

Agenda
Board of Aldermen
Town of Gibsonville

August 5, 2019
Regular Meeting

Town Hall
7:00 pm

1. Invocation - Alderman Pleasants
Pledge of Allegiance
2. Public Comments
3. Approval of Agenda
4. Approval of Minutes
5. Ordinance to Extend the Corporate Limits - David Todd Humphrey - Gibsonville-Ossipee Road
(Stone Ridge)
6. Ordinance Amendment Chapter 93. Fire Prevention, Section 93.02 Fire Limits
7. Bond Order & Resolution for the Issuance of Sewer System Revenue Bonds
8. Resolution of Support Regarding Improvements at Intersection of NC 61 and NC 100
9. Conceptual Elon/Gibsonville Annexation Line of Agreement
10. FY 2020 Budget Ordinance Amendment #1
11. Set September Meeting Date – Labor Day
12. Reports
 - a. Manager
 - b. Mayor
 - c. Board Members

Addendum

- 5. Ordinance to Extend the Corporate Limits – David Todd Humphrey – Public Hearing -** Property owner David Todd Humphrey had presented a Petition for Annexation of 4.75 acres located on Gibsonville-Ossipee Rd.; extension of Stone Ridge. The Town Manager presented the Certificate of Sufficiency of the Petition at the last meeting and the Board set the public hearing for annexation for the August 5, 2019 meeting. *The Town Manager recommends approval of the Ordinance to Extend the Corporate Limits.*
Attachments: Ordinance to Extend the Corporate Limits
- 6. Ordinance Amendment Chapter 93. Fire Prevention, Section 93.02 Fire Limits – Public Hearing -** Staff is recommending an Amendment to the Town Code of Ordinances Chapter 93. Fire Prevention, Section 93.02 Fire Limits. At the last meeting Fire Chief Todd made a presentation stating they had recently discovered the current fire limits description in the ordinance was outdated. This is a public hearing for the August 5, 2019 meeting to amend Ordinance Chapter 93. Fire Prevention, Section 93.02 Fire Limits. *Staff recommends approval of the Ordinance Amendment.*
Attachments: Ordinance Amendment Chapter 93. Fire Prevention, Section 93.02 Fire Limits
- 7. Bond Order & Resolution for the Issuance of Sewer System Revenue Bonds –** This is the next step to providing interim financing for the sewer system revenue bonds. *The Town Manager recommends approval of the Bond Order Authorizing the Issuance of Sewer System Revenue Bonds and the approval of the Resolution Providing for the Issuance of Sewer System Revenue Bond Anticipation Note.*
Attachments: Bond Order & Resolution
- 8. Resolution of Support Regarding Improvements at Intersection of NC 61 and NC 100 –** Per the attached letter from Mike Mills with NCDOT, NCDOT has added the improvement of the existing intersection of NC61 and NC100 (at Kimber’s Restaurant) to the High Impact/Low Cost projects. *Staff is recommending approval of the Resolution of Support Regarding Improvements at Intersection of NC 61 and NC 100.*
Attachment: Letter from Mike Mills with NCDOT & Resolution
- 9. Conceptual Elon/Gibsonville Annexation Line of Agreement –** Staff has met with Elon staff and agreed on a draft Conceptual Elon/Gibsonville Annexation Line of Agreement. Josh Johnson with AWCK will be present to update the Board on the Conceptual Elon/Gibsonville Annexation Line of Agreement. The Town of Elon Board of Aldermen approved the Agreement at their July 9th meeting. *Staff is recommending that the board consider the Conceptual Elon/Gibsonville Annexation Line of Agreement.*
Attachments: Conceptual Line of Agreement dated 7-2-19
- 10. FY 2020 Budget Ordinance Amendment #1 –** The FY 2020 Budget Ordinance Amendment #1 is needed to account for the use of Federal Drug Funds to purchase two additional K-9’s & kennels, pay for the second half of the surveillance camera system funded through the Governors Crime Commission Grant (through reimbursement), account for State Aid Grant to the Gibsonville Public Library (this is a monthly grant), and donations for the National Night Out. *Staff recommends approval of the FY 2020 Budget Ordinance Amendment #1.*
Attachment: FY 2020 Budget Ordinance Amendment #1

11. Set September Meeting Date – Labor Day – The September Board meeting falls on the Labor Day Holiday; September 2, 2019. *The Board will need to reschedule the regular meeting date for September.*

Item 5

Annex. Ord. 2019-2

**AN ORDINANCE TO EXTEND THE CORPORATE LIMITS
OF THE TOWN OF GIBSONVILLE**

WHEREAS, the Board of Aldermen of the Town of Gibsonville has been petitioned under G.S. 160A-31, as amended, to annex the area described herein; and

WHEREAS, the Board of Aldermen of the Town of Gibsonville has by Resolution directed the Town Manager to investigate the sufficiency of said petition; and

WHEREAS, the Town Manager has certified the sufficiency of said petition and a Public Hearing on the question of this annexation was held at the Gibsonville Town Hall at 7:00 pm on the 5th day of August, 2019 after due notice by publication in the Times News; and

WHEREAS, the Board of Aldermen of the Town of Gibsonville does hereby find as a fact that said petition meets the requirements of G.S. 160A-31, as amended;

NOW, THEREFORE, BE IT ORDAINED by the Board of Aldermen of the Town of Gibsonville, North Carolina:

Section 1. By virtue of the authority granted by G.S. 160A-31, as amended, the following described territory, is hereby annexed and made part of the Town of Gibsonville as of the 5th day of August, 2019:

**Property identified as Alamance County Register of Deeds Book 1044, Page 311
(4.75 acres) located on Gibsonville Ossipee Rd., owned by David Todd Humphrey**

Section 2. Upon and after the 5th day of August, 2019 the above described territory and its citizens and property shall be subject to all debts, laws, ordinances, and regulations in force in the Town of Gibsonville and shall be entitled to the same privileges and benefits as other parts of the Town of Gibsonville. Said territory shall be subject to municipal taxes according to G.S. 150A-58.10.

Section 3. The Mayor of the Town of Gibsonville shall cause to be recorded in the office of the Register of Deeds of Guilford County, and in the Office of the Secretary of State in Raleigh, North Carolina, an accurate map of the annexed territory, described in Section 1 hereof, together with a duly certified copy of the Ordinance. Such a map shall also be delivered to the County Board of Elections, as required by G.S. 163-288.1.

Adopted this the 5th day of August, 2019.

Attest:

Mayor

Town Clerk

Item 6

**AN ORDINANCE TO AMEND GIBSONVILLE CODE OF ORDINANCES
CHAPTER 93: FIRE PREVENTION, SECTION 93.02 FIRE LIMITS**

WHEREAS, the current Code of Ordinances was re-codified in 2013; and

WHEREAS, fire prevention is important to the safety of the Town of Gibsonville and its residents; and

WHEREAS, it is necessary to update the Code of Ordinances of the Town of Gibsonville from time to time; and

WHEREAS, Section 93.02 Fire Limits is to be amended by deleting the current metes and bounds description and replace it with the following:

Beginning at a point in the centerline intersection of Lewis Street and Eugene Street;

Thence with the centerline of Eugene Street, N 59°34'54" W A Distance Of 667.95' to a point in the centerline intersection of Eugene Street and Wharton Street;

Thence with the centerline of Wharton Street, S 29°13'12" W A Distance Of 280.17' to a point on the southern right of way of Main Street;

Thence with the southern right of way of Main Street, S 60°13'33" E A Distance Of 21.28' to an EIP;

Thence with the eastern property line of PIN: 102676, S 28°20'34" W A Distance Of 187.60' to a point in the centerline of N.C. Railroad Track;

Thence with the centerline of N.C. Railroad, S 60°51'14" E A Distance Of 1185.23' to a point;

Thence with the centerline of Main Street the following courses and distances:

N 30°58'41" E A Distance Of 184.54' to a point;

N 59°16'22" W A Distance Of 25.80' to a point;

Thence with the common line of PIN: 102229 and PIN: 102217, N 29°50'04" E A Distance Of 261.41' to an EIP in the line of PIN: 102231;

Thence with the common line of PIN: 102229, PIN: 102231 and PIN: 102225, N 60°08'47" W A Distance Of 100.37' to an EIP corner of PIN: 102225;

Thence with the common line of PIN: 102225 and PIN: 102229, S 29°25'55" W A Distance Of 22.64' to an EIP corner with PIN 102217;

Thence with the common line of PIN: 102225, PIN: 102217, PIN: 102224 and PIN: 102222 N 60°50'07" W A Distance Of 195.48' to a point in the center of Piedmont Avenue;

Thence with the centerline of Piedmont Avenue, Street N 28°23'55" E A Distance Of 208.66' to a point in the centerline intersection of Piedmont Avenue and Burlington Avenue;

Thence with the centerline of Burlington Avenue, N 62°46'25" W A Distance Of 236.94' to a point in the centerline intersection of Burlington Avenue and Lewis Street;

Thence with the centerline of Lewis Street, S 25°25'24" W A Distance Of 173.12' to a point;

Which Is the Point Of Beginning,

Having an area of 13.30 acres.

WHEREAS, a public hearing was advertised and a public hearing was held at a regular Board of Aldermen meeting on August 5, 2019 and passed by an unanimous vote; and

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN FOR THE TOWN OF GIBSONVILLE: that the Gibsonville Code of Ordinances Chapter 93: Fire Prevention, Section 93.02 Fire Limits be amended.

Adopted this the 5th day of August, 2019.

Attest:

Mayor

Town Clerk

BOND ORDER AUTHORIZING THE ISSUANCE OF SEWER SYSTEM REVENUE BONDS OF THE TOWN OF GIBSONVILLE, NORTH CAROLINA TO PAY A PART OF THE COST OF ACQUIRING, CONSTRUCTING AND EQUIPPING CERTAIN IMPROVEMENTS TO THE SEWER SYSTEM OF THE TOWN; PROVIDING FOR THE ISSUANCE OF ADDITIONAL REVENUE BONDS; PROVIDING FOR THE ISSUANCE OF REVENUE BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE OF REVENUE BONDS; PROVIDING FOR THE COLLECTION OF SERVICE CHARGES FOR THE USE OF THE SYSTEM; PROVIDING FOR THE CREATION OF CERTAIN SPECIAL FUNDS; PLEDGING TO THE PAYMENT OF THE PRINCIPAL OF AND THE INTEREST ON THE REVENUE BONDS AND NOTES CERTAIN REVENUES OF THE SYSTEM; SETTING FORTH THE RIGHTS AND REMEDIES OF OWNERS; AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS

WHEREAS, the Town of Gibsonville, North Carolina (the "Town") owns and operates certain public utility or public service enterprise facilities comprising a sewer system of the Town (the "Existing Facilities");

WHEREAS, the Board of Aldermen for the Town (the "Board") has determined that it is necessary to acquire, construct and equip certain improvements to the sewer system of the Town, including but not limited to the rehabilitation and replacement of collection lines, manholes, smoke testing and videoing equipment (the "Project"), in order to provide sewer service at an acceptable level in the areas served or to be served by the Town;

WHEREAS, the Board has determined that it is necessary for the Town to authorize the issuance of sewer system revenue bonds of the Town pursuant to The State and Local Government Revenue Bond Act, as amended, for the purpose of providing funds, with other available funds, for paying the cost of the Project and to provide for certain related matters at this time;

WHEREAS, the Town is authorized pursuant to said Act to issue its revenue bonds to provide money for the acquisition, construction, reconstruction, extension, improvement or payment of the cost of one or more revenue bond projects, including sewer systems or facilities; and

WHEREAS, the Local Government Commission of North Carolina is expected to approve at its August 6, 2019 meeting the application of the Town for the issuance of its sewer system revenue bonds in an amount not exceeding \$3,000,000 for the purpose of providing funds, with other available funds, for paying the cost of the Project;

NOW, THEREFORE, BE IT ORDERED by the Board, as follows:

ARTICLE I

GENERAL PROVISIONS AND DEFINITIONS

Section 1.01 Contract with Owners. In consideration of the purchase and acceptance of the Bonds by those who shall hold the same from time to time, the provisions of this Bond Order shall be deemed to be and shall constitute a contract between the Town and the Owners from time to time of the Bonds; and the covenants and agreements herein set forth to be performed by or on behalf of the Town shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds so issued or to be issued, without preference, priority or distinction as to lien or otherwise, except as otherwise hereinafter provided, of any one Bond over any other Bond by reason of priority in the issue, sale or negotiation thereof, or otherwise.

Section 1.02 Definitions. In addition to the terms defined elsewhere in this Bond Order, the following words and terms as used in this Bond Order shall have the following meanings, unless some other meaning is manifestly intended:

“Act” means The State and Local Government Revenue Bond Act, constituting Article 5 of Chapter 159 of the General Statutes of North Carolina, as amended.

“Additional Bonds” means the Additional Bonds referred to in **Article III** hereof.

“Annual Budget” means any annual budget of the Town in effect pursuant to **Section 7.07** of this Bond Order.

“Board” means the Board of Aldermen for the Town or the board or body in which the general legislative powers of the Town shall hereafter be vested.

“Bond” or “Bonds” means any bond or bonds authorized by this Bond Order and includes the Initial Bonds and any Additional Bonds. In addition, “Bond” or “Bonds” shall be deemed to include any Note or Notes, respectively, except as provided or necessarily implied otherwise in this Bond Order.

“Bond Order” means this bond order, together with all orders amendatory hereof and all orders supplemental hereto as herein permitted.

“Bond Registrar” means the Finance Director or any successor as appointed by the Board.

“Commission” means the Local Government Commission of North Carolina.

“Consulting Engineers” means an engineer or engineering firm at the time employed by the Town to perform the functions and duties imposed on the Consulting Engineers by this Bond Order.

“Counsel” means an attorney or firm of attorneys selected by the Town.

“Debt Service Fund” means the fund created and so designated by Error! Reference source not found. of this Bond Order.

“Debt Service Requirements” means, with respect to Bonds in any Fiscal Year, the sum of (a) the amount required to pay the interest on the Bonds then outstanding which is payable in such Fiscal Year and (b) the amount required to pay the principal of the Bonds then outstanding which is payable in such Fiscal Year, the computation of such amount to be based on the assumption that (i) the Bonds at the time outstanding will be retired according to their stated maturities or mandatory redemption requirements, (ii) any Notes issued pursuant to this Bond Order and maturing during such Fiscal Year will be refunded with Additional Bonds such that the principal amount of such bond anticipation notes is not due and payable by the Town in such Fiscal Year and (iii) if the Bonds bear interest at a variable rate, the rate is the ceiling rate.

“Debt Service Reserve Fund” means the fund created and so designated by Error! Reference source not found. of this Bond Order.

“Debt Service Reserve Fund Requirement” means an amount equal to the maximum Debt Service Requirement for any Fiscal Year.

“Depository” means any bank or trust company duly authorized under the laws of the United States of America or the State of North Carolina to engage in the banking business within said State and designated by the Board as a depository of moneys under the provisions of this Bond Order.

“Existing Facilities” means the Existing Facilities as defined in the preamble of this Bond Order.

“Finance Director” means the Finance Director of the Town or the officer succeeding to his principal functions and duties.

“Fiscal Year” means the period of twelve (12) months commencing on July 1 of any year and ending on June 30 of the following year.

“Government” means the United States of America, acting through the United States Department of Agriculture or its successor.

“Identifiable Owner” means any Owner who shall have filed with the Bond Registrar a request in writing setting forth such Owner’s name and address and the particular reports, notices or other documents which such Owner desires to receive and which shall be mailed to such Owner under the provisions of this Bond Order.

“Initial Bonds” means the Bonds authorized under **Section 2.01** of this Bond Order.

“Mayor” means the Mayor of the Town or the officer succeeding to or exercising his or her principal functions and duties.

“Net Revenues” means the Revenues received by the Town during any period less the Operating Expenses for such period.

“Note” or “Notes” means any revenue bond anticipation note or notes authorized by **Section 2.10** of this Bond Order.

“Operating Expenses” means the Town’s reasonable and necessary current expenses of maintaining, operating and repairing the System, including, without limiting the generality of the foregoing, all administrative, general and commercial expenses, insurance and surety bond premiums, payments for the billing and collection of Service Charges, architectural and engineering expenses, fees and expenses of the Bond Registrar and the Depositary, legal expenses, any taxes which may be lawfully imposed on the Town or its income or operations or the property under its control, ordinary and current rentals of equipment or other property, usual expenses of maintenance and repair, and any other current expenses required to be paid by the Town under the provisions of this Bond Order or by law, all to the extent properly and directly attributable to the System, but not including any reserves for operation, maintenance or repair or any allowance for depreciation, amortization, interest or similar charges.

“Owner” or any similar term, when used with reference to any outstanding Bond or Bonds means any person who shall be the registered owner of such Bond or Bonds.

“Project” means the Project as defined in the preamble of this Bond Order.

“Qualified Investments” means any investments that the Town is permitted to make under Section 159-30 of the General Statutes of North Carolina, as amended, or any successor provision.

“Revenue Fund” means the fund created and so designated by Error! Reference source not found. of this Bond Order.

“Revenues” means all income received by the Town from, in connection with, or as a result of, its ownership or operation of the System, including all moneys received in payment of rates, fees and other charges for the use of and for the services furnished by the System and investment income, but excluding the proceeds of any borrowing for payment of the costs of, or grants or donations intended for, specific System Improvements.

“Secretary” means the Secretary of the Commission or his designated assistant.

“Series Resolution” means the resolution of the Board providing for the issuance of any series of Bonds or Notes and fixing the details thereof.

“Service Charges” means rates, fees and charges, including service, connection and other charges, for the use of, and for the services and facilities furnished or to be furnished by the System, as prescribed or fixed by the Board.

“State Treasurer” means the Treasurer of the State of North Carolina or such Treasurer’s designated assistant.

“Subordinate Indebtedness” means indebtedness the terms of which shall provide that it shall be subordinate and junior in right of payment to the prior payment in full of the Bonds. For purposes of this Bond Order, obligations or debt instruments issued to the State as part of the

State Revolving Loan Program or the State Clean Water Bond Program are deemed to be Subordinated Indebtedness.

“Subordinated Indebtedness Debt Service Requirement” means, with respect to Subordinated Indebtedness in any Fiscal Year, the sum of (a) the amount required to pay the interest on the Subordinated Indebtedness then outstanding which is payable in such Fiscal Year and (b) the amount required to pay the principal of the Subordinated Indebtedness then outstanding which is payable in such Fiscal Year, the computation of such amount to be based on the assumption that (i) the Subordinated Indebtedness at the time outstanding will be retired according to its stated maturity or mandatory redemption requirements and (ii) if the Subordinated Indebtedness bears interest at a variable rate, the rate is the ceiling rate.

“Surplus Fund” means the fund created and so designated by Error! Reference source not found. of this Bond Order.

“System” means the Existing Facilities, the Project and any System Improvements.

“System Improvements” means any acquisition, construction, reconstruction, improvement, enlargement, betterment or extension of the System other than the Existing Facilities and the Project, including all plants, works, instrumentalities and properties used or useful in the collection, treatment, purification or disposal of sewage.

“Town Clerk” means the Town Clerk for the Town or the officer succeeding to or exercising his principal functions and duties.

“Town Manager” means the Town Manager of the Town or the officer succeeding to his principal functions and duties.

“Town Representative” means the Town Manager, the Mayor, the Finance Director and such other person or persons as are designated to act on behalf of the Town by resolution of the Board as evidenced by a certificate signed by the Mayor furnished to the Bond Registrar and the Depository containing the specimen signature of such person or persons.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words “Owner” and “person” shall include corporations and associations, including public bodies, as well as natural persons.

