) days prior to the end of the current fiscal year then and in that event this Agreement shall terminate at the end of the current fiscal year as to those entities with whom no agreement is reached; provided, however, in the absence of actual communication

between the parties, it shall be assumed that both parties consent to a fee of one and one-half percent (1.5%) of taxes and fees collected and this Section 2(a) of this Agreement shall automatically renew from year to year.

- vi. Records showing separately the amount of Stormwater Management Utility Service Charges and penalties billed and collected for each of the Participating Granville Municipalities and Granville County shall be maintained by the Granville County Tax Collector.
- vii. Separate bonds shall be given by the Granville County Tax Collector and such of his/her assistants and clerks as may be requested or required by each of the Participating Granville Municipalities.
- viii. Each of the Participating Granville Municipalities shall exercise their best efforts to determine which ratepayers are residents of their respective Participating Granville Municipality and shall inform Granville County of their determination. Granville County assumes no liability for the collection of Stormwater Management Utility Service Charges and penalties from residents of the Participating Granville Municipalities who have not been identified as residents thereof by the relevant municipality or for the accuracy of any records provided by the Participating Granville Municipalities.
- ix. Upon the discovery of parcels that have not been properly billed, Granville County or the respective Participating Granville Municipality, as the case may be, shall notify the other of the previous failure to bill and will work in good faith to add such parcel to the billing database.
- x. Unless otherwise specifically designated, a partial payment on a consolidated tax bill shall be proportionately credited against taxes, fees and penalties due each unit or as otherwise required by law.
- xi. The billing records shall be audited annually by Granville County's independent Certified Public Accountant, or each Participating Granville Municipality may, at its own expense, provide for the auditing of the records relating to the fees and penalties due it. In the event of separate audits, the unit desiring the audit to be made shall bear the expense thereof. The Stormwater Management Utility Service Charge and penalty records relating to Stormwater Management Utility Service Charges and penalties due each of the Participating Granville Municipalities shall be available to the respective Participating Granville Municipality, its agents and employees, at all reasonable times.
- xii. In the event that legislative authorization is obtained to collect the Stormwater Management Utility Service Charges and penalties in the same manner as a property tax, the Granville County Tax Collector shall perform all duties imposed by law upon the Municipal Tax Collector

(with respect to Municipal taxes) and County Tax Collectors or Sheriffs
(with respect to County taxes).

- xiii. With respect to delinquent Stormwater Management Utility Service Charges and penalties, Granville County shall report delinquent accounts to the North Carolina Debt Setoff program. Further efforts to collect delinquent accounts by any remedy provided by law for collecting and enforcing private debts shall only be undertaken with the specific authorization of the affected Participating Granville Municipality which shall bear all costs associated with such collection action. In the event that legislative authorization is obtained to collect the Stormwater Management Utility Service Charges and penalties in the same manner as a property tax, with respect to accounts where delinquent tax items and/or Stormwater Management Utility Service Charges and penalties are due both the County and the Town, the Granville County Tax Collector shall report the same to the attorney handling those cases at the same time, and actions for foreclosure of tax liens shall be brought in the name of the County and Town. If taxes are delinquent for one of the taxing units and not to the other, tax suits shall be brought in the name of the unit to which the taxes and/or Stormwater Management Utility Service Charges and penalties are due. All Stormwater Management Utility Service Charges and penalties delinquent for a period of three (3) years shall be reported to the attorney handling the tax foreclosures.
 - xiv. The Participating Granville Municipalities shall be furnished a report of all tax parcels when it is compiled. All other reports requested by a Participating Granville Municipality that require an additional cost to Granville County will be paid for by the Participating Granville Municipality.
 - xv. Either the County or any Participating Granville Municipality may, upon appropriate action by said party's governing board, terminate this section 2(a) of this Agreement by giving the other party written notice of termination. The effective date of termination shall be two (2) months from the notice date if such notice is given on or before April 1 of the calendar year and shall be March 31 of the following calendar year if the notice is given after April 1 of the calendar year.
- (b) Enhanced Customer Service Support. In conjunction with the Stormwater Utility Services Manager, Granville County shall provide customer service to the Participating Granville Municipalities to supplement the basic customer service provided by the Granville County Tax Collector's Office. Such support shall include, but shall not be limited to, assisting the Stormwater Utility Services Manager and the Granville County Tax Collector in reviewing the accuracy of bills, performing or assisting in database updates as inaccuracies are detected and rectified, and performing such other customer service functions as may be reasonably required to provide a unified customer service function in conjunction with the Stormwater Utility Services Manager.