ARTICLE II

AUTHORIZATION OF PROJECT AND INITIAL BONDS; TERMS, EXECUTION, AUTHENTICATION, DELIVERY AND REGISTRATION OF BONDS

Section 2.01 Authorization of Project and Initial Bonds. The Board hereby confirms that it is in the best interest of the Town to proceed with the Project. The Town shall issue, in accordance with and pursuant to the Act and this Bond Order, its revenue bonds in an aggregate principal amount not exceeding \$3,000,000 (herein referred to as the “Initial Bonds”) for the

purpose of providing funds, with other available funds, for paying the cost of the Project. The cost of the Project may include interest on the Initial Bonds and expenses of issuing the Initial Bonds as provided in the Series Resolution for the Initial Bonds.

Section 2.02 Character of Bonds. The Bonds shall be special obligations of the Town payable solely from Net Revenues.

Section 2.03 Terms of Bonds. The Bonds are issuable as fully-registered bonds. The Bonds shall be dated, shall bear interest until their payment, such interest to the maturity thereof being payable at such rate or rates and at such time or times, shall be stated to mature (subject to the right of prior redemption) at such times and shall be in such form or forms as set forth in the Series Resolution providing for the issuance of the respective Bonds. Both principal of and interest on the Bonds shall be paid by check mailed to the Owners thereof unless otherwise provided in the Series Resolution providing for the issuance of the respective Bonds. Each Bond shall be payable with respect to principal, redemption premium if any, and interest in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts. The Bonds of any series and, if applicable, the respective installments of principal corresponding thereto, shall be subject to redemption prior to maturity in whole or in part and at such times and prices as may be provided in the Series Resolution providing for the issuance of such Bonds, and such Series Resolution may also provide for giving notice of such redemption, making payment of redeemed Bonds and other matters relating to such redemption.

Section 2.04 Execution of Bonds. Each Bond shall be executed in the name of the Town by the manual or facsimile signatures of the Mayor and the Town Clerk and shall have impressed or printed thereon the official seal of the Town or a facsimile thereof; provided, however, that at least one manual signature must appear on each Bond (which may be the signature of the Secretary to the Commission's certificate). Any Bond may be signed, sealed or attested on behalf of the Town by any person who, at the date of such act, shall hold the proper office, notwithstanding that at the date of such Bond or the date of delivery thereof such person shall not have held such office. In case any officer who shall have signed or sealed any of the Bonds shall cease to be such officer of the Town before the Bonds so signed or sealed shall have been delivered, such Bonds may nevertheless be delivered as herein provided as if the person who so signed or sealed such Bonds had not ceased to be such officer.

Section 2.05 Registration and Transfer of Bonds. The Town shall cause books for the registration of and for the registration of transfers of the Bonds as provided in this Bond Order to be kept by the Bond Registrar. The transfer of any Bond shall be registered upon the books kept for the registration of and registration of transfers of Bonds upon surrender thereof to the Bond Registrar together with an assignment duly executed by the Owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Town shall execute and the Bond Registrar shall authenticate and deliver in exchange for such Bond a new Bond or Bonds of the same series registered in the name of the transferee in an aggregate principal amount equal to the unpaid principal amount of such Bond, having maturities corresponding to the principal installments of said Bond and bearing interest at the same rate.

In all cases in which the Bonds shall be transferred hereunder, the Town shall execute and the Bond Registrar shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this Bond Order. The Town and the Bond Registrar may make a charge for every such transfer of Bonds sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to such transfer. Neither the Town nor the Bond Registrar shall be required to make any such registration of transfer of Bonds during the fifteen (15) days immediately preceding an interest payment date on the Bonds or in the case of any proposed redemption of Bonds, immediately preceding the date of mailing of notice of such redemption, or after such Bond or any portion thereof has been selected for redemption.

Section 2.06 Ownership of Bonds. As to any Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of and the interest on any such Bond shall be made only to the Owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond including the interest thereon to the extent of the sum or sums so paid.

Section 2.07 Mutilated, Destroyed, Stolen or Lost Bonds. In case any outstanding Bond shall become mutilated or be destroyed, stolen or lost, the Town may prepare and cause to be executed, authenticated and delivered a new Bond of like tenor, number and amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond and upon surrender of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, upon the Owner furnishing to the satisfaction of the Bond Registrar, the Commission and the Town evidence that such Bond has been destroyed, stolen or lost, proof of the ownership thereof, a surety bond or other indemnification instrument in twice the face amount of the Bond or in such other amount required by applicable law, payment of the cost of preparing and issuing such new Bond, including the reasonable expenses and charges of the Town and the Bond Registrar in connection therewith and evidence of compliance with such other reasonable regulations as the Bond Registrar and Board may prescribe. All Bonds surrendered hereunder shall be surrendered to the Bond Registrar and shall be cancelled. All Bonds issued in accordance with this Section shall be signed by the Mayor and the Town Clerk who are in office at the time and shall contain a recital to the effect that they are issued in exchange for or in place of certain Bonds and are to be deemed a part of the same series as such Bonds.

Section 2.08 Authentication of Initial Bonds. The Initial Bonds shall be executed substantially in the manner hereinabove set forth and shall be deposited with the Bond Registrar for authentication, but prior to or simultaneously with the authentication by the Bond Registrar and delivery of the Initial Bonds by the State Treasurer there shall be filed with the Bond Registrar the following:

(a) copies, certified by the Town Clerk to be true and correct copies, of this Bond Order and the Series Resolution prescribing the details of the Initial Bonds, including form, maturities and redemption provisions;

(b) a certificate of the Commission showing the award of the Initial Bonds and specifying the interest rate or rates thereof; and

(c) an opinion of Counsel to the effect that the issuance of the Initial Bonds has been duly authorized.

No Bond shall be valid or obligatory for any purpose unless authenticated by the Bond Registrar.

When the documents mentioned in **clauses (a) to (c)**, inclusive, of this Section shall have been filed with the Bond Registrar and when the Initial Bonds shall have been executed and authenticated as required by this Bond Order, the Bond Registrar shall authenticate and deliver the Initial Bonds to or upon the order of the purchasers thereof, but only upon payment to the State Treasurer of the purchase price of the Initial Bonds. The Bond Registrar shall be entitled to rely upon such documents with respect to the matters contained therein.

Section 2.09 Approval of Issuance and Sale of Initial Bonds. None of the Initial Bonds shall be issued unless they are approved and sold by the Commission and until the Secretary shall have endorsed thereon a certificate evidencing approval in accordance with the provisions of the Act.

Section 2.10 Issuance of Revenue Bond Anticipation Notes. The Town is authorized to issue, in anticipation of the receipt of the proceeds of any Bonds, revenue bond anticipation notes for the purpose of providing funds, with any other available funds, for paying the cost of the Project or any System Improvements. The payment of the principal of, redemption premium, if any, and interest on such notes shall be secured by a pledge, charge and lien upon the proceeds of such Bonds, if and when issued, and upon the Net Revenues pursuant to Error! Reference source not found. of this Bond Order. The Revenues, as received by the Town, shall immediately be subject to the lien of such pledge of the Net Revenues without any physical delivery thereof or further act. All covenants, obligations and agreements of the Town contained in this Bond Order shall be deemed to be covenants, obligations and agreements of the Town with the owners of any such notes hereafter issued.

ARTICLE III

ADDITIONAL BONDS

Section 3.01 Refunding of Outstanding Bonds. The Town may, to the extent permitted by the Act and the provisions of this Section, issue, from time to time, Bonds (herein referred to as "Additional Bonds") which shall be payable from the same funds as previously issued Bonds for the purpose of refunding all or any portion of the Initial Bonds or any Additional Bonds and paying expenses of issuing such Additional Bonds, all as provided in the Series Resolution for any series of such Additional Bonds. Except as to any difference in the maturities thereof, the rate or rates of interest or the provisions for redemption, such refunding obligations shall be on a parity with and shall be entitled to the same benefit and security of this Bond Order as other Bonds. The Bond Registrar shall not authenticate and deliver any Additional Bonds for this purpose unless theretofore or simultaneously therewith there shall have been filed with the Bond Registrar the following:

(a) a copy, certified by the Town Clerk to be a true and correct copy, of the Series Resolution authorizing the issuance of such Additional Bonds and prescribing the details thereof;

(b) a certificate of the Commission showing the award of such Additional Bonds and specifying the interest rate or rates thereof;

(c) a copy, certified by the Town Clerk to be a true and correct copy, of the resolution (which may be incorporated in the Series Resolution) of the Board directing the authentication of such Additional Bonds and the delivery thereof to or upon the order of the purchasers therein named upon payment of the purchase price therein set forth;

(d) an opinion of Counsel to the effect that the issuance of such Additional Bonds has been duly authorized and that all conditions precedent to the delivery of such Additional Bonds have been fulfilled; and

(e) such documents as shall be required by the Bond Registrar to evidence that provision has been satisfactorily made for the redemption of the Bonds to be refunded.

When the documents mentioned in **clauses (a) to (e)**, inclusive, of this Section shall have been filed with the Bond Registrar and when such Additional Bonds shall have been executed and authenticated as required by this Bond Order, the Bond Registrar shall deliver such Additional Bonds to or upon the order of the purchasers thereof, but only upon payment to the State Treasurer of the purchase price of such Additional Bonds.

Section 3.02 Financing of System Improvements. The Town may, to the extent permitted by the Act and the provisions of this Section, issue, from time to time, Bonds (herein also referred to as "Additional Bonds"), which shall be payable from the same funds as previously issued Bonds for the purpose of providing funds, with any other available funds, for paying the cost of System Improvements, including interest on such Additional Bonds and expenses of issuing such Additional Bonds, all as provided in the Series Resolution for any series of such Additional Bonds. Except as to any difference in the maturities thereof, the rate or rates of interest or the provisions for redemption, such obligations shall be on a parity with and shall be entitled to the same benefit and security of this Bond Order as all other Bonds. The Bond Registrar shall not authenticate and deliver any Additional Bonds for this purpose unless theretofore or simultaneously therewith there shall have been filed with the Bond Registrar the following:

(a) a copy, certified by the Town Clerk to be a true and correct copy, of the Series Resolution authorizing the issuance of such Additional Bonds and prescribing the details thereof and providing that the System Improvements to be financed with the proceeds thereof are thereby made a part of the System and that the revenues of such System Improvements are thereby pledged as security for such Additional Bonds and as additional security for the outstanding Bonds;

(b) a certificate of the Commission showing the award of such Additional Bonds and specifying the interest rate or rates thereof;

(c) a copy, certified by the Town Clerk to be a true and correct copy, of the resolution (which may be incorporated in the Series Resolution) of the Board directing the authentication of such Additional Bonds and the delivery thereof to or upon the order of the purchasers therein named upon payment of the purchase price therein set forth;

(d) an opinion of Counsel to the effect that the issuance of such Additional Bonds has been duly authorized and that all conditions precedent to the delivery of such Additional Bonds have been fulfilled;

(e) a certificate, signed by the Town Representative stating that all payments required by Error! Reference source not found. of this Bond Order to be made to the credit of the Debt Service Fund, the Debt Service Reserve Fund prior to the beginning of the month during which such Additional Bonds are to be issued have been made;

(f) a certificate, signed by the Town Representative, stating that the Net Revenues for each of the two complete Fiscal Years next preceding the issuance of the proposed Additional Bonds were equal to at least 110% of the average annual requirements for principal and interest on all Bonds then outstanding; and

(g) a statement, signed by the Town Representative, to the effect that the estimated Net Revenues for the first two Fiscal Years following the Fiscal Year in which the Improvements being financed will be placed in service will be at least 120% of the average annual requirements for principal and interest on all outstanding Bonds, including the proposed Additional Bonds.

Section 3.03 Approval by Local Government Commission. Additional Bonds shall not be issued unless they are approved and sold by the Commission and until the Secretary shall have endorsed thereon a certificate evidencing approval in accordance with the Act.

Section 3.04 Waiver of Additional Bonds Limitations. The limitations set forth in **clauses** Error! Reference source not found. and Error! Reference source not found. of **Section 3.02** hereof with respect to the issuance of Additional Bonds may be waived or modified by the written consent of the Owners of not less than sixty per centum (60%) of the aggregate principal amount of the Bonds then outstanding.

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.01 Terms and Conditions. The Bonds, and the respective installments of principal corresponding thereto, shall be subject to redemption, both in whole and in part, at such times and prices, as may be provided by the Series Resolution authorizing the issuance of such Bonds.

Section 4.02 Notice of Redemption and Payment. Whenever the Town shall elect to redeem Bonds notice thereof, stating the redemption date and place of payment and identifying the Bonds by reference to their numbers and further stating that on such redemption date there shall become due and payable upon each Bond so to be redeemed the principal thereof and the redemption premium, if any, together with the interest accrued to the redemption date and that from and after such date interest thereon shall cease to accrue, shall be given as may be provided by the Series Resolution authorizing the issuance of such Bonds.

Section 4.03 Payment of Redeemed Bonds. Notice having been given in the manner provided, the Bonds so called for redemption shall become due and payable on the redemption

date so designated at the redemption price set forth in said notice. In case part but not all of an outstanding bond shall be selected for redemption, the Owner thereof or his attorney or legal representative shall present and surrender such Bond to the Bond Registrar for payment of the applicable redemption price and the Town shall execute and the Bond Registrar shall authenticate and deliver to or upon the order of such Owner or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a registered Bond of the same series and maturity, bearing interest at the same rate and of any authorized denomination.

If, on the redemption date, moneys for payment of the redemption price of all the Bonds to be redeemed shall be available therefor at the place of payment specified in the notice of redemption, then from and after the redemption date, the Bonds or the installments of principal thereof so called for redemption shall cease to bear interest. All moneys held for the redemption of particular Bond or for the prepayment of particular installments thereof shall be held in trust for the account of the Owners of the Bonds so to be redeemed or prepaid.

If said moneys shall not be so available on the redemption date, said Bonds shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Section 4.04. Cancellation of Redeemed Bonds. All Bonds redeemed prior to maturity shall be cancelled forthwith.

ARTICLE V

REVENUES AND FUNDS

Section 5.01 Rates and Charges. The Town covenants and agrees that, subject to any applicable requirements of law or regulations, it will fix Service Charges and from time to time to revise such Service Charges in such manner that the Net Revenues for each Fiscal Year shall not be less than one hundred ten percent (110%) of the Debt Service Requirement for such Fiscal Year and one hundred percent (100%) of the Subordinated Indebtedness Debt Service Requirement for such Fiscal Year.

The Town covenants that it will not reduce the Service Charges unless the Revenues after any such reduction of Service Charges will, in the opinion of the Consulting Engineers, be not less in each subsequent Fiscal Year than the total of the amounts referred to in subdivision (c) of this Section and further that it will not reduce the Service Charges unless:

(a) all deposits shall have been made to the credit of the Debt Service Fund or with respect to debt service which are required by this Article to have been made prior to the time of such reduction;

(b) the amount then on deposit to the credit of the Debt Service Reserve Fund shall be not less than the Debt Service Reserve Fund Requirement;

(c) the total amount of the Revenues during the preceding Fiscal Year shall have been not less than the total of the following:

(1) the Operating Expenses during the current Fiscal Year as shown by the Annual Budget for such Fiscal Year, and

(2) one hundred ten per centum (110%) of the maximum Debt Service Requirement for any Fiscal Year thereafter, and

(3) one hundred per centum (100%) of the maximum Subordinated Indebtedness Debt Service Requirement for any Fiscal Year thereafter; and

(d) the Revenues after any such reduction of Service Charges will, in the opinion of the Consulting Engineers, be not less in the then current Fiscal Year and in each subsequent Fiscal Year than the total of the amounts referred to in subdivision (c) of this Section.

Forthwith upon the adoption of any revision of the Service Charges, the Town will cause certified copies thereof to be filed with the Consulting Engineers and the Commission and mailed, upon request, to each Identifiable Bondholder.

The Town further covenants that if the Revenues in any Fiscal Year shall be less than the total amount set forth in the first paragraph of this Section, the Town will immediately request the Consulting Engineers to make their recommendations regarding revision of the schedule of Service Charges and improvements in the operation of or services rendered by the System, and copies of such request and of the recommendations of the Consulting Engineers shall be filed with the Commission and mailed by the Clerk, upon request, to each Identifiable Bondholder. Anything in this Bond Order to the contrary notwithstanding, if the Town shall substantially comply with all the recommendations, of the Consulting Engineers respecting the schedule of Service Charges and improvements in the operation of or services rendered by the System, it will not constitute an event of default under this Bond Order if the Net Revenues shall be less than the amount set forth in the first paragraph of the Section; provided, however, that such Net Revenues are sufficient to meet the Debt Service Requirement.

Section 5.02. Creation of Funds and Accounts. There are hereby created the following designated special funds and accounts: (a) Town of Gibsonville Water and Sewer System Revenue Fund (hereinafter called the "Revenue Fund"); (b) Town of Gibsonville Water and Sewer System Debt Service Fund (hereinafter called the "Debt Service Fund"); (c) Town of Gibsonville Water and Sewer System Debt Service Reserve Fund (hereinafter called the "Debt Service Reserve Fund"); and (d) Town of Gibsonville Water and Sewer System Surplus Fund (hereinafter called the "Surplus Fund). The moneys in each Fund and Account shall be held by the Town in trust with a Depositary and applied as hereinafter provided in this Article. Each Fund and Account shall be maintained as long as any of the Bonds are outstanding.

Section 5.03. Pledge of Net Revenues. The Town hereby pledges the Net Revenues to secure the payment of the principal of, redemption premium, if any, and interest on the Bonds. The Revenues, as received by the Town, shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act and the lien of this pledge shall have priority over any or all other obligations and liabilities of the Town, including any general obligation bonds, or notes issued in anticipation thereof, heretofore or hereafter issued by the Town for the purpose of providing water and sewer systems or facilities and the lien of this pledge shall be

valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Town irrespective of whether such parties have notice thereof.

Section 5.04. Application of Revenues Received by the Town. All Revenues collected by or on behalf of the Town shall be deposited by the Town as soon as practicable following the receipt thereof and held by the Depository in the Revenue Fund. The Town shall pay from the moneys in the Revenue Fund, among other things, Operating Expenses in accordance with the Annual Budget, Debt Service Requirements with respect to the Bonds in each Fiscal Year, and the purchase or redemption price of the Bonds. The Town shall also deposit to the credit of a special account established with the Depository an amount in each month equal to the deposits to the Debt Service Reserve Fund required pursuant to Section 5.05(b) hereof.

Section 5.05. Withdrawals from the Revenue Fund. Operating Expenses shall be paid by the Town from the Revenue Fund as the same become due and payable in conformity with the applicable budgetary and payment procedures of the Town. Additionally, the Town shall, on or before the 20th day of each month, commencing in the month following the month in which the Project commences operation, withdraw from the Revenue Fund an amount equal to the amount of all moneys held for the credit of said Fund on the last day of the preceding month and deposit such sum to the credit of the following Funds in the following order:

(a) to the credit of the Debt Service Fund, such amount thereof (or the entire sum so withdrawn if less than the required amount) as may be required to make the total amount then to the credit of such Fund equal to the amount of interest then or to become within the next ensuing twelve (12) months due and payable on the Bonds then outstanding and the amount of principal of the Bonds then or to become within the next ensuing twelve (12) months due and payable;

(b) to the credit of the Debt Service Reserve Fund, until the amount on deposit therein is equal to the Debt Service Reserve Fund Requirement, an amount equal to 1/120 of the Debt Service Reserve Requirement; and

(c) to the credit of the Surplus Fund the balance, if any, remaining after making the deposits under clauses (a) and (b) above;

Provided, however, that if the amount so deposited in any month to the credit of any Fund mentioned in Section 5.05 hereof shall be less than the required amount, the requirement therefor shall nevertheless be cumulative and the amount of any deficiency in any month shall be added to the amount otherwise required to be deposited to the credit of such Fund in each month thereafter until such time as such deficiency shall be made up.