(c) Other Shared Administrative Costs May Be Added By Mutual Agreement. Granville County and the Participating Granville Municipalities may agree that other tasks and functions may be added by mutual agreement as shared administrative costs on an Annual Work plan as may be from time to time amended by Granville County and the Participating Granville Municipalities. In addition, functions specifically enumerated herein as shared administrative costs can be deleted by mutual agreement on an Annual Work plan as may be from time to time amended by Granville County and the Participating Granville Municipalities.

3. Jurisdiction Specific Stormwater Costs. Each Participating Jurisdiction, by mutual agreement with another jurisdiction through the Work Plan or separate contract, may acquire, lease as lessor or lessee, construct, establish, enlarge, improve, extend, maintain, own, operate, and contract for any component of said jurisdiction's Stormwater Management Program as defined in each Participating Entity's "Ordinance Establishing A Stormwater Management Utility" from any other Participating Entity.

4. Work Plan. In or before January of each year, the Participating Entities with the coordination of the Stormwater Utility Services Manager shall begin meeting to discuss the services to be provided pursuant to the terms of this Agreement. On or before March 1 of each year, each jurisdiction shall deliver to the Stormwater Utility Services Manager its jurisdiction specific work plan. The jurisdiction specific work plan shall specify which services the jurisdiction proposes to acquire as a Shared Administrative Cost, a Shared Administrative Cost for Granville County and the Participating Granville Municipalities, or a Jurisdiction Specific Stormwater Cost. On or before April 1 of each year, the Stormwater Utility Services Manager shall deliver a proposed Work Plan to each of the Participating Entities that shall take into account each Participating Entity's goals. In doing so, the Stormwater Utility Services Manager shall assist the Participating Entities in coordinating services across the jurisdictions so that resources are allocated in a manner that takes into account each jurisdiction's capabilities and needs in an effort to achieve maximum efficiencies. Subject to such revisions as the Participating Entities may agree on, each Participating Entity shall adopt or reject the final Work Plan on or before May 15 of each year. Such Work Plan shall be attached to this Agreement and shall set out the scope of services to be provided under the terms of this Agreement by each of the Participating Jurisdictions until the Work Plan may be revised or otherwise modified. In the event that a Participating Entity fails to adopt rates, fees, or charges sufficient to fund its share of the Work Plan in accordance with N.C. Gen. Stat. §153A-277(a1)(1) or N.C. Gen. Stat. §160A-314(a1)(1), the Participating Entity shall fund its share of the Shared Administrative Costs and the Shared Administrative Costs for Granville County and the Participating Granville Municipalities respectively before funding Jurisdiction Specific Stormwater Costs. The Work Plan for fiscal year 2012-2013 is attached hereto and incorporated herein by reference as Exhibit "A".

5. Billing and Collection for Services Hereunder. Each Participating Jurisdiction providing services hereunder shall send an invoice for services provided during the previous calendar month (as defined by the Work Plan) on or before the 20th day of the month following the month in which the services were provided. The Participating Entity receiving an invoice for services hereunder shall pay such invoice, less any amount in dispute, within 21 days of receipt.

6. Designation of Raftelis Financial Consultants, Inc. as Interim Stormwater Services Manager. Until a Stormwater Utility Services Manager is hired as set out herein, Raftelis Financial Consultants, Inc. is designated as the Stormwater Services Manager. In the event of a vacancy in the position of Stormwater Utility Services Manager, Granville County may take such steps as it in its reasonable discretion feels necessary to fill the position on an interim basis and may appoint one of its existing employees as the interim Stormwater Utility Services Manager.