Section 5.06. Application of Moneys in Debt Service Fund. All moneys in the Debt Service Fund shall be held in trust for the payment of the principal of and the interest on the Bonds and no amount shall be withdrawn from or paid out of such Fund except as provided herein. The Town shall, from time to time, withdraw from the Debt Service Fund and (1) remit by mail or wire transfer to the Owner of each Bond the amount required for paying interest upon such Bond as such interest becomes due, and (2) set aside in trust an amount equal to the amount of, and for the sole and exclusive purpose of thereafter paying the principal of all Bonds as such principal becomes due.

Section 5.07. Application of Moneys in Debt Service Reserve Fund. Moneys held for the credit of the Debt Service Reserve Fund shall be used for the purpose of paying interest on the Bonds and maturing principal of Bonds whenever and to the extent that the moneys held for the credit of the Debt Service Fund shall be insufficient for such purpose, and the Town shall transfer funds from the Debt Service Reserve Fund to the Debt Service Fund as necessary to make such payments. Any moneys so withdrawn from such Fund shall be restored from available moneys in the Revenue Fund, subject to the same conditions as are prescribed for deposits to the credit of such Fund under the provisions of Section 5.05 hereof. If at any time the moneys held for the credit of the Debt Service Reserve Fund shall exceed the requirement for such Fund under the provisions of clause (b) of Section 5.05 hereof, such excess may be transferred by the credit of the Surplus Fund.

Section 5.08. Application of Surplus Fund. If, at any time, the amount available in the Revenue Fund is or has been insufficient to make required payments into the Debt Service Fund or the Debt Service Reserve Fund, the Town shall withdraw from the Surplus Fund, to the extent the moneys therein are available, and pay into the Revenue Fund, such amount as is required to remedy such deficiency.

Moneys held for the credit of the Surplus Fund and not at the time required to be so withdrawn from such Fund may be withdrawn and applied by the Town, without accounting therefor to the Owners, for any lawful purpose, including, without limitation, to pay debt service on general obligation indebtedness of the Town.

Section 5.09. Unclaimed Moneys. All moneys which the Town shall have withdrawn from the Debt Service Fund and Debt Service Reserve Fund or shall have received from any other source and set aside for the purpose of paying any of the Bonds hereby secured, either at the maturity thereof or upon call for redemption shall be held in trust for the respective Owners of such Bonds. Any moneys which shall be set aside and which shall remain unclaimed by the Owners of such Bonds for the period of five years after the date on which such Bonds shall have become payable shall be treated as abandoned property pursuant to the provisions of G.S. 116B-53, and the Town shall report and remit this property to the Escheat Fund according to the requirements of Article 1 of Chapter 116B of the North Carolina General Statutes. Thereafter the Owners of such Bonds shall look only to the Escheat Fund for payment and then only to the extent of the amounts so received without any interest thereon, and the Town shall have no responsibility with respect to such moneys.

Section 5.10. Cancellation. All Bonds paid, redeemed or purchased either at or before maturity, shall, at the direction of the Town, be delivered to the Bond Registrar or to the Town when such payment, redemption or purchase is made and such Bonds shall thereupon be cancelled. All Bonds cancelled under any of the provisions of this Bond Order shall be destroyed by the Bond Registrar which shall execute a certificate in duplicate describing the Bonds so destroyed, and one executed certificate shall be filed with the Town and the second executed certificate shall be retained by the Bond Registrar.

ARTICLE VI

SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 6.01 Security for Deposits. All moneys deposited with the Town or any other Depository designated by the Board hereunder in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency shall be continuously secured, for the benefit of the Town and the Owners of the Bonds, in such manner as may then be required or permitted by applicable state or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds, including applicable regulations of the Commission.

Section 6.02 Investment of Funds. Moneys held for the credit of the Revenue Fund, the Debt Service Fund and the Surplus Fund shall, as nearly as may be practicable, be continuously invested and reinvested in Qualified Investments which shall mature, or which shall be subject to redemption by the owner thereof at the option of such owner, not later than the respective dates when the moneys held for the credit of each such fund will be required for the purposes intended.

Moneys held for the credit of the Debt Service Reserve Fund shall, as nearly as may be practicable, be continuously invested and reinvested in Qualified Investments which shall mature, or which shall be subject to redemption by the owner thereof at the option of such owner, not later than three (3) years after the date of such investment.

Obligations and certificates of deposit purchased as investments of moneys in any such fund shall be deemed at all times to be part of such fund, and the interest accruing thereon and any profit realized therefrom shall be credited to such fund, and any loss resulting therefrom shall be charged to such fund. The Town shall sell at the best price obtainable or present for redemption any obligations so purchased whenever it shall be necessary so to do in order to provide moneys to meet any payment or transfer from any such fund. Neither the Town nor the Town Representative shall be liable or responsible for any loss resulting from any such investment.

For the purpose of determining the amount on deposit to the credit of any such fund, obligations in which moneys in such fund have been invested shall be valued at the lower of cost or market.

ARTICLE VII

PARTICULAR COVENANTS

Section 7.01 Payment of Bonds and Observance of Covenants. The Town covenants that it will promptly pay the principal of and the interest on every Bond issued under the provisions of this Bond Order at the places, on the dates and in the manner provided herein and in said Bonds and any premium required for the retirement of said Bonds by purchase or redemption, according to the true intent and meaning thereof. Except as in this Bond Order otherwise provided, such principal, interest and any premium are payable solely from the Net Revenues, which are hereby pledged to the payment thereof in the manner and to the extent hereinabove particularly specified, and nothing in the Bonds or in this Bond Order shall be

construed as obligating the Town to pay the Bonds or the interest thereon except from Net Revenues or as pledging the faith and credit of the Town or as obligating the Town, directly or indirectly or contingently, to levy or to pledge any form of ad valorem tax whatever therefor. The Town covenants that it shall faithfully do and perform and at all times fully observe any and all covenants, undertakings, stipulations and provisions contained herein or in the Bonds.

Section 7.02 Construction of Project and System Improvements. The Town covenants that it will forthwith diligently proceed to construct the Project and any System Improvements in accordance with plans and specifications which shall have been approved by the Consulting Engineers and in conformity with law and all requirements of all governmental authorities having jurisdiction thereover, and that it will complete such construction with all expedition practicable.

The Town further covenants and agrees that it will require each person, firm or corporation with whom it may contract for labor or materials in connection with the construction of the Project or any System Improvements to furnish a performance bond as may be required by law to insure completion and performance of such contract, or, in lieu thereof, to deposit with a Depository marketable securities having a market value equal to the amount of such contract and eligible as security for the deposit of trust funds under regulations of the Comptroller of the Currency of the United States, and to carry such workmen's compensation or employers' liability insurance as may be required by law and such builder's, risk insurance, if any, as may be required by the Consulting Engineers. The Town further covenants and agrees that in the event of any default under any such contract and the failure of the surety to complete such contract, the proceeds of any such performance bond or securities shall forthwith, upon receipt of such proceeds, be applied toward the completion of the contract in connection with which such performance bond or securities shall have been furnished.

Section 7.03 Operation and Maintenance of System. The Town covenants that it shall at all times operate the System properly and in a sound and economical manner, and shall maintain, preserve and keep the same properly or cause the same to be so maintained, preserved and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation of the System may be properly and advantageously conducted.

Section 7.04 Rules, Regulations and Other Details. The Town covenants that it shall establish and shall enforce reasonable rules and regulations governing the operation, use and services of the System and that all compensations, salaries, fees and wages paid by the Town in connection with the maintenance, repair and operation of the System shall be reasonable. The Town shall observe and perform or shall cause to be observed and performed all of the terms and conditions contained in the Act, and shall comply with all valid acts, rules, regulations, orders and directions of any state or federal legislative, executive, administrative or judicial body applicable to the System or the Town.

The Town further covenants that:

(a) it may require the owner, tenant or occupant of each lot or parcel of land within the Town who is obligated to pay rates, fees or charges for the services and facilities furnished by the System to make a reasonable deposit with the Town in advance to insure the payment of such rates, fees or charges and to be subject to application to the payment thereof if and when delinquent;

(b) if any rates, fees or charges for the services and facilities furnished by the System shall not be paid within thirty days after the same shall become due and payable, the Town shall at the expiration of such thirty day period disconnect the premises from the System, and the Town may proceed to recover by appropriate legal action the amount of any such delinquent rates, fees or charges;

(c) it will not render, or cause to be rendered, any free services of any nature by the System nor will preferential rates be established for users of the same class; and

(d) to the extent legally allowed, it will not consent to the furnishing of, or permit any person whatsoever to furnish, water services within the Town except in those municipalities which on the date of adoption of the Bond Order operate their own water and sewer systems or in areas wherein the System is unable economically to serve the occupants and properties.

Section 7.05 Payment of Lawful Charges. The Town covenants that, from Revenues, it will pay all taxes and assessments or other municipal or governmental charges lawfully levied or assessed upon or in respect of the System or upon any part and that, from Revenues, it will pay or cause to be discharged, or will make adequate provision to satisfy and discharge, within sixty (60) days after the same shall accrue, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the System or any part thereof or upon Revenues; provided, however, that nothing in this Section contained shall require the Town to pay or cause to be discharged, or make provision for, any such lien or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

Section 7.06 Insurance and Reconstruction. The Town covenants that it will obtain and maintain insurance, with reasonable terms, conditions, provisions and costs, which the Town Representative determines will afford adequate protection against such risks as are customarily insured against in connection with the operation of sewer systems of type and size comparable to the System. All such insurance policies shall be carried in an insurance company or companies authorized and qualified under the laws of the State of North Carolina to assume the risks thereof.

The proceeds of all such insurance covering damage to or destruction of the System shall be deposited with the Town and shall be available for and shall, to the extent necessary, be applied to the repair, replacement or reconstruction of the damaged or destroyed property, and shall be paid out in the manner determined by the Town. If such proceeds are more than sufficient for such purpose, the balance remaining shall be deposited to the credit of the Surplus Fund. If such proceeds shall be insufficient for such purpose, the deficiency may be supplied out

of any moneys in the Surplus Fund. The proceeds of all insurance covering loss of Revenues shall be deposited to the credit of the Revenue Fund.

Section 7.07 Annual Budget. The Town covenants that it shall develop an annual budget for each Fiscal Year with respect to its operation of the System consistent with the budget preparation schedule set forth in the State of North Carolina's applicable fiscal control statutes (the "Annual Budget"). If for any reason the Board shall not have adopted the Annual Budget before the first (1st) day of any Fiscal Year, the budget for the preceding Fiscal Year shall, until the adoption of the Annual Budget, be deemed to be in force.

The Board may at any time adopt an amendment or supplement to the Annual Budget for the remainder of the then current Fiscal Year, but no such amendment or supplement to the budget shall be effective until it shall be approved in the manner hereinbefore prescribed for the Annual Budget.

The Town covenants that the Operating Expenses incurred in any Fiscal Year will not exceed the reasonable and necessary amount thereof, and that it will not expend any amount or incur any obligations for maintenance, repair and operation in excess of the amounts provided for Operating Expenses in the Annual Budget or available for the payment thereof in the Surplus Fund. Nothing in this Section contained shall limit the amount which the Town may expend for Operating Expenses in any Fiscal Year provided any amounts expended therefor in excess of Revenues available therefor shall be received by the Town from some source other than Revenues and the Town shall not make any reimbursement therefor from Revenues.

Section 7.08 Records, Books and Audits. The Town covenants that it will keep each of the funds of the System separate from all other funds of the Town and that it will keep accurate records and accounts of all items of cost and of all expenditures relating to the System and of the Revenues collected and the application of such Revenues. Such records and accounts shall at all times during normal business hours be open to the inspection of the Commission and the Owners.

The Town further covenants that promptly after the close of each Fiscal Year it will cause an audit to be made of its books and accounts relating to the System by a firm of independent certified public accountants to be chosen by the Board and will cause an annual report of operations of the System to be prepared, such annual report to cover the matters usually contained in annual reports for similar systems. Within 270 days after the close of each Fiscal Year, reports of each such audit and copies of each such annual report shall be mailed by the Town Clerk to the Consulting Engineers, the Commission and to each Identifiable Owner. Each such audit report shall be in accordance with generally accepted accounting principles and shall set forth in respect of the preceding Fiscal Year, among other matters, the Revenues and Operating Expenses of the System, all deposits or transfers to the credit of and all withdrawals from each special fund created hereunder, the amounts on deposit at the end of such Fiscal Year to the credit of each such special fund including the details of any investment thereof, a balance sheet and also the findings of such certified public accountants whether the moneys received by the Town under this Bond Order have been applied in accordance with the provisions of this Bond Order, whether any obligations for Operating Expenses were incurred in excess of the amounts appropriated in the Annual Budget and whether the Town is in default in the

performance of any of the covenants contained in Article V hereof. Included in each such audit shall be a calculation of the rate covenant described in Section 5.01 for such Fiscal Year.

Section 7.09 Sale or Encumbrance. The Town covenants that it will not sell, lease or otherwise dispose of or encumber the System or any part thereof except with the consent of one hundred per centum (100%) of the Owners. Notwithstanding the foregoing, the Board may, from time to time, sell or otherwise dispose of such property forming part of the System, including machinery, fixtures, apparatus, tools, instruments or other movable property, as the Board may determine is not needed in connection with the maintenance and operation of the System. The proceeds from any sale, lease or disposition of the System, in whole or in part, shall be applied to the replacement of the properties so sold or otherwise disposed of or shall be deposited to as provided in Section 5.05.

Section 7.10 Creation of Liens. The Town covenants that it will not create or permit to be created any charge or lien on the Net Revenues that is prior to or equal to the charge or lien on the Net Revenues of the Bonds issued and secured hereunder unless otherwise required by applicable law.

Section 7.11 Instruments of Further Assurance. The Town covenants that at any and all times it shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further orders, resolutions, acts, conveyances, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting and confirming all and singular the rights, Revenues and other funds hereby pledged or intended so to be, or which the Town may hereafter become bound to pledge or as may be reasonable and required to carry out the purposes of the Bond Order and comply with the Act. The Town further covenants that it shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Net Revenues and all the rights of the Owners against all claims and demands of all persons whomsoever.

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 8.01 Events of Default. Each of the following events is hereby declared an “event of default;” that is to say, if:

(a) payment of the principal of and premium, if any, on any of the Bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) payment of any interest on the Bonds shall not be made when the same shall become due and payable; or

(c) the Town shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

(d) any substantial part of the System, necessary for its efficient operation, shall be destroyed or damaged and shall not be promptly repaired, replaced or reconstructed (whether

such failure promptly to repair, replace or reconstruct the same be occasioned by the impracticability of such repair, replacement or reconstruction or the lack of funds therefor or any other reason); or

(e) an order or decree shall be entered, with the consent or acquiescence of the Town, appointing a receiver or receivers of the System or of the Revenues, or if such order or decree, having been entered without the consent or acquiescence of the Town, shall not be vacated or discharged or stayed on appeal within sixty (60) days after the entry thereof; or

(f) any proceeding shall be instituted, with the consent or acquiescence of the Town, for the purpose of effecting a composition between the Town and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable out of Revenues; or

(g) the Town shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Bond Order on the part of the Town to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Town by the Owners of not less than twenty per centum (20%) in principal amount of the Bonds then outstanding.

Section 8.02 Bonds Declared Due and Payable. Upon the happening and continuance of any event of default specified in **Section 8.01** of this Bond Order, then and in every such case the Owners of a majority in principal amount of the Bonds then outstanding may, by a notice in writing to the Town, declare the principal of all of the Bonds then outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything contained in the Bonds or in this Bond Order to the contrary notwithstanding; provided, however, that if at any time after the principal of the Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Bond Order, moneys shall become available to pay the principal of all matured Bonds and all arrears of interest, if any, upon all the Bonds then outstanding (except the principal of any Bonds not then due by their terms and the interest accrued on such Bonds since the last interest payment date), and all other amounts then payable by the Town hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with a Depositary, and every other default in the observance or performance of any covenant, condition or agreement contained in the Bonds or in this Bond Order (other than a default in the payment of the principal of such Bonds then due only because of a declaration under this Section), shall have been remedied to the satisfaction of the Owners, then and in every such case the Owners may, and upon the written request of the Owners of a majority in aggregate principal amount of the Bonds not then due by their terms and then outstanding shall, by written notice to the Town, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

If at any time moneys are insufficient to pay the interest on or the principal of the Bonds as the same become due and payable, all moneys in the Debt Service Fund and Debt Service

Reserve Fund, together with any moneys then available or thereafter becoming available for such purpose, shall be applied as provided in Section 11.02.

Section 8.03 Additional Remedies. Upon the happening and continuance of any event of default specified in **Section 8.01** of this Bond Order, then and in every case the Owners may proceed to protect and enforce their rights hereunder and under the laws of the State of North Carolina, including the Act, by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Owners shall deem most effectual to protect and enforce such rights.

Section 8.04 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 8.05 Waiver of Default. No delay or omission of the Owners to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Article to the Owners may be exercised from time to time and as often as may be deemed expedient.

The Owners of a majority in aggregate principal amount of the Bonds then outstanding may waive any default which shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by them under the provisions of this Bond Order or before the completion of the enforcement of any other remedy under this Bond Order, but no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

Section 8.06 Notice of Default. The Town shall mail to the Commission and to the Owner of each Bond then outstanding written notice of the occurrence of any event of default set forth in **Section 8.01** hereof within thirty (30) days after the Town shall have notice that any such event of default has occurred.

ARTICLE IX

THE TRUSTEE

Section 9.01 Designation of Trustee. The Town may at any time, with the approval of the Commission, appoint a Trustee to administer the provisions of this Bond Order and may adopt such supplements to this Bond Order as shall be necessary or desirable to effectuate such appointment.

ARTICLE X

SUPPLEMENTAL ORDERS

Section 10.01 Without Consent of Owners. The Board may amend this Bond Order in any respect prior to the delivery of the Initial Bonds. The Board may from time to time and at any time following delivery of the Initial Bonds adopt such orders supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental orders shall thereafter form a part hereof):

(a) to cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Bond Order or in any supplemental order, or

(b) to grant to or confer upon the Owners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners, or

(c) to add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Bond Order other conditions, limitations and restrictions thereafter to be observed, or

(d) to add to the covenants and agreements of the Town in this Bond Order other covenants and agreements thereafter to be observed by the Town or to surrender any right or power herein reserved to or conferred upon the Town.

At least thirty (30) days prior to the adoption of any supplemental order for any of the purposes set forth in the immediately preceding paragraph of this Section, the Bond Registrar, at the expense of the Town, shall cause a notice of the proposed adoption of such supplemental order to be mailed, postage prepaid, to the Owner of each Bond at the address appearing on the registration books and to the Commission. Such notice shall briefly set forth the nature of the proposed supplemental order and shall state that copies thereof are on file at the principal office of the Bond Registrar for inspection by all Owners.

Section 10.02 With Consent of Owners. Subject to the terms and provisions contained in this Section, and not otherwise, the Owners of not less than a majority in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time following delivery of any Bonds, anything contained in this Bond Order to the contrary notwithstanding, to consent to and approve the adoption of such order or orders supplemental hereto as shall be deemed necessary or desirable by the Board for the purpose of modifying, altering, amending, adding to or rescinding, in particular, any of the terms or provisions contained in this Bond Order or in any supplemental order; provided, however, that nothing herein contained shall permit, or be construed as permitting, (a) an extension of the maturity of the principal of or the interest on any Bond issued hereunder without the consent of the Owner of such Bond, or (b) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon without the consent of the Owner of such Bond, or (c) the creation of a lien upon or a pledge of Revenues other than the lien and pledge created by this Bond Order without the consent of the Owners of all Bonds outstanding, or (d) a preference or priority of any Bond over any other Bond without the consent of the Owners of all Bonds outstanding or (e) a reduction in the aggregate principal

amount of the Bonds required for consent to any supplemental order without the consent of the Owners of all Bonds outstanding.

Section 10.03 Obtaining Consent of Owners. If at any time the Board shall determine that it is necessary or desirable to adopt any supplemental order for any of the purposes of **Section 10.02** hereof, the Bond Registrar, at the expense of the Town, shall cause notice of the proposed adoption of such supplemental order to be mailed, postage prepaid, to each Owner at the address appearing on the registration books. Such notice shall briefly set forth the nature of the proposed supplemental order and shall state that copies thereof are on file at the principal corporate trust office of the Bond Registrar for inspection by all Owners. The Bond Registrar shall not, however, be subject to any liability to any Owner by reason of its failure to cause the notice required by this Section to be mailed and any such failure shall not affect the validity of such supplemental order when consented to and approved as provided in this Section.

Whenever, at any time within one (1) year after the date of the first mailing of such notice, the Town shall deliver to the Bond Registrar an instrument or instruments in writing purporting to be executed by the Owners of not less than a majority in aggregate principal amount of the Bonds then outstanding, which instrument or instruments shall refer to the proposed supplemental order described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Board may adopt such supplemental order in substantially such form, without liability or responsibility to any Owner, whether or not such Owner shall have consented thereto.

If the Owners of not less than a majority in aggregate principal amount of the Bonds outstanding at the time of the adoption of such supplemental order shall have consented to and approved the adoption thereof as herein provided, no Owner shall have any right to object to the adoption of such supplemental order, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Board from adopting the same or from taking any action pursuant to the provisions thereof.

Upon the adoption of any supplemental order pursuant to the provisions of this Section, this Bond Order shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Bond Order of the Town, the Bond Registrar and all Owners of Bonds then outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Bond Order as so modified and amended.

Bonds owned or held by or for the account of the Town shall not be deemed outstanding and shall be excluded for the purpose of any consent or any calculation provided for in this Article.

Bonds delivered after the effective date of any action taken as in this Article provided may bear a notation by endorsement or otherwise in form approved by the Town and Bond Registrar as to such action. If the Town and Bond Registrar shall so determine, new Bonds modified to conform to any such action shall be prepared, authenticated and delivered to the

Owner of any Bond then outstanding without cost to such Owner in exchange for and upon surrender of such outstanding Bond.

Section 10.04 Unanimous Consent of Owners. Notwithstanding anything contained in the foregoing provisions of this Article, the terms and provisions of this Bond Order or any order supplemental hereto and the rights and obligations of the Town and of the Owners of the Bonds may be modified or amended in any respect upon the adoption by the Board of an order to that effect, approved by the Bond Registrar, and the filing with the Board of the written consent of the Owners of all outstanding Bonds. No notice to Owners shall be required.

ARTICLE XI

MISCELLANEOUS PROVISIONS

Section 11.01 Discharge of Bond Order. If, when the Bonds secured hereby shall have become due and payable in accordance with their terms or shall have been duly called for redemption and the whole amount of the principal and the interest and premium, if any, so due and payable upon all of the Bonds then outstanding shall be paid, then and in that case the right, title and interest of the Owners of the Bonds secured hereby in the Revenues and funds mentioned in this Bond Order shall thereupon cease, terminate and become void, and the Town, in such case, may apply any and all balances remaining in any funds to any lawful purpose of the Town as the Board shall determine; otherwise this Bond Order shall be, continue and remain in full force and effect.

Section 11.02 Payments When Funds are Insufficient. Anything in this Bond Order to the contrary notwithstanding, if at any time moneys are insufficient to pay the interest on or the principal of the Bonds as the same become due and payable (either by their terms or by acceleration of maturities), all moneys in the Debt Service Fund and Debt Service Reserve Fund, together with any moneys then available or thereafter becoming available for such purpose, shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied

first: to the payment to the persons entitled thereto of all installments of interest on the Bonds then due, in the order of the maturity of the installments of such interest, and if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds;

second: to the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Bond Order), in the order of their due dates, with interest on such Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably,

according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or preference; and

third: to the payment of the interest on and the principal of the Bonds, to the purchase and retirement of Bonds and to the redemption of Bonds, all in accordance with the provisions hereof.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

(c) If the principal of all of the Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled, then the moneys then remaining in and thereafter accruing to the Debt Service Fund and the Debt Service Reserve Fund shall be applied in accordance with the provisions of **paragraph (a)** of this Section.

Section 11.03 Effect of Town's Undertakings. All of the covenants, stipulations, obligations and agreements contained in this Bond Order shall be deemed to be covenants, stipulations, obligations and agreements of the Town and of the Board to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be binding upon the successor or successors thereof from time to time, and upon any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

The Board shall have the right to enter into a contract with any public or private agency for the maintenance, operation and improvement of the System for such periods of time and under such terms and conditions which are not inconsistent with the provisions of this Bond Order as the Board shall determine to be in the best interests of the Town and of the Owners of Bonds issued pursuant to the provisions of this Bond Order.

Section 11.04 Notices. Any notice, demand, direction, request or other instrument authorized or required by this Bond Order to be given to or filed with the Town or the Bond Registrar shall be deemed to have been sufficiently given or filed for all purposes of this Bond Order if and when sent by registered mail, return receipt requested:

to the Town or to the Board, if addressed to the Town of Gibsonville, North Carolina, 129 West Main Street, Gibsonville, North Carolina 27249, Attention: Town Manager;

to the Bond Registrar, if addressed to the address set forth in the applicable Series Resolution; and

to the Commission, if addressed to the Secretary, Local Government Commission, Albemarle Building, 3200 Atlantic Avenue, Raleigh, North Carolina 27604;

Section 11.05 Execution of Instruments by Owners and Proof of Ownership of Bonds. Any request, direction, consent or other instrument in writing required or permitted by this Bond Order to be signed or executed by Owners may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Owners in person or by agent appointed by an instrument in writing. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Bond Order, and shall be conclusive in favor of the Bond Registrar with regard to any action taken by him under such instrument, if in accordance with the registration books.

Any request or consent of the Owner of any Bond shall bind every future Owner of the same Bond in respect of anything done by the Bond Registrar in pursuance of such request or consent.

Section 11.06 Parties Interested Herein. Except as herein otherwise expressly provided, nothing in this Bond Order expressed or implied is intended or shall be construed to confer upon any person other than the Town, the Bond Registrar and the Owners of the Bonds issued under and secured by this Bond Order any right, remedy or claim, legal or equitable, under or by reason of this Bond Order or any provision hereof, this Bond Order and all its provisions being intended to be and being for the sole and exclusive benefit of the Town, the Bond Registrar and the Owners.

Section 11.07 Limited Obligations. Nothing in the Bonds or in this Bond Order shall be construed as pledging either the faith and credit or the taxing power of the Town for their payment, or to create any debt against the Town, or as conveying or mortgaging the System or any part thereof.

Section 11.08 No Recourse Against Members, Officers or Employees of Town or Commission. No recourse under, or upon, any statement, obligation, covenant or agreement contained in this Bond Order, or in any Bond or bond anticipation note hereby secured, or in any related document or certification whatsoever, or under any judgment obtained against the Town or the Commission, or by the enforcement of any assessment, or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any member, officer or employee of the Town or the Commission, either directly or through the Town for the payment for, or to, the Town or the Commission or any receiver of either of them, or for, or to, any Owner of Bonds or owner of bond anticipation notes or otherwise, of any sum that may be due and unpaid upon any such Bond or bond anticipation note. Any and all personal liability of every nature, whether at common law or in equity or by statute or by constitution or otherwise, of any such member, officer or employee to respond by reason of any act or omission on his or her part or otherwise, for the payment for, or to, the Town or the Commission or any receiver of either of them, or for, or to, any Owner of Bonds or owner of bond anticipation notes or otherwise, of any sum that may remain due and unpaid upon the Bonds or bond anticipation notes hereby secured or any of them, is hereby expressly waived and released as an express condition of, and in consideration for, the adoption of this Bond Order and the issuance of the Bonds.

Section 11.09 Severability of Invalid Provisions. In case any one or more of the provisions of this Bond Order or of the Bonds issued hereunder shall for any reason be held to be illegal or valid, such illegality or invalidity shall not affect any other provision of this Bond Order or the Bonds, but this Bond Order and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained herein or therein. In case any covenant, stipulation, obligation or agreement contained in the Bonds or in this Bond Order shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Town to the full extent permitted by law.

Section 11.10 Subordinate Indebtedness and Other Obligations. Nothing in this Bond Order express or implied shall be construed as preventing the Town from financing System Improvements by the issuance of obligations which are not secured under the provisions of this Bond Order or from making expenditures for System Improvements from moneys received by the Town solely for such purpose.

Section 11.11 Applicable Law. This Bond Order is adopted with the intent that the laws of the State of North Carolina shall govern its construction.

Section 11.12 Headings, Etc. Any headings preceding the texts hereof and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Bond Order, nor shall they affect its meaning, construction or effect.

Section 11.13 Officers' Authority. The officers and agents of the Town are hereby authorized and directed to do all the acts and things required of them by the Bonds and this Bond Order for the full, punctual and complete performance of all of the terms, covenants, provisions and agreements contained in the Bonds and this Bond Order.

Section 11.14 Inconsistent Matters. All orders and resolutions and parts thereof, which are in conflict or inconsistent with any provisions of this Bond Order are hereby repealed and declared to be inapplicable to the provisions of this Bond Order.

Section 11.15 Effective Date. This Bond Order shall be effective immediately upon its adoption.

RESOLUTION PROVIDING FOR THE ISSUANCE OF AN \$2,272,000 SEWER
SYSTEM REVENUE BOND ANTICIPATION NOTE

BE IT RESOLVED by the Board of Aldermen for the Town of Gibsonville, North Carolina:

Section 1. The Board of Aldermen for the Town of Gibsonville, North Carolina (the "Town") has determined and does hereby find, declare and represent:

(a) That, pursuant to The State and Local Government Revenue Bond Act, as amended (the "Act"), the Board of Aldermen for the Town (the "Board") adopted on August 5, 2019 a bond order authorizing the issuance of not exceeding \$3,000,000 sewer system revenue bonds of the Town (the "Initial Bonds") and providing for certain related matters, which order (the "Bond Order") is in force and effect.

(b) That the Bond Order authorizes the Town to issue revenue bond anticipation notes in anticipation of the receipt of the proceeds of the sale of the Initial Bonds.

(c) That the Board desires to provide for the issuance of the Note (as defined below) in anticipation of the receipt of the proceeds of the sale of a like amount of the Initial Bonds.

(d) That none of the Initial Bonds has been issued, that no notes have been issued in anticipation of the receipt of the proceeds of the sale thereof and that it is necessary to issue the Note in the principal amount of \$2,272,000 at this time to pay a portion of the cost of the Project (as defined in the Bond Order), including interest on the Note and expenses of issuing the Note as hereinafter provided.

(e) That Branch Banking and Trust Company (the "Bank") has offered to purchase the Note in the principal amount of \$2,272,000 at a purchase price of \$2,272,000 and an interest rate as described in Section 2 of this resolution, and the sale of the Note to the Bank at such purchase price and interest rate are in the best interests of the Town.

(f) That the United States of America has agreed to purchase the Initial Bonds in the aggregate principal amount of \$2,272,000, all of the proceeds of which will be applied to the payment of the Note.

(g) That the Local Government Commission of North Carolina is expected to approve at its meeting on August 6, 2019 the application of the Town for approval of the Bonds as required by N.C.G.S. §159-85, the issuance and private sale of the Bonds to USDA and the issuance and private sale of the Note under the provisions of Article 9 of Chapter 159 of the General Statutes of North Carolina, as amended.

(h) That the Town is a governmental unit with general taxing powers, the Note is not a private-activity bond, as defined in the Internal Revenue Code of 1986, as amended (the "Code") and 95 percent or more of the net proceeds of the Note are to be used for local governmental activities of the Town.

Section 2. Subject to the provisions of the Bond Order, the Board hereby approves the issuance of the Initial Bonds for purpose of paying the costs of the Project and the sale thereof to USDA. Such Initial Bonds shall not be issued and sold to USDA until the Project has been completed.

In anticipation of the receipt of the proceeds of the sale of a like amount of the Initial Bonds, the issuance and sale, pursuant to the Bond Order, the Act and Article 9 of Chapter 159 of the General Statutes of North Carolina, as amended, of an \$2,272,000 revenue bond anticipation note of the Town is hereby authorized, which note (the "Note") shall be designated "Sewer System Revenue Bond Anticipation Note", shall be numbered R-1, shall be dated the date of delivery thereof, shall mature on August 20, 2020 and shall bear interest at the rate of 2.51% per annum, which interest shall be payable upon the maturity of the Note and shall be calculated on the basis of a 360-day year, consisting of twelve 30-day months. No interest coupons shall be attached to the Note. Both the principal of and the interest on the Note shall be paid by check mailed to the registered owner of the Note (the "Owner") and shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

The Note shall be a special obligation of the Town payable from the proceeds of the sale of a like amount of the Initial Bonds and from the Net Revenues (as defined in the Bond Order). Neither the credit nor the taxing power of the Town is pledged for the payment of the Note and no Owner has the right to compel the exercise of the taxing power by the Town or the forfeiture of any of the Town's property in connection with any default thereon.

The Note shall be sold to Branch Banking and Trust Company, Charlotte, North Carolina at a purchase price of \$2,272,000, such purchase price and the interest rate set forth above being in the best interests of the Town.

[The remainder of this page is intentionally left blank.]

Section 3. The Note shall be signed by the Mayor and the Town Clerk and the official seal of the Town shall be impressed on the Note. The form of the Note and the endorsements to be placed upon the reverse thereof shall be substantially as follows:

No. R-1

\$2,272,000

United States of America

State of North Carolina

TOWN OF GIBSONVILLE

SEWER SYSTEM REVENUE BOND ANTICIPATION NOTE

The Town of Gibsonville, in the State of North Carolina (the "Town"), is justly indebted and for value received hereby promises to pay, solely from the sources hereinafter described, to Branch Banking and Trust Company or its registered assigns, on the 20th day of August 2020, the principal sum of

TWO MILLION TWO HUNDRED SEVENTY-TWO THOUSAND DOLLARS

and to pay, solely from such sources, interest thereon from the date hereof, calculated on the basis of a 360-day year consisting of twelve 30-day months, at the rate of two and fifty-one hundredths per centum 2.51% per annum, which interest shall be payable upon the maturity of this Note. Both the principal of and the interest on this Note shall be paid by check mailed to the registered owner of this note (the "Owner") and shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Note is issued pursuant to and in accordance with Article 5 and Article 9 of Chapter 159 of the General Statutes of North Carolina, both as amended, a bond order adopted by the Board of Aldermen for the Town (the "Board") on August 5, 2019 (the "Bond Order") and a resolution passed by the Board on August 5, 2019 (the "Note Resolution"). This Note is issued in anticipation of the receipt of the proceeds of sale of a like amount of Town's sewer system revenue bonds, and the proceeds hereof shall be used to pay a portion of the cost of the Project (as defined in the Bond Order), including interest on this Note and expenses of issuing this Note.

This Note is a special obligation of the Town payable solely from the Net Revenues (as defined in the Bond Order) and from the proceeds of said sewer system revenue bonds. Neither the credit nor the taxing power of the Town is pledged for the payment of this Note and no Owner has the right to compel the exercise of the taxing power by the Town or the forfeiture of any of the Town's property in connection with any default hereon. Reference is hereby made to the Bond Order and the Note Resolution and to all amendments and supplements thereto for a

description of the provisions, among others, respecting the nature and extent of the security for this Note, the rights, duties and obligations of the Town, the rights of the Owner and the terms upon which this Note is issued and secured.

The principal balance of this Note is subject to prepayment in whole at any time without penalty.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of North Carolina to happen, exist and be performed precedent to and in the issuance of this Note have happened, exist and have been performed in regular and due form and time as so required.

IN WITNESS WHEREOF, the Town, pursuant to a resolution of the Board, has caused this note to be signed by the Mayor and the Town Clerk and the official seal of the Town to be impressed hereon, all as of the __ day of August 2019.

[Manual signature]
Mayor

[Manual signature]
Town Clerk

[To be endorsed upon reverse of Note]

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The issuance of this Note has been approved under the provisions of The State and Local Government Bond Revenue Act of North Carolina, as amended.

[Manual signature]
Secretary, Local Government Commission

L.G.C. No. _____

CERTIFICATE OF AUTHENTICATION

This Note is issued under the provisions of the within mentioned Bond Order and Note Resolution.

By: _____
Finance Officer as Bond Registrar

Date of authentication: _____

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY NUMBER
OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE _____

_____ the within note
and all right thereunder, and hereby irrevocably constitutes and appoints
_____, attorney, to transfer the within note on the
books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

In the presence of:

NOTICE: Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

The signature to this assignment must correspond with the name as it appears upon the face of the within note in every particular, without alteration or enlargement or any change whatever.

Section 4. The principal balance of this Note is subject to prepayment in whole at any time without penalty

Section 5. The Town covenants that, to the extent permitted by the Constitution and laws of the State of North Carolina, it will comply with the requirements of the Internal Revenue Code of 1986, as amended or as may be amended from time to time (the "Code"), and any Treasury regulations now or hereafter promulgated thereunder relating to the issuance of the Note to the extent necessary so that interest on the Note will not be includable in the gross income of the Owner for purposes of federal income taxation.

Section 6. The Town hereby further represents that it reasonably expects that it and all subordinate entities thereof will not issue in the aggregate more than \$10,000,000 of tax-exempt obligations (not counting private-activity bonds except for qualified 501(c)(3) bonds as defined in the Code) during calendar year 2019. In addition, the Town hereby designates the Note as a "qualified tax-exempt obligation" for the purposes of Section 265(b)(3) of the Code.

Section 7. The actions of the Town Manager, the Town Attorney and any other officer of the Town in applying to the Commission to approve the Note and sell the Note at private sale are hereby approved, ratified and confirmed, and the award of the Note by the Commission at private sale to the Bank upon the terms set forth in this resolution is hereby approved.

Section 8. The Town Manager, the Finance Director and the Town Attorney of the Town and their designees are hereby authorized and directed to take such other actions and to execute and deliver such other documents, certificates, undertakings, agreements or other instruments as may be necessary or appropriate to effectuate the issuance of the Note.

Section 9. The officers, agents and employees of the Town are hereby authorized and directed to do all acts and things required of them by the provisions of the Note and this resolution for the full, punctual and complete performance of the terms, covenants, provisions and agreements therein and herein. The Board hereby approves the Town's entering into depository arrangements with Branch Banking & Trust Company for the deposit of the proceeds of the Note in a separate account pending disbursement to pay costs of the Project, including a Project Fund Agreement. The Board hereby approves the Town's entering into a Wire Transfer Agreement with Branch Banking & Trust Company regarding the transfer of amounts held under the Project Fund Agreement by wire transfer.

Section 10. This resolution shall take effect upon its passage.

Ben Baxley

Item 8

From: Mills, James M <mmills@ncdot.gov>
Sent: Wednesday, July 17, 2019 1:58 PM
To: Ben Baxley
Subject: High Impact/Low Cost project at Kimbers
Attachments: Copy of Resolution.pdf

Ben:

As we have previously discussed, we have added the improvement of the existing intersection of NC 62 and NC 100, at the Kimber's Restaurant, as a High Impact/Low Cost project. As you have brought to our attention, the edge of the building has been struck by several large vehicles, and therefore, we have developed a plan that could address this issue. I believe this plan has previously been submitted to you for review.

The estimated cost for this improvement is approximately \$650,000, and as such, any proposed project within a local governmental entity that is in excess of \$250,000, we need a Resolution of acknowledgement and/or support, before it can be approved by the Board of Transportation. We would like to have this on the September Board of Transportation meeting, therefore, would it be possible for the Gibsonville Board of Alderman to provide this Resolution for this project by August 14th?