7. Responsibility for Compliance With Applicable Law. Each Participating Jurisdiction understands and agrees that it is solely responsible for complying with all applicable laws, rules, ordinances, permit requirements and other applicable legal authority related to water quality within its jurisdictional boundaries.

8. Granville-Person Stormwater Services Working Group. Each of the Participating Jurisdictions shall select up to two representatives to meet with representatives from the other Participating Jurisdictions and the Stormwater Utility Services Manager on a regular basis at such times as the Participating Jurisdictions shall determine to coordinate service provision.

9. Methods of Amending this Agreement. This Agreement may be amended by written agreement authorized by the governing bodies of each party and signed by authorized representatives of each party.

10. Term of Agreement-Methods of Terminating the Agreement. The initial term of this Agreement shall be from July 1, 2012 to June 30, 2013, and shall be automatically renewed each fiscal year thereafter unless notice of non-renewal is given in writing at least 6 months prior to the beginning of the fiscal year when termination is intended. This Agreement may also be terminated by court order upon the finding that there has been substantial breach of this agreement by the non-complaining party so as to entitle the complaining party to be relieved of its obligations under this Agreement.

11. Enforcement of Agreement. The parties agree that the remedy of specific performance would be an appropriate remedy, among others, for the enforcement of this Agreement.

12. Failure to Adopt. In the event that any Participating Entity fails to adopt this Agreement, then this Agreement shall be effective with respect to those Participating Entities which adopt this Agreement provided, however, that if Granville County fails to adopt this Agreement, then this Agreement shall be null and void and of no effect. If less than all of the Participating Entities fail to adopt this Agreement, any of the other Participating Entities may withdraw from this Agreement prior to July 1, 2012 by appropriate board action.

13. Amendment of Stormwater Utility Ordinances. Each Participating Jurisdiction shall use its best efforts to give advance notice to other Participating Jurisdictions of any proposed amendments to its "Ordinance Establishing a Stormwater Management Utility."

14. Pre-Audit. This Agreement has been pre-audited in the manner required by the North Carolina Local Government Budget and Fiscal Control Act as evidenced by the signatures of the finance officers of each of the Participating Jurisdictions as set out on Exhibit B attached

hereto and incorporated herein by reference.

15. Entire Agreement. This Agreement is the entire agreement of the parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written by the authority duly granted by their respective governing bodies.

[SIGNATURES ON FOLLOWING PAGES]

ATTEST:

Debra A. Weary, Clerk

ATTEST:

Brenda B. Reaves, Clerk

ATTEST:

Korena Weichel, Clerk

ATTEST:

Dianne E. White, Clerk

ATTEST:

_____, Clerk

GRANVILLE COUNTY

By: _____
Chairman, Board of County Commissioners

Approved as to form:

County Attorney

PERSON COUNTY

By: _____
Chairman, Board of County Commissioners

Approved as to form:

County Attorney

CITY OF CREEDMOOR

By: _____
Mayor, City of Creedmoor

Approved as to form:

City Attorney

TOWN OF BUTNER

By: _____
Mayor, Town of Butner

Approved as to form:

Town Attorney

TOWN OF STEM

By: _____
Mayor, Town of Stem

Approved as to form:

Town Attorney

EXHIBIT A

Work Plan for Fiscal Year 2012-2012

EXHIBIT B

PRE-AUDIT CERTIFICATION

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

Michael A. Felts
Finance Director, Granville County

PRE-AUDIT CERTIFICATION

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

Amy Wehrenberg
Finance Director, Person County

PRE-AUDIT CERTIFICATION

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

Ren Wiles
Finance Director, City of Creedmoor

PRE-AUDIT CERTIFICATION

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

Susan C. Hiscocks
Finance Director, Town of Butner

PRE-AUDIT CERTIFICATION

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

James P. Winston II
Finance Director, Town of Stem