I have provided a copy of a Resolution that was recently completed for a project within the City of High Point that was in excess of \$250,000, for your use as an example, if needed.

It would be greatly appreciated if you could add this to agenda for the next Board of Alderman meeting.

If you have any questions, please advise.

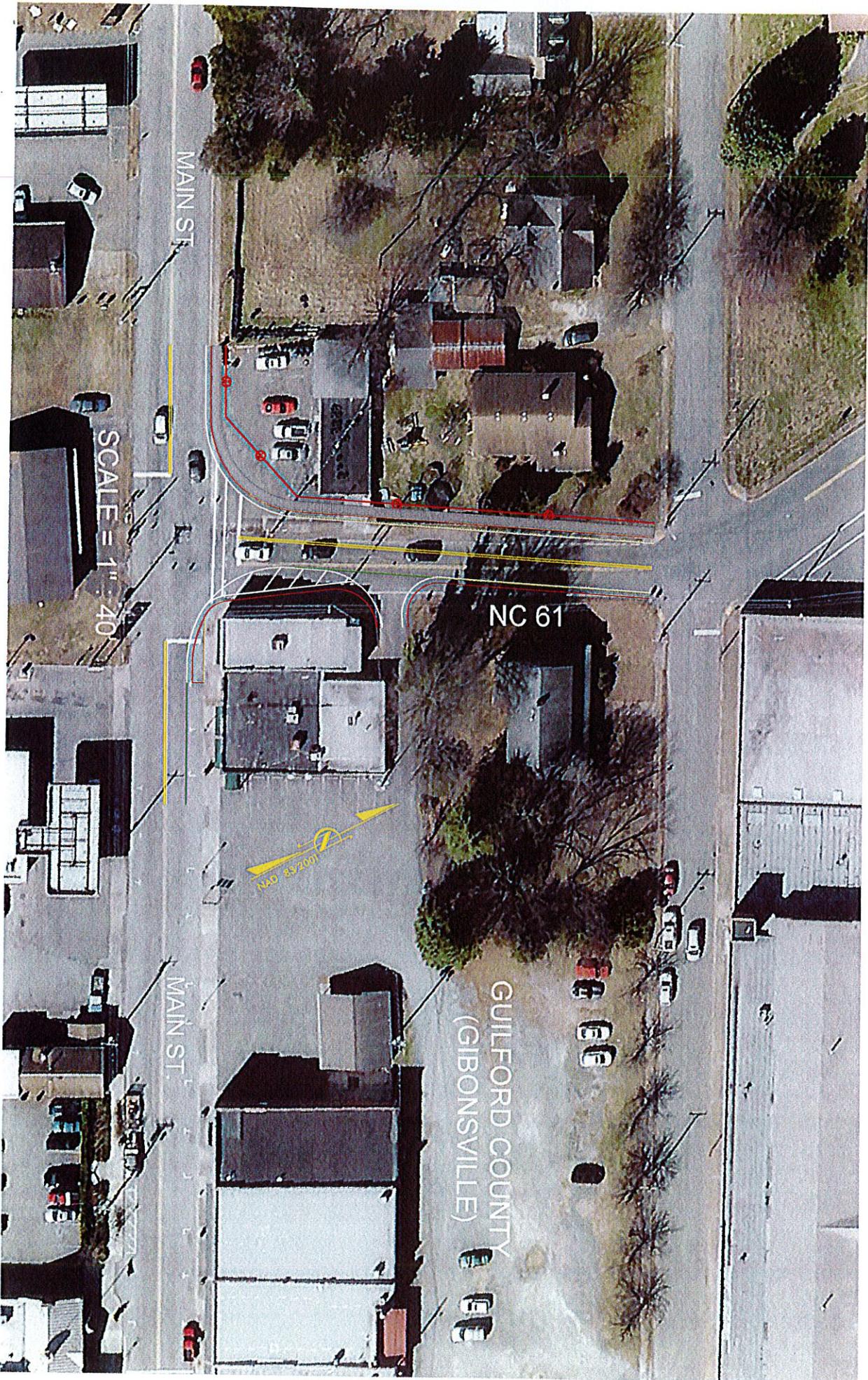
Thanks,

Mike Mills
Division Engineer
Division 7
NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

336 487 0000 office
mmills@ncdot.gov

1584 Yanceyville Street
Greensboro, NC 27405





RESOLUTION OF SUPPORT

REGARDING IMPROVEMENTS AT INTERSECTION OF NC 61 AND NC 100

WHEREAS, G.S. 136-11.1 requires that the North Carolina Department of Transportation (“NCDOT”) request a resolution from all municipalities and counties affected by certain planned transportation projects to express their views on the project prior to any action taken by the North Board of Transportation (“Board”); and

WHEREAS, the Department has proposed committing in excess of \$250,000 for the improvements that include the widening of the intersection NC 61 and NC 100 to accommodate a safer turning radius; and

WHEREAS, pursuant to G.S. 136-11.1 the Town is provided the opportunity to state its views on the Project through this resolution before action of the Board; and

WHEREAS, the Department and the Board shall consider, but shall not be bound by, the views of the Town regarding the Project.

NOW, THEREFORE, THE BOARD OF ALDERMEN OF THE TOWN OF GIBSONVILLE RESOLVES:

Section 1. The Town supports the Project because it will enhance the safety of the traveling public in the area and requests the Department and the Board approve the Project.

Section 2. This resolution shall be effective upon adoption.

Adopted this 5th day August, 2019.

Mayor

Attest:

Town Clerk

Conceptual Line of Agreement

Draft 3 – 7-2-19

The Town of Elon and Town of Gibsonville agree on a mutual line of growth extending from the existing line following the existing corporate limits lines of each municipality until intersecting Manning Avenue and then continuing to the north along the centerline of Gibsonville – Ossipee Road until the intersection with Guilford County Farm Road (SR 1553). This is shown on the attached Exhibit #1. This line will provide a limitation for each Town's annexations and extra territorial jurisdiction limits. The line will be along the center of Manning Avenue and then Gibsonville Ossipee Road.

The Line of Agreement is agreed to with the following conditions:

The Town of Elon will purchase the Travis Creek Sewer Pump Station, the parcel of land for the Travis Creek Sewer Pump Station and assume responsibility for the Pump Station's operations and maintenance. The Pump Station is shown on Exhibit #2. The pump station will be purchased for a cost of \$858,611.70 as calculated in Exhibit #2A that will be paid prior to October 1, 2021. The Town of Elon will take over maintenance of the pump station on October 1, 2021. *Major rehabilitation or repairs that are required within the first 12 months after the maintenance changeover of the pump station will be split 50%/50% between Elon and Gibsonville. Major repairs are items over \$5,000 in cost that are not included in Section 5.0 (Maintenance Costs) of the Charles Underwood report on the pump station (Exhibit 2A). The Town of Elon will be responsible for all costs associated with maintenance and repair of the pump station after this period of time. An easement plat may be required to separate the pump station from the sewer outfall if ownership of the items is not transferred at the same time.*

The Town of Elon will purchase the Travis Creek Force Main from the Travis Creek Pump Station until it discharges into the City of Burlington near Shallowford Church Road. The 12" force main is 4,000' in length and is evaluated and valued in Exhibit 2B. The force main will be purchased on the same timeline as the pump station for \$186,992.00. The force main will be purchased at the same time that the Travis Creek Pump Station is purchased.

The capacity of the Travis Creek Pump Station will be split evenly based on a capacity of 800,000 gallons per day. The average gallons per day will be calculated on a quarterly basis. Increases in capacity at the pump station will be funded according to the percentage of capacity, or the desire to expand, for each community. *Should a scenario arise where, in order to delay expansion of the pump station, one entity (Entity A) requests and is granted a transfer of some portion of the other entity's (Entity B) unused capacity, the Entity A would be bound by one of the following three options if and when Entity B requires additional capacity: 1) Entity A may retain all used or unused capacity to Entity B that had been previously relinquished to them and expand the pump station, at their expense, to the degree necessary to provide Entity B with an equal or greater capacity than that previously relinquished; or 2) Entity A shall return the full amount of capacity to Entity B, if unused, that had previously been relinquished; or 3) Some combination of Options 1 and 2 sufficient to provide Entity B with the same or greater degree of capacity that had previously been relinquished.*

The Town of Elon will purchase the Travis Creek Sanitary Sewer Outfall line (Exhibit #2) from Gibsonville Ossipee Road to the Travis Creek Pump Station. The outfall line is currently being improved by the Town of Gibsonville in order to rehabilitate the lines through cured in place piping and manhole rehabilitation

as shown in Exhibit #3. The Town of Gibsonville will complete the rehabilitation in accordance with the construction drawings included in Exhibit #3 and as proposed to be funded by the USDA. ***The outfall line will be purchased for an estimated cost of \$862,190.67.*** The final cost will be directly associated with the final construction rehabilitation cost of the line as shown on Exhibit #4. *If the final cost differs by 15% in either direction, then the Town's must agree to the final cost. The Town of Gibsonville will provide cost updates to the Town of Elon throughout the project at 25%, 50%, 75% and at completion of the project. Full payment for the line will be due 15 months following completion of construction.* The project is expected to be completed in the calendar year 2020. The Town of Gibsonville will then we be required to pay this exact cost to the USDA to comply with the loan agreement for the sewer rehabilitation project.

The Town of Elon will be responsible for sewer metering of flow from the Town of Gibsonville. At present, no new sewer meters will be required and both towns will agree on future location and type of sewer meters with the Town of Elon being financially responsible for installation of the sewer meter.

The Towns of Elon and Gibsonville will continue to reimburse each other through the same general practices included in the 2013 Water and Sewer Agreement Addendum (Exhibit #5) ***until the fiscal year beginning at least 24 months after all payments have been exchanged, unless both parties agree to changes in terms prior. This will involve minor changes to the addendum to amend the payments based on flow direction. A financial update will be completed prior to May 1st of the year following the 24 month period to allow for implementation within fiscal year budgets.***

The Town of Elon and Town of Gibsonville both purchase drinking water and wastewater treatment from the City of Burlington. The revised line of agreement will require a change in both town's current agreements with the City of Burlington. Both towns will meet jointly with the City of Burlington in order to amend each Town's utility agreements for water and sewer treatment.

EXHIBIT 1

WESTERN ALAMANCE HIGH SCHOOL

87

CONCEPTUAL LINE OF AGREEMENT

CONCEPTUAL LINE OF AGREEMENT

STONE RIDGE SUBDIVISION

CABLE SQUARE SUBDIVISION

UNIVERSITY

EXISTING LINE OF AGREEMENT 1986

- Legend
-  PREVIOUS LINE OF AGREEMENT
 -  BURLINGTON CORPORATE LIMITS
 -  ELON CORPORATE LIMITS
 -  GIBSONVILLE CORPORATE LIMITS
 -  OSSISPEE CORPORATE LIMITS
 -  BURLINGTON ETJ
 -  ELON ETJ
 -  GIBSONVILLE ETJ

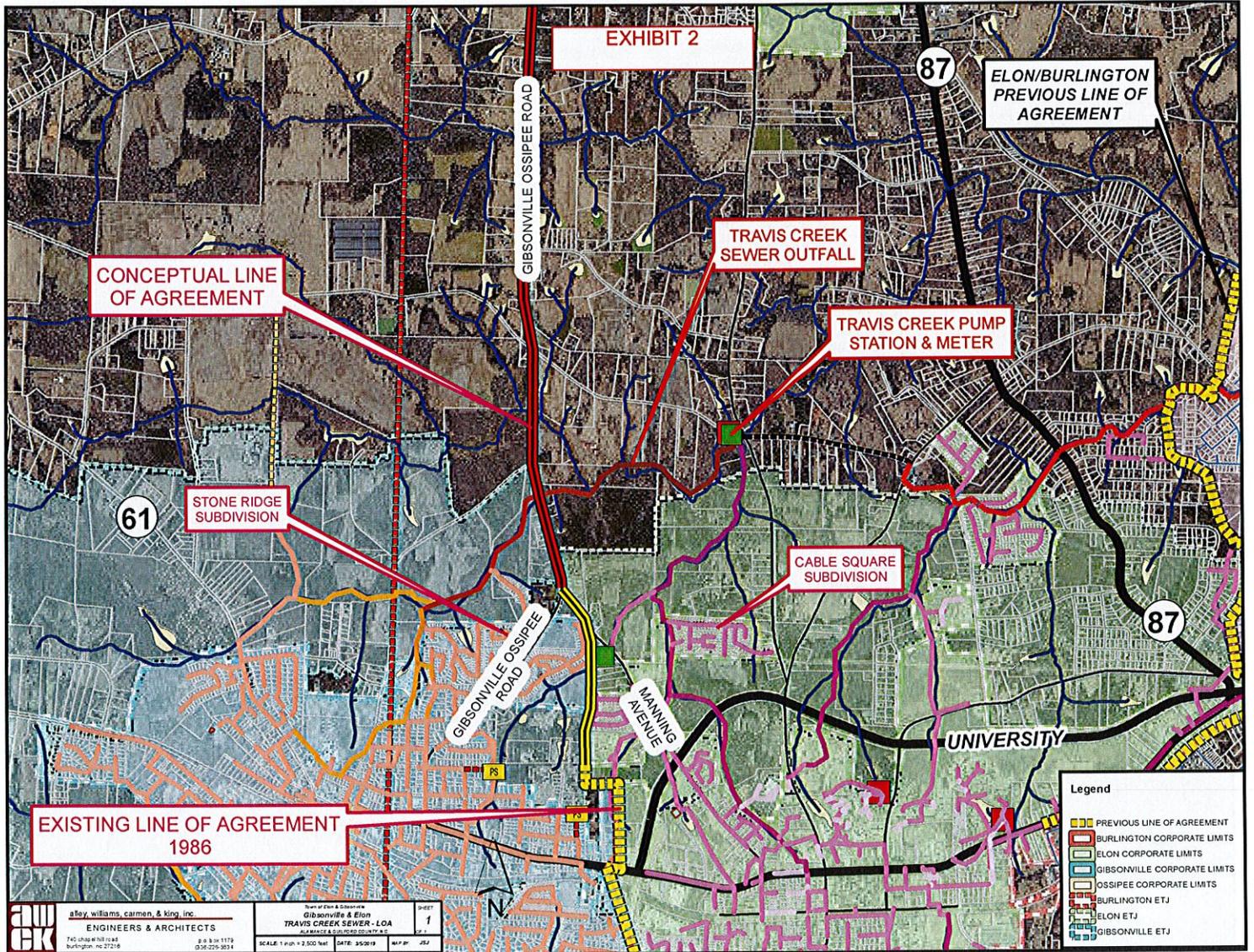


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 740 chapel hill road
 burlington, nc 27216
 p o box 1179
 (336)226-5534

Town of Elon & Gibsonville
 Gibsonville & Elon
CONCEPTUAL LINE OF AGREEMENT
 ALAMANCE & GUILFORD COUNTY, N.C.

SHEET:
 1
 OF 1
 N

SCALE: 1 inch = 2,500 feet DATE: 3/5/2019 MAP BY: JSJ

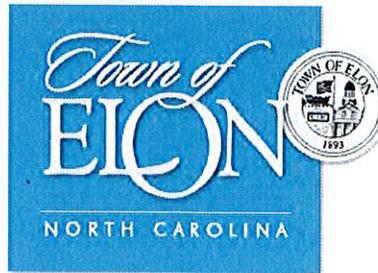
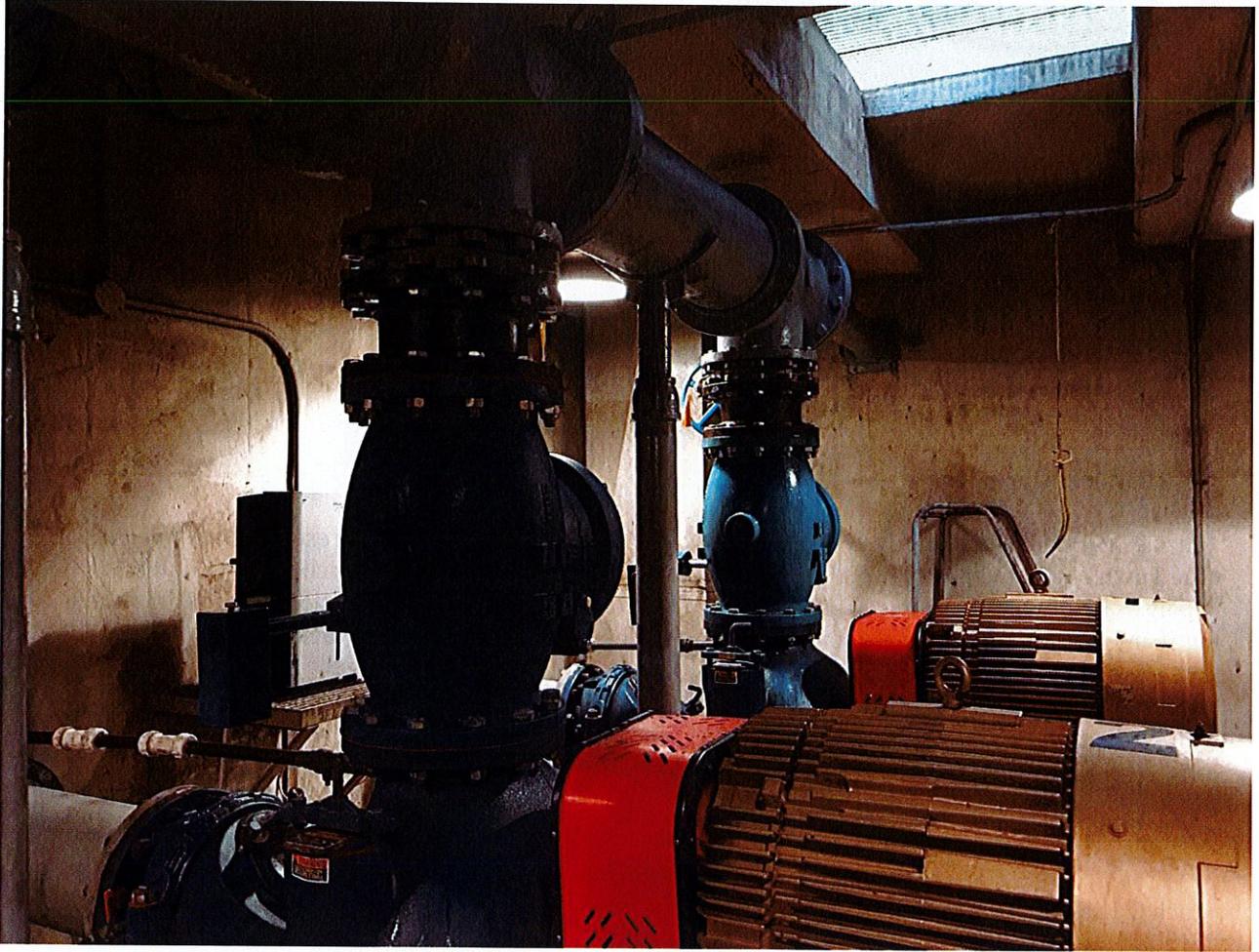


aw
ek
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State of North Carolina
 Division of Planning
 GIBSONVILLE & ELON
 TRAVIS CREEK SEWER - LOA
 4.4 MILES & 6.5 MILES 02-077.4.0
 SHEET
 1
 SCALE: 1 inch = 2,500 feet DATE: 05/2019 MAP BY: JSJ

Legend

	PREVIOUS LINE OF AGREEMENT
	BURLINGTON CORPORATE LIMITS
	ELON CORPORATE LIMITS
	GIBSONVILLE CORPORATE LIMITS
	OSSIPEE CORPORATE LIMITS
	BURLINGTON ETJ
	ELON ETJ
	GIBSONVILLE ETJ



Present Worth Analysis

Travis Creek Pump Station

Gibsonville, North Carolina

December 6, 2018





Charles R. Underwood, Inc.
2000 Boone Trail Rd.
Sanford, NC 27330 • 919.775.2463

December 6, 2018

Mr. Josh Johnson, PE
Alley, Williams, Carmen & King, Inc.
740 Chapel Hill Rd
Burlington, NC 27215

Re: Current Worth Analysis – Mechanical & Electrical Systems
Travis Creek Pump Station

Dear Mr. Johnson,

Charles R. Underwood, Inc. is very pleased to have been hired to provide a Present Worth Analysis of the Town of Gibsonville's Travis Creek Pump Station. We trust you and your clients will find this analysis helpful in their future Capital Outlay decisions. If there are any questions of the data herein or if any further analysis is required, please do not hesitate to contact me directly.

Sincerely,

A handwritten signature in black ink, appearing to read "Zach C. Hinnant", written in a cursive style.

Zach C. Hinnant, PE
919-219-9261



Table of Contents

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Section 1.0

Report Summary

This report is a comprehensive Present Worth Analysis of the Travis Creek Pump Station in Gibsonville, North Carolina. In addition to the pump station structure and connecting infrastructure, we have thoroughly evaluated the critical mechanical and electrical equipment and ancillary components including:

Mechanical

- Pumps
- Motors
- Bubbler System
- Valves
- Piping
- Bypass Connection
- Flow Meter

Electrical

- MCC
 - Soft Starts & Breakers
- Main Disconnect
- Generator
- Automatic Transfer Switch
- Pump Disconnect Switches
- Conduit & Wire

The purpose of this report is to establish a current value of the pump station to aid the Town of Elon in a potential decision to purchase the pump station from the Town of Gibsonville to expand their infrastructure. Charles R. Underwood, Inc. did not provide any review or present worth analysis of the pump station land value or associated right of ways or gravity sewers & force mains outside of the apparent property limits. To complement the present worth analysis, we also included an estimated cost for yearly preventative maintenance needs at the pump station.



Fig. 01 – Travis Creek Pump Station Exterior (left) and Upper Level (right).

Section 2.0

Pump Station Overview

Travis Creek Pump Station was placed into service in 1981 and receives both The Town of Elon's and The Town of Gibsonville's sewage. Elon's sewage is metered onsite and billed monthly by Gibsonville. The sewage is pumped through a force main into the City of Burlington's sewer system. Per Town personnel, the firm capacity of the pump station is approximately 800,000 gallons per day with a max capacity of 1.2 MGD.

The pump station structure consists of cast-in-place concrete construction for the wet well and adjoining below ground dry pit. The wet well bottom is approximately 14' deeper than the dry pit floor elevation. The wet well bottom is sloped from three sides to direct the influent to the pump suction lines. There is (1) 18" gravity line entering the wet well. A trash basket with slide rail system is installed in front of the gravity line inside the wet well to catch debris. It is uncertain if this is still utilized. The dry pit and wet well have a common top slab which is also the upper level floor. There is an intermediate concrete landing inside the wet well with aluminum railings on either side which is accessed through an aluminum hatch in the top slab. Aluminum access hatches are located above each pump inside the station. The MCC and generator are located on the upper level.

The pump station building consists of brick cavity wall construction with hollow core roof panels and a built-up roof. The building is over the dry pit only. A steel shed roof is connected to the back of the building to cover the wet well. A trolley beam with hoist for removing the trash basket is connected to the steel frame of the shed roof. The building has (1) thru-wall intake louver, and (3) exhaust fans: one for the generator, one for the upper level and one for the lower level. A separate exhaust fan is mounted to the wet well.

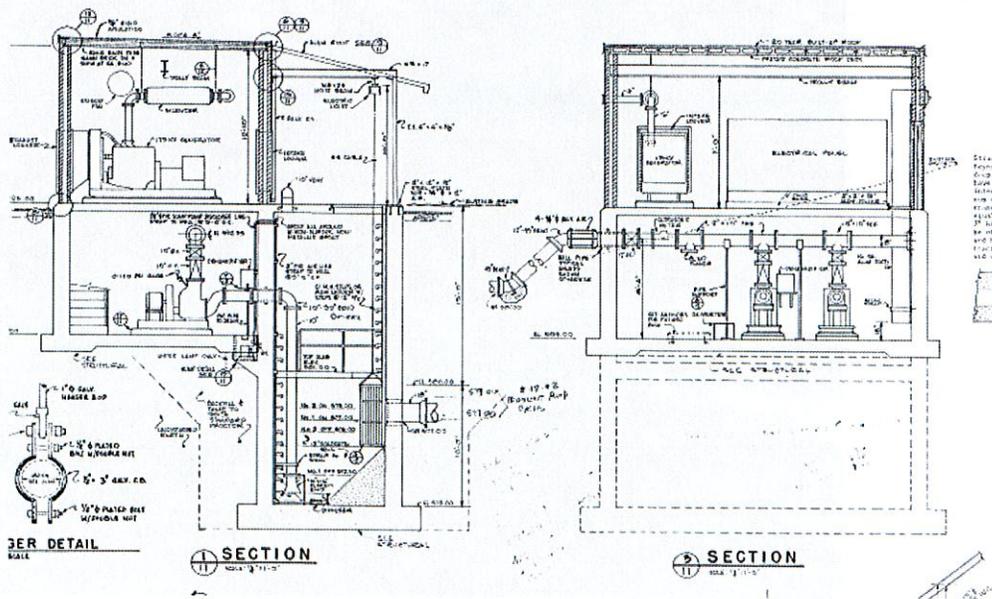


Fig. 02 – Original Pump Station Construction Drawings – Sectional Views



The pumping equipment consists of (2) T10 Gorman Rupp self-priming pumps and a spot for a future 3rd pump. The dry pit contains the pumps and their respective interior suction and discharge piping and valving.

The electrical switchgear, including generator and transfer switch are located upstairs at ground level. The station electrical consists of the original, duplex Westinghouse Motor Control Center (MCC) that has been converted from RVAT motor starters to soft starters. The MCC is fed from a 600A main disconnect. The station is equipped with a newer backup generator (replaced in 2014) and automatic transfer switch that was replaced in 2006. Stainless steel disconnects with emergency stops are located on the pump operating level downstairs.

The pumps and motors were upgraded with new units in 2013 along with the conversion to soft starters. In addition, the bubbler system was replaced at this time as well as a new cellular alarm dialer for station status monitoring. The most recent upgrade has been the installation of new knife gate isolation valves and swing check valves in 2016. The station was bypassed to perform this work through its bypass connection, which is a valuable onsite asset for shut down and emergency events.

Per discussions with Gibsonville personnel, the pump station has been reliable and has provided good service overall. On my site visit, it was noticeable that the pump station is well taken care of, and the critical assets have been proactively repaired or replaced at recommended service and replacement intervals. Additionally, Gibsonville has kept excellent records of all previous repairs, maintenance events, and equipment replacements.



Fig. 03 – Travis Creek Pump Station Exterior (left) and Upper Level (right).

Section 3.0

Present Worth Analysis - Equipment

Each piece of critical equipment within the pump station has a unique service life and maintenance needs, making it the most challenging component in this analysis. The maintenance cost component is assessed in the next section. The values given in the subsequent tables consider the current equipment replacement costs (including installation labor) and their remaining service life to establish a Present Worth via the straight-line depreciation method. Operation and maintenance costs are not included in this analysis. The method utilized to establish the current Present Worth is further described below.

Methodology

To establish the Present Worth (PW) of the pump station & equipment, we utilized the following factors:

- Current Replacement Cost (CRC)
 - Including Material (CRC_{mat}) & Labor (CRC_{lab})
- Expected Service Life (ESL)
- Service Year (SY)

A straight-line depreciation method was used to determine the present worth for each piece of equipment and then cumulate the net present worth of the evaluated mechanical and electrical equipment, where:

$$PW = (CRC_{mat} + CRC_{lab}) / (ESL - SY)$$

Section 3.1

Present Worth Analysis – Mechanical Equipment

Travis Creek Pump Station- Present Worth							
Mechanical Equipment							
Equipment Description	ESL	SY	Years Remaining	CRC _{mat}	CRClab	QTY	PW
GR T-10 Pumps & 100HP Motors	20	2013	15	\$ 38,500.00	\$ 8,000.00	2	\$ 69,750.00
Bubbler System	10	2013	5	\$ 8,000.00	\$ 2,500.00	1	\$ 5,250.00
Interior DI Piping	100	1981	63	\$ 12,000.00	\$ 15,000.00	1	\$ 17,010.00
Isolation Valves (includes bypass)	20	2016	18	\$ 4,000.00	\$ 2,500.00	2	\$ 11,700.00
Check Valves	20	2016	18	\$ 3,200.00	\$ 2,500.00	2	\$ 10,260.00
Flow Meter	20	2003	5	\$ 6,000.00	\$ 5,000.00	1	\$ 2,750.00
Bypass Connection	50	1981	13	\$ 10,000.00	\$ 10,000.00	1	\$ 5,200.00
Totals:				\$ 81,700.00	\$ 45,500.00		\$ 121,920.00

Fig. 04 – Present Worth of Electrical Equipment



Section 3.2

Present Worth Analysis – Electrical Equipment

Travis Creek Pump Station- Present Worth							
Electrical Equipment							
Equipment Description	ESL	SY	Years Remaining	CRCmat	CRClab	QTY	PW
MCC - 800 Amp, 600 VAC	40	1981	3	\$ 60,000.00	\$ 15,000.00	1	\$ 5,625.00
ABB Soft Starts	10	2017	9	\$ 4,000.00	\$ 1,500.00	2	\$ 9,900.00
200A Pump Breakers	20	2013	15	\$ 2,500.00	\$ 1,500.00	2	\$ 6,000.00
180 kW Generator	20	2014	16	\$ 45,000.00	\$ 8,000.00	1	\$ 42,400.00
Transfer Switch - 600A, 600VAC	20	2006	8	\$ 8,000.00	\$ 3,000.00	1	\$ 4,400.00
Main Disconnect - 600A	40	1981	3	\$ 6,500.00	\$ 3,000.00	1	\$ 712.50
200A, SS, Pump Disconnect Switch	40	1981	3	\$ 2,500.00	\$ 1,500.00	2	\$ 600.00
Conduit & Wire - Inside Station	40	1981	3	\$ 20,000.00	\$ 15,000.00	1	\$ 2,625.00
Totals:				\$ 148,500.00	\$ 48,500.00		\$ 72,262.50

Fig. 05 – Present Worth of Electrical Equipment

Per the above tables (Fig. 03 & Fig 04), the Net Present Worth of the evaluated mechanical and electrical equipment is **\$194,182.50**. The Current Replacement Cost, including installation labor for this equipment is estimated to be **\$324,200.00**.

In our opinion, the most critical piece of equipment that will need attention the soonest is the Motor Control Center. We would suggest a thermography be performed to identify hot spots and provide a more thorough assessment of the bus bar, buckets and wiring. A physical inspection of these components would be recommended as well.



Fig. 06 – Motor Control Center

Section 4.0

Present Worth Analysis – Pump Station

We have estimated the current cost to construct a duplicate pump station and assumed the **service life to be 100 years**. The current lump sum pump station construction cost is below and inclusive of the listed items. All remaining construction costs to make for a complete and functioning pump station, including the engineer’s fee, are estimated separately. The engineer’s fee considers all replacement costs and utilizes a 50-year service life, as this is a likely interval of when a major upgrade or replacement of the pump station will occur.

PUMP STATION

- Drill & blast rock
- Structure excavation
- Stone subbase.
- Disposal of rock and unsuitable material
- Cast-In-Place reinforced concrete wet well w/ Intermediate slab
- Cast-in-Place reinforced concrete dry pit
- Upper slab
- Force main to extents of apparent pump station property.
- Gravity Lines to extents of apparent pump station property.
- Earthen backfill & compaction
- Import of suitable backfill material
- Brick pump station building.
- Hollow core roof panels with built up roof.
- Double door
- Steel stairwell
- Exterior shed roof w. hoist & beam
- Access Hatches
- Intake louver
- Exhaust Fans
- Equipment pads
- Wall sleeves
- Suction piping
- Painting
- Grout/concrete fillet in wet well

Estimated Lump Sum Current Replacement Cost: **\$700,000.00**

Travis Creek Pump Station- Present Worth							
Pump Station							
Description	ESL	SY	Years Remaining	CRCmat	CRClab	QTY	PW
Pump Station	100	1981	63	\$ 700,000.00	Included	1	\$ 441,000.00
Totals:				\$ 700,000.00	\$ -		\$ 441,000.00

Fig. 07 – Present Worth of Pump Station



REMAINING CONSTRUCTION COSTS & ENGINEER'S FEE

- Final Grading
- Paving
- Site restoration.
- Landscaping
- Fencing
- Underground electrical
- Construction permits
- 10% Engineering Fee to provide:
 - o Design
 - o NC Required Permits/Approvals
 - o Contract Documents
 - o Contract Administration
 - o Site Quality Control

Estimated Lump Sum Remaining Construction Cost & Fee: \$650,000.00

Travis Creek Pump Station- Present Worth								
<i>Pump Station</i>								
Description	ESL	SY	Years		CRCmat	CRClab	QTY	PW
			Remaining					
Remaining Construction Costs	100	1981	63		\$ 300,000.00	Included	1	\$ 189,000.00
Engineering Fee	50	1981	13		\$ 132,420.00	Included	1	\$ 34,429.20
Totals:					\$ 132,420.00	\$ -		\$ 223,429.20

Fig. 08 – Present Worth of Remaining Construction Cost & Engineer's Fee

Per our evaluation, the total Net Present Worth of Travis Creek Pump Station is **\$858,611.70**.
 The total Net Current Replacement Cost, including the Engineer's fee is **\$1,456,620.00**.



Section 5.0

Preventative Maintenance Cost

To complement this Present Worth Analysis, we have estimated the yearly cost for preventative maintenance (PM) services on the critical pump station equipment. The yearly cost below is based on each equipment manufacturer's recommended PM service as well as our experience with PM needed on similar pump stations. However, it does not include any additional service or replacement costs for failures or unforeseen events.

RECOMMENDED PM SERVICE - TRAVIS CREEK PUMP STATION

Pumps & Valves

- Pull pump rotating assemblies and clean of debris.
- Adjust impeller wear plate clearance.
- Inspect wear plate condition.
- Inspect flap valve condition.
- Change oil in bearing housings.
- Check/adjust drive belt tension and alignment.
- Clean air release.
- Grease motor bearings.
- Take suction and discharge pressure readings
- Perform draw down test; verify against mag meter.
- Exercise suction and discharge isolation valves.
- Vac-truck clean wet well (separate service).

Electrical

- Check incoming voltage and power quality.
- Record amp draw of each pump.
- Tighten electrical connections in MCC, ATS, and disconnects.
- Verify correct operation of bubbler system.

Generator

- Change all fluids.
- Load test battery and alternator
- Take fuel and oil samples.
- Add stabilizer to fuel.
- Verify correct generator operation.
- Verify automatic transfer and correct power output.

Travis Creek Pump Station			
<i>Preventative Maintenance</i>			
PM Description	Frequency / Yr.	Cost / PM	Yearly Cost
Pumps & Valves	4	\$ 3,500.00	\$ 14,000.00
Electrical	2	\$ 1,800.00	\$ 3,600.00
Wet Well Cleaning	2	\$ 3,500.00	\$ 7,000.00
Generator	1	\$ 1,800.00	\$ 1,800.00
			\$ 24,600.00

Fig. 09 – Preventative Maintenance Costs



Section 6.0

Conclusions & Recommendations

In addition to the purchase price and maintenance costs, Elon should strongly consider the operational cost of the pump station and the increase in staff it may require. This pump station is not small and will require additional resources to operate and maintain. As mentioned above we would strongly recommend evaluation of the condition of the Motor Control Center and interior wet well concrete.

In closing, we feel the equipment at Travis Creek Pump Station to be in good condition, with some being in excellent condition. If the wet well structure is found to be in sound condition and the maximum pump station capacity is not exceeded, the pump station should provide at least another 20 years of service before replacement should be considered.





Travis Creek Pump Station Force Main Evaluation

From: Josh Johnson, P.E.

Date: July 2, 2019

Background

The Town of Gibsonville and Town of Elon are considering a line of agreement along their northern jurisdictional lines. This Line of Agreement is proposed to include the transfer of sewer collection system assets from the Town of Gibsonville to the Town of Elon. These assets are primarily a portion of the Travis Creek Sewer Outfall, the Travis Creek Pump Station, and the sewer force main associated with the Travis Creek Pump Station.

The sewer outfall is being valued in conjunction with the Town of Gibsonville's USDA sewer rehabilitation project and the pump station was valued through a report from Charles R. Underwood. The sewer force main has not been evaluated and valued to this point in time. This document is intended to provide an overview of the condition of the force main and the current value of the asset.

Travis Creek Force Main Description

The Travis Creek Force Main is constructed of ductile iron and is approximately 4000' in length. It was installed in 1981 and is primarily in the shoulder of Pitt Road. This length is based upon the as-built drawings and GIS files. The 12" force main runs from the Travis Creek Pump Station down Pitt Road until discharging into the City of Burlington's Dry Creek Interceptor near Shallowford Church. The force main is within existing street right of ways and sewer easements throughout this length. The ductile iron force main transports an average of 400,000 gallons per day of sewer from the pump station to the discharge point.

Travis Creek Force Main Evaluation and Current Condition

Despite the force main's age, it appears to be in good condition. The Town of Gibsonville has not been required to complete major repairs or extensive maintenance to the line. In order to evaluate the current condition of the line, we evaluated the impacts to the force main from the pump station usage, of the pump station's performance and the design of the line.

The Travis Creek Pump Station has two 100 horse power Gorman Rupp pumps that pump through the force main. These pumps operate between 1300 GPM and 1750 GPM depending on where in the maintenance cycle the supporting piping, wear plates, impellers, and other appurtenances stand. At the previously designated 1400 GPM capacity of the station, the velocity within the force main is approximately 4.0 feet per second which is well within the normal operating range for ductile iron pipe. The Travis Creek Pump Station is stated to have the ability to be expanded to 1.2 million gallons per day and this increase would produce a wastewater velocity of approximately 6.0 feet per second. This potential future velocity is on the higher side of acceptable but still falls within an acceptable range for



ductile iron pipe (2-8 fps is recommended). Any routine velocity exceeding 2.0 feet per second will clean the force main and this is important to maintain the capacity of the force main.

One sign of pump station or force main issues is if a pump is not pumping as expected based on the design. Since the pump station was rehabilitated relatively recently (2011-2013), it is fairly easy to check current pump production with expected pump production. As such, we evaluated the existing pumps with regard to the pump curve. This evaluation showed that the pumps were pumping at or near the expected pump curve. With the pump station operating at 1400 GPM, the force main shows typical total dynamic head for a 30-year-old ductile iron force main. This slightly increased TDH could be due to typical tuberculation or to possible changes of the alignment of the original design at the Elon Ossipee Road crossing during the bridge replacement project. Since the force main is 38 years old, it does not appear that excessive buildup within the force main is a significant issue. If it were a significant issue, then the force main would be reducing the capacity of the line further than these values.

The force main pumps from Travis Creek uphill to the ridgeline on Shallowford Church Road. There is one minor ridgeline on Pitt Road during that distance but the design plans and as-builts show that the line was designed to eliminate any high points during that section. Because the line does not have an air relief manhole, the line was tapped directly outside of the pump station building during the last pump station rehabilitation to check to see if air buildup was an issue on the line. According to Town staff, the line did not show any issues with air lock or reduced effectiveness. Staff do blow off the tap approximately every 6 months but do so primarily as preventative maintenance and they haven't seen any correlation between this and pump performance. The "coupon" or side of the force main that was removed during tapping is not available at this time but Gibsonville staff noted that it did not show buildup or degradation. One additional check would be to tap the force main closer to Shallowford Church Road.

According to the American Water Works Association's (AWWA) information, ductile iron pipe should have a life expectancy of 100 years. The primary impacts to this lifespan are corrosion both inside and outside of the pipe. Internal corrosion is generally from wastewater characteristics that include hydrogen sulfide (H₂S) and external corrosion is from corrosive soils. The outfall and pump station associated with the force main do not show any indicators of corrosion and the DIP is cement lined so internal corrosion should be minimal. The pipe should be laid in good material and other ductile iron lines (force main and water) in the area do not show any significant external corrosion.

Based on the above evaluation factors, we do not see any reason that the force main's life expectancy should be less than the typical AWWA life span of 100-years. If additional work were requested, then tapping the force main closer to Shallowford Church Road should provide documentation of the current conditions.

Travis Creek Force Main Current Value

The Travis Creek Force Main has a considerable construction value but the line is approximately 40% of the way through its expected life expectancy. While exact construction cost is difficult to determine, the all encompassing cost of a 12" ductile iron force main is between \$60 and \$70 per linear foot. This cost is comparable to recently installed force mains and ductile iron waterlines in Alamance County. While the cost may seem relatively low compared to the cost of new gravity sewerlines, the force main is relatively



shallow at 4' of depth, it is within the shoulder of an existing right of way, and a portion of it is on property that the Town of Gibsonville owns.

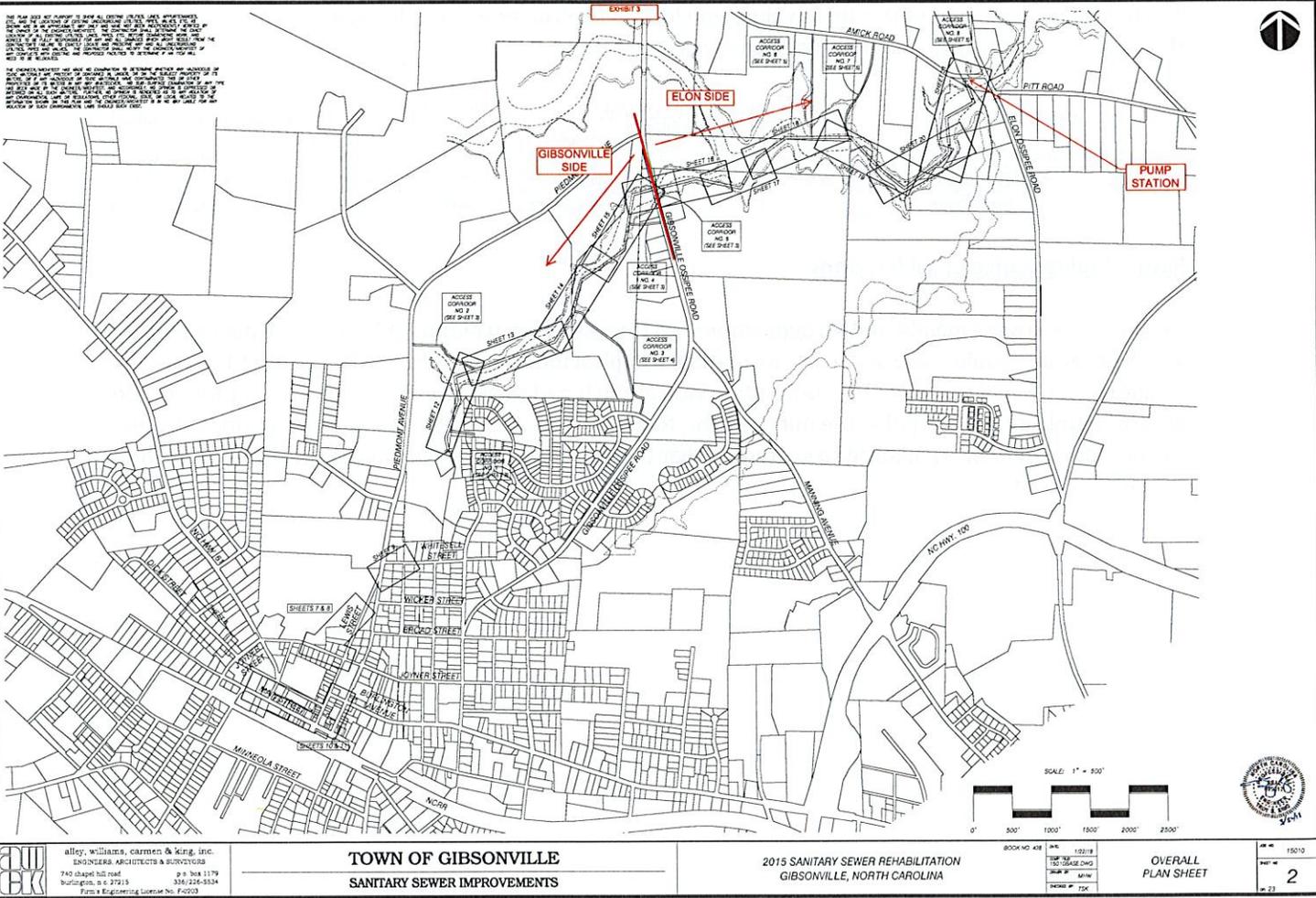
A project of this size would require significant engineering design, construction administration, and permitting costs. The industry standard for projects of this type is typically between 15% and 20% of the construction costs. Because of the limited easement preparation that would be anticipated, we're estimating it at 16%.

The following chart summarizes these values and includes calculations for estimating the current value of the sewerline through straight depreciation of the asset value.

Item Description	Construction Replacement Cost			Construction Date	Current Year	% Life Left	Current Value
	LF	\$/LF	Replacement Value				
Ductile Iron Force Main - Complete in Place	4000	65	\$ 260,000.00	1981	2019	62%	\$161,200.00
Design, Permitting, Construction Administration, Misc		16%	\$ 41,600.00	1981	2019	62%	\$ 25,792.00
Total Value			\$ 301,600.00	1981	2019	62%	\$186,992.00

Future Maintenance Considerations

Most force mains are maintained in conjunction with their associated pump stations. Unlike pump stations which generally require daily or weekly maintenance, typical force mains, like the Travis Creek Force Main, require minimal maintenance. The corporation stop at the tap of the force main will need to be monitored approximately every 6 months, the outlet of the force main may need to be inspected periodically and the pumps need to be monitored to guarantee that the velocity of the force main stays between 2-8 feet per second.



THE USER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM ALL APPLICABLE AGENCIES AND AUTHORITIES. THE USER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM ALL APPLICABLE AGENCIES AND AUTHORITIES. THE USER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM ALL APPLICABLE AGENCIES AND AUTHORITIES.

alloy, williams, carmen & king, inc.
 ENGINEERS, ARCHITECTS & SURVEYORS
 740 Chapel Hill Road P.O. Box 1179
 Burlington, N.C. 27213 336/226-5534
 Firm's Engineering License No. F-0203

TOWN OF GIBSONVILLE
SANITARY SEWER IMPROVEMENTS

2015 SANITARY SEWER REHABILITATION
 GIBSONVILLE, NORTH CAROLINA

SCALE: 1" = 300'

BOOK NO. 418

DATE: 1/22/18

TYPE: 15% GROUNDWORK

SCALE: 1" = 300'

DATE: 1/22/18

TYPE: 15% GROUNDWORK

SCALE: 1" = 300'

DATE: 1/22/18

TYPE: 15% GROUNDWORK

OVERALL
 PLAN SHEET

150/10

2

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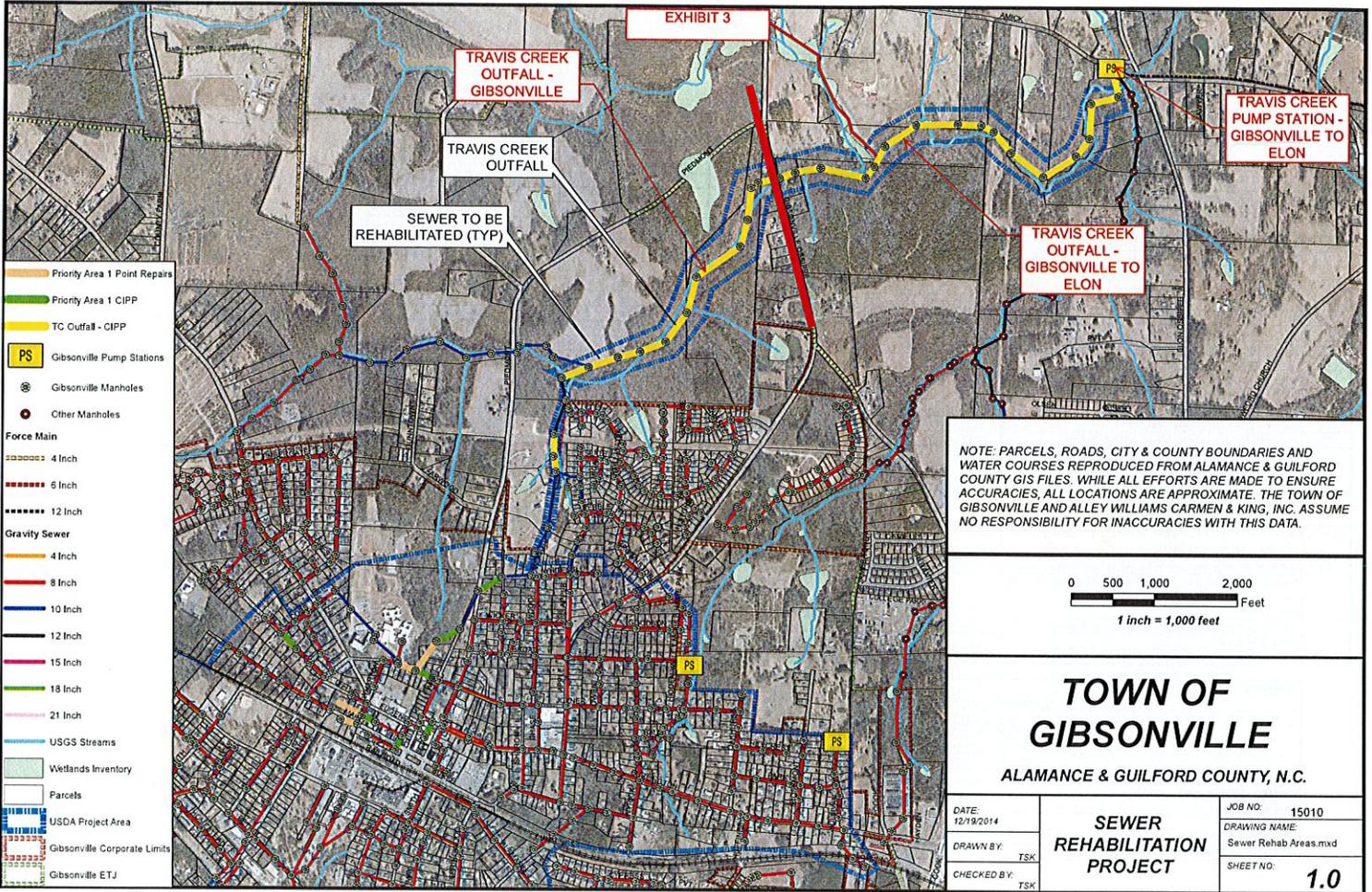


EXHIBIT 3

TRAVIS CREEK OUTFALL - GIBSONVILLE

TRAVIS CREEK OUTFALL

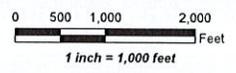
SEWER TO BE REHABILITATED (TYP)

TRAVIS CREEK OUTFALL - GIBSONVILLE TO ELON

TRAVIS CREEK PUMP STATION - GIBSONVILLE TO ELON

- Priority Area 1 Point Repairs
- Priority Area 1 CIPP
- TC Outfall - CIPP
- PS Gibsonville Pump Stations
- Gibsonville Manholes
- Other Manholes
- Force Main**
- 4 Inch
- 6 Inch
- 12 Inch
- Gravity Sewer**
- 4 Inch
- 8 Inch
- 10 Inch
- 12 Inch
- 15 Inch
- 18 Inch
- 21 Inch
- USGS Streams
- Wetlands Inventory
- Parcels
- USDA Project Area
- Gibsonville Corporate Limits
- Gibsonville ETJ

NOTE: PARCELS, ROADS, CITY & COUNTY BOUNDARIES AND WATER COURSES REPRODUCED FROM ALAMANCE & GUILFORD COUNTY GIS FILES. WHILE ALL EFFORTS ARE MADE TO ENSURE ACCURACIES, ALL LOCATIONS ARE APPROXIMATE. THE TOWN OF GIBSONVILLE AND ALLEY WILLIAMS CARMEN & KING, INC. ASSUME NO RESPONSIBILITY FOR INACCURACIES WITH THIS DATA.



TOWN OF GIBSONVILLE

ALAMANCE & GUILFORD COUNTY, N.C.

DATE: 12/19/2014	SEWER REHABILITATION PROJECT	JOB NO: 15010
DRAWN BY: TSK		DRAWING NAME: Sewer Rehab Areas.mxd
CHECKED BY: TSK		SHEET NO: 1.0

EXHIBIT 4

Gibsonville/Elon					
Estimate of Probable Cost for					
Travis Creek Outfall Improvements					
Contract Values based on Bidding Results					
6/17/2019					
Estimate of Probable Cost					
Item No.	Description	Estimated Quantity	Unit	Estimated Unit Price	Estimated Amount
1	Mobilization	1	LS	\$ 111,286.30	\$ 111,286.30
2	Traffic Control	1	LS	\$ 13,105.60	\$ 13,105.60
3	Temporary Stream Crossing	2	EA	\$ 15,503.70	\$ 31,007.40
4	18" Class IV RCP Driveway Culvert for Permanent Driveway	16	LF	\$ 174.50	\$ 2,792.00
5	Temporary 15" Class IV RCP Pipe for Easement Access	100	LF	\$ 527.60	\$ 52,760.00
6	Stabilization Stone, Complete in Place Including Fabric	750	TN	\$ 66.10	\$ 49,575.00
7A	Heavy Cleaning of 8"-12" Sanitary Sewer	1700	LF	\$ 1.10	\$ 1,870.00
7B	Heavy Cleaning of 15"-18" Sanitary Sewer	4300	LF	\$ 2.10	\$ 9,030.00
8	8" CIPP Pipe Liner	1495	LF	\$ 45.00	\$ 67,275.00
9	10" CIPP Pipe Liner	1280	LF	\$ 45.20	\$ 57,856.00
10	12" CIPP Pipe Liner	965	LF	\$ 56.20	\$ 54,233.00
11	15" CIPP Pipe Liner	5000	LF	\$ 64.20	\$ 321,000.00
12	18" CIPP Pipe Liner	4530	LF	\$ 88.30	\$ 399,999.00
13	Watertight, Bolted Ring and Cover on Existing Sewer Manhole, complete in place, including Removal of Existing Ring and cover and Delivery to Public Works Department	35	EA	\$ 1,012.40	\$ 35,434.00
14	Vent Piping on Existing Sewer Manhole	12	EA	\$ 3,014.80	\$ 36,177.60
15	Reinforced Cement Liner for Manhole Rehabilitation	520	VF	\$ 152.30	\$ 79,196.00
16	4'-0" Diameter Precast Concrete Doghouse Manhole (0-8' depth) with ring and cover, complete in place, including testing	2	EA	\$ 10,948.60	\$ 21,897.20
17	Point Repair to Existing 8", 10" or 12" sewer line, complete in placed, including couplings and adapters	8	EA	\$ 8,198.30	\$ 65,586.40
18	Point Repair to Existing 15" or 18" sewer line, complete in placed, including couplings and adapters	6	EA	\$ 9,753.30	\$ 58,519.80
19	ABC Stone for driveways and roadways, complete in place	25	TN	\$ 52.90	\$ 1,322.50
20	Roadway Pavement Replacement (6" B25.0B binder and 2" 59.5B surface course) including sawcut, removal, disposal complete in place	20	SY	\$ 296.20	\$ 5,924.00
21	USDA Project Sign, including all materials and installation	2	EA	\$ 1,269.40	\$ 2,538.80
22	30" Tree Removal	1	EA	\$ 4,395.30	\$ 4,395.30
Total Probable Construction Cost				\$ 1,482,780.90	

The split between the municipalities uses Gibsonville Ossipee as the dividing line

Estimate of Probable Cost - 8-17-18					
Gibsonville	Elon		Gibsonville \$	Elon \$	
0.5	0.5		\$ 55,643.15	\$ 55,643.15	
1	0		\$ 13,105.60	\$ -	
0	2		\$ -	\$ 31,007.40	
16	0		\$ 2,792.00	\$ -	
60	40		\$ 31,656.00	\$ 21,104.00	
475	275		\$ 31,397.50	\$ 18,177.50	
1	0		\$ 1,870.00	\$ -	
0.404	0.596		\$ 3,648.95	\$ 5,381.05	
1495	0		\$ 67,275.00	\$ -	
1280	0		\$ 57,856.00	\$ -	
965	0		\$ 54,233.00	\$ -	
3851	1149		\$ 247,234.20	\$ 73,765.80	
0	4530		\$ -	\$ 399,999.00	
18	17		\$ 18,223.20	\$ 17,210.80	
2	10		\$ 6,029.60	\$ 30,148.00	
322	198		\$ 49,040.60	\$ 30,155.40	
2	0		\$ 21,897.20	\$ -	
8	0		\$ 65,586.40	\$ -	
0.404	0.596		\$ 23,647.40	\$ 34,872.40	
20	5		\$ 1,058.00	\$ 264.50	
20	0		\$ 5,924.00	\$ -	
1	1		\$ 1,269.40	\$ 1,269.40	
0	1		\$ -	\$ 4,395.30	
Total Probable Const. Cost			\$ 759,387.21	\$ 723,393.69	
Const. Cost Split - %			51.21%	48.79%	
Engineering Services					
Gibsonville \$	Elon \$		Gibsonville \$	Elon \$	
\$ 11,267.02	\$ 10,732.98		\$ 11,267.02	\$ 10,732.98	
\$ 4,097.10	\$ 3,902.90		\$ 4,097.10	\$ 3,902.90	
\$ 150,000.00	\$ -		\$ 150,000.00	\$ -	
\$ 92,184.69	\$ 87,815.31		\$ 92,184.69	\$ 87,815.31	
\$ 36,873.88	\$ 35,126.12		\$ 36,873.88	\$ 35,126.12	
\$ 1,280.34	\$ 1,219.66		\$ 1,280.34	\$ 1,219.66	
\$ 25,000.00	\$ -		\$ 25,000.00	\$ -	
\$ 33,000.00	\$ -		\$ 33,000.00	\$ -	
\$ -	\$ -		\$ -	\$ -	
Total Administration Costs			\$ 353,703.02	\$ 138,796.98	
Total Project Probable Costs			\$ 1,113,090.23	\$ 862,190.67	

	% Gibsonville	Project Total
Preliminary Engineering Report	51.21%	\$ 22,000.00
Environmental Report	51.21%	\$ 8,000.00
Additional Investigation	100.00%	\$ 150,000.00
Engineering Design Services	51.21%	\$ 180,000.00
Construction Administration	51.21%	\$ 72,000.00
Reimbursables	51.21%	\$ 2,500.00
Legal Fees (Bond Counsel)	100.00%	\$ 25,000.00
Bond Anticipation Fees	100.00%	\$ 33,000.00
Contingency	51.21%	\$ 157,500.00
Total Administration Costs		\$ 650,000.00
Total Project Probable Costs		\$ 2,132,780.90

EXHIBIT 4A

Item	Estimated Cost
Travis Creek Pump Station	\$ 858,611.70
Travis Creek Force Main	\$ 186,992.00
Travis Creek Sewer Outfall	\$ 862,190.67
Total Sewer Infrastructure	\$ 1,907,794.37

**Town of Elon and Town of Gibsonville Utility Review**

To: Ed Wyatt, Town of Elon
Ben Baxley, Town of Gibsonville
From: Josh Johnson, P.E.

Date: August 5, 2013

Introduction and Background

The Towns of Elon and Gibsonville's water and sanitary sewer systems are interconnected to increase efficiency by eliminating duplicating facilities while providing emergency options. Over the last year we have worked with Elon and Gibsonville's staffs to review the interconnected facilities to address sewer billing and maintenance responsibilities of each town. This review is intended to be helpful for future staff members, including future managers, public works employees, and engineers to better understand the responsibilities of each community.

Review Process

Several meetings were held with personnel from both communities along with two wastewater metering experts. These meetings primarily focused on the following staff:

- Mike Dula, Town of Elon Manager.
- Donnie Wood, Elon Assistant Public Works Director.
- David Murphy, Elon Utilities Supervisor.
- Ben Baxley, Town of Gibsonville Manager.
- Coy May, Gibsonville Public Works Director.
- Rob Elliott, Gibsonville Assistant Public Works Director.
- Franz Holt, P.E. Alley, Williams, Carmen, and King, Inc.
- Josh Johnson, P.E. Alley, Williams, Carmen, and King, Inc.
- Mark Lambert, P.E. Frazier Engineering, P.A.
- Jason Dorn, P.E. Gavel and Dorn Engineering PLLC.

Mr. Wood, Mr. Murphy, Mr. May, Mr. Elliott and I were involved in several additional meetings to clarify the goals of this study, responsibility of lines, and the future terms of the understanding between the two communities. The meetings that included Mr. Lambert and Mr. Dorn were specifically related to meter locations and accuracy while the primary meetings that Mike Dula and Ben Baxley attended were primarily centered on the overall process and the financial impacts of changing the sanitary sewer billing structure.

Existing Issues and Proposed Solutions

Elon and Gibsonville's utilities are interconnected in several places and this leads to the potential for issues between the two towns. These issues (and solutions or understandings of them) are the primary reason for this review. Each of the potential issues is presented below along with a solution or understanding between the two towns.

Water and Sewer Utility Line Maintenance Responsibilities

Elon and Gibsonville's water and sewer lines are interconnected to improve efficiency and it is important to designate the responsibility for maintenance and repairs on each line. In particular this is an issue along Cook Road, Westbrook Avenue, and Brookview Drive. Currently several of the lines in this area could be maintained by either Elon or Gibsonville. Figure 1 shows a map of the Cook Road area with the lines in question. (All figures are included as exhibits at the end of this memo).

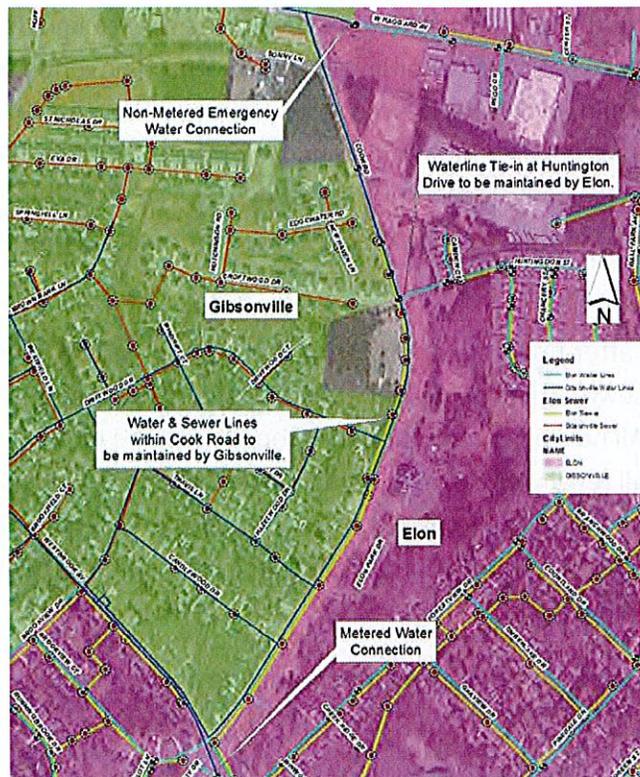


Figure 1: Cook Road Area Utilities

Currently on Cook Road it is the general opinion that the water and sewer lines are owned by Gibsonville but future staff may need further clarification. To prevent any future confusion, all of the water and sewer lines from Westbrook to Highway 100 would be the responsibility of Gibsonville, with the exception of the 8" tie-in from Huntington Drive which would remain

Elon's. Gibsonville's maintenance would include main lines and service connections to the street right of way (or meter depending on the situation). Since Cook Road is a NCDOT road, NCDOT will be responsible for stormwater, dead animals, debris, etc, but the Corporate Limits will be the centerline of the median.

Currently on Westbrook Avenue it could be unclear for future staff member as to which community is responsible for which lines but a solution to this would be that all of the water and sewer lines from Cook Road to Brookview Drive would be maintained by Gibsonville. Gibsonville's maintenance would include main lines and service connections to the street right of way (or meter depending on the situation). Since Westbrook Avenue is a NCDOT road, NCDOT will be responsible for stormwater, dead animals, debris, etc, but the Corporate Limits will be the northern white line.

The current situation on Brookview Drive is that Gibsonville does maintenance for service lines to the Gibsonville's residences on the west side of the street near Westbrook. This presents issues when it is unclear if the issue is on the main line or the service line. In the future on Brookview Drive, all of the water and sewer lines from Westbrook Avenue to the end of Gibsonville's Corporate Limits would be the property of Elon. Currently the street is an Elon town street and this would remain. Elon's maintenance of the utility lines would include all main lines and service connections to the street right of way (or meter depending on the situation) and Elon would continue to be responsible for stormwater, street maintenance, dead animals, and debris, etc.

To prevent confusion in after-hours situations, the first responding Town employees will handle simply fixed water and sewer utility issues but all efforts should be made to contact the correct municipality originally. All non-emergency or major repairs shall be done by the correct municipality, including all repairs or cleaning of main lines. After any work is done by a municipality in the other community's service area, the department that does the work shall contact the other municipalities staff within 24 hours in order to make them aware of potential future issues or recurring problems.

Figure 2 shows each of these areas and how they would be delineated.

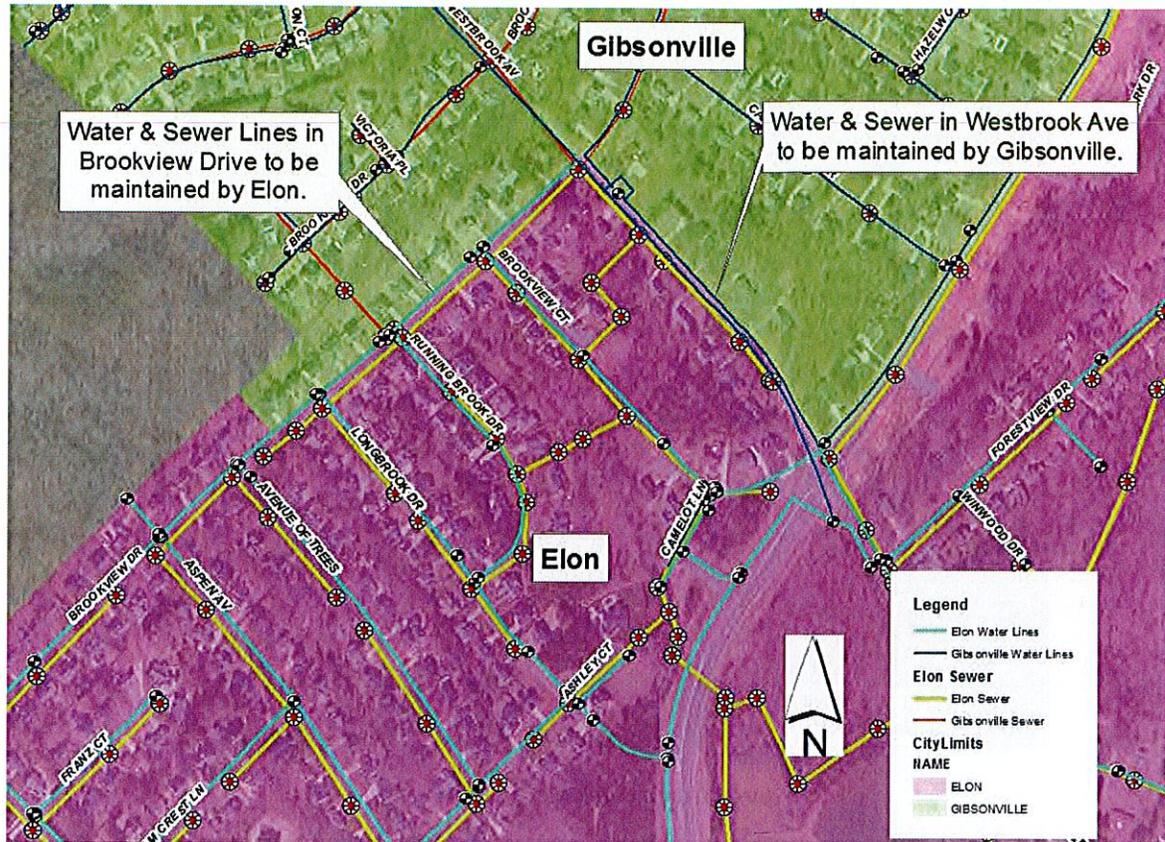


Figure 2: Westbrook & Brookview Area

Sewer Flow Meter Locations and Maintenance

Another existing issue is the flow monitoring at both the Travis Creek and Dula-Flynn metering locations. The Town of Gibsonville worked with Jason Dorn of Gavel and Dorn Engineering in 2010 to investigate these metering locations and this report was considered during development of this study. During the test period for Gavel and Dorn's report a portion of the Travis Creek meter was under repair and this repair was completed in 2010. The Travis Creek meter has also had issues with surcharges based on backups at the pump station but some of these issues should be resolved with the recent pump improvements at the pump station. Additionally, both Mr. Lambert and Mr. Dorn expressed confidence in the meter location and conditions during a meeting with both Town's staffs. Recent Travis Creek meter flows are included below in Table 1 and the location is shown in Figure 3.

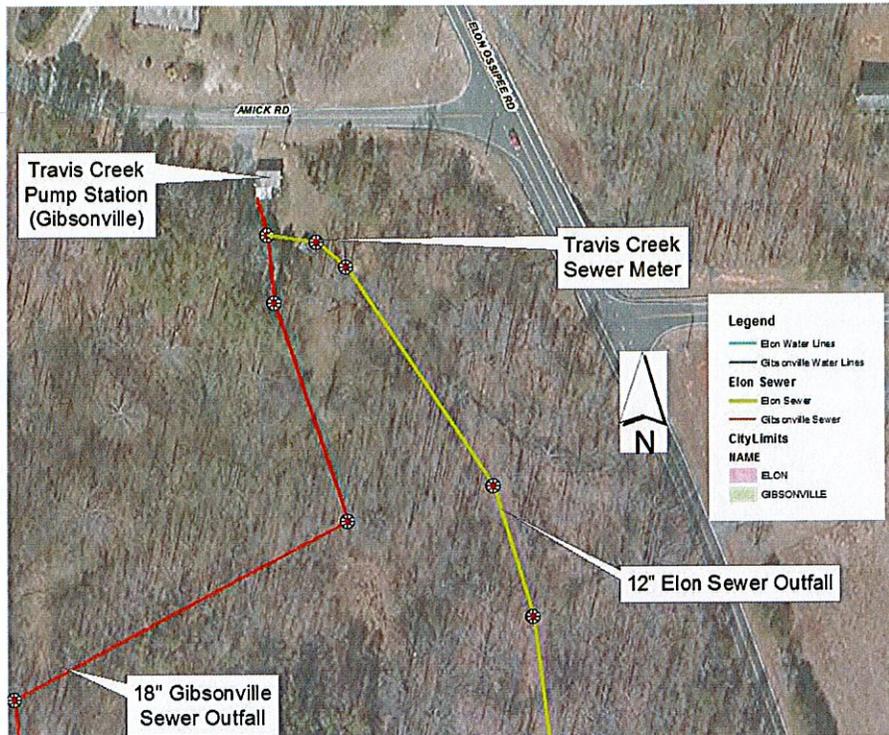


Figure 3: Travis Creek Meter Location

	ELON			Total Flow			Gibsonville		
	Total Flow (MGD)	Days	Average (MGD)	Total Flow (MGD)	Days	Average (MGD)	Total Flow (MGD)	Days	Average (MGD)
Jan-11	5.605	31	0.181	11.703	31	0.378	6.098	31	0.197
Feb-11	5.814	28	0.208	11.244	28	0.402	5.430	28	0.194
Mar-11	6.392	31	0.206	15.024	31	0.485	8.632	31	0.278
Apr-11	6.580	30	0.219	14.976	30	0.499	8.396	30	0.280
May-11	5.637	31	0.182	13.350	31	0.431	7.713	31	0.249
Jun-11	3.929	30	0.131	9.632	30	0.321	5.703	30	0.190
Jul-11	3.371	31	0.109	8.386	31	0.271	5.015	31	0.162
Aug-11	3.784	31	0.122	8.966	31	0.289	5.182	31	0.167
Sep-11	5.633	30	0.188	11.135	30	0.371	5.502	30	0.183
Oct-11	5.432	31	0.175	11.600	31	0.374	6.168	31	0.199
Nov-11	6.405	30	0.213	13.637	30	0.455	7.232	30	0.241
Dec-11	5.122	31	0.165	12.450	31	0.402	7.328	31	0.236
Jan-12	5.995	31	0.193	13.008	31	0.420	7.013	31	0.226
Feb-12	6.349	29	0.219	11.703	29	0.404	5.354	29	0.185
Mar-12	6.033	31	0.195	14.075	31	0.454	8.042	31	0.259
Apr-12	5.675	30	0.189	13.394	30	0.446	7.719	30	0.257
May-12	4.734	31	0.153	11.834	31	0.382	7.100	31	0.229
Jun-12	3.249	30	0.108	8.950	30	0.298	5.701	30	0.190
Totals	95.740	547	0.1750	215.066	547	0.3932	119.327	547	0.2181

Table 1: Travis Creek Flows - Elon, Gibsonville, & Total

The Dula Flynn meter (the meter at Michael’s Branch) measures Gibsonville’s flow into Elon and is located in a manhole in Camelot Drive. The meter was installed in an existing manhole that is

complicated by another line that enters the manhole. The manhole chosen was the best available manhole as the other manholes in the area have issues with velocity, depth, and grade. Gibsonville has expressed a lack of confidence in this meter and water consumption records have been used as the basis for Elon billing Gibsonville for sewer usage. In addition the meter and water consumption records for the area vary greatly, roughly 36,000 GPD over the 18 months studied (recent trends do not show significant changes). For these reasons the consumption records have been used rather than the meter readings for billing purposes. The issues with the meter location and the large differences in the flows are a significant existing issue that needs to be resolved. The differences in flow over the study period are included as Table 2 and show averages of 64,000 GPD in consumption and 100,000 GPD in flow from through the meter. The existing Dula-Flynn Location as well as the surrounding area is shown in Figure 4.

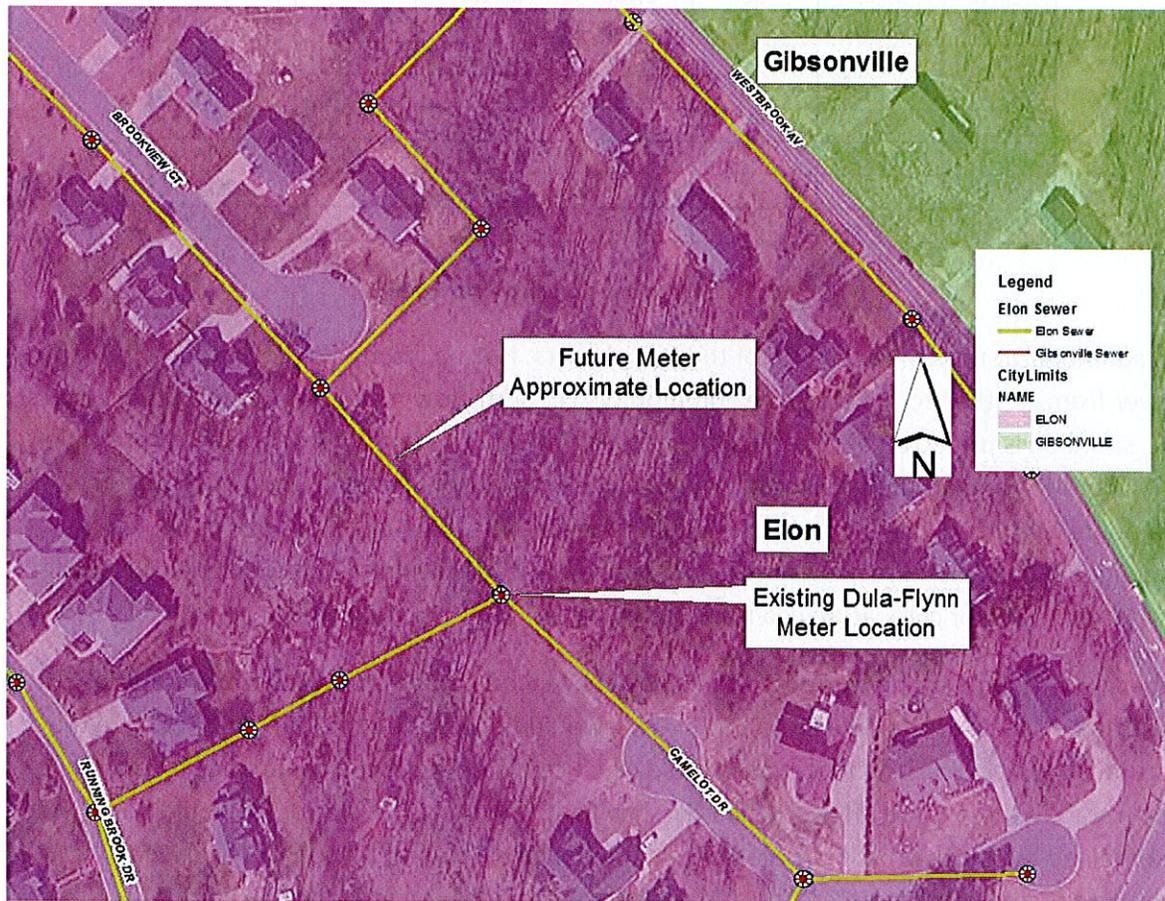


Figure 4: Dula-Flynn Meter Location

	Dula-Flynn Meter			Consumption Records		
	Total Flow (MGD)	Days	Average (MGD)	Meter Reads (MGD)	Days	Average (MGD)
Jan-11	3.348	31	0.108	2.154	31	0.069
Feb-11	2.964	28	0.106	1.731	28	0.062
Mar-11	3.670	31	0.118	2.068	31	0.067
Apr-11	3.504	30	0.117	1.876	30	0.063
May-11	3.332	31	0.107	1.965	31	0.063
Jun-11	2.542	30	0.085	2.394	30	0.080
Jul-11	2.194	31	0.071	1.973	31	0.064
Aug-11	2.021	31	0.065	2.586	31	0.083
Sep-11	2.886	30	0.096	2.027	30	0.068
Oct-11	2.796	31	0.090	1.940	31	0.063
Nov-11	3.252	30	0.108	1.9406	30	0.065
Dec-11	3.625	31	0.117	1.8017	31	0.058
Jan-12	3.261	31	0.105	2.2625	31	0.073
Feb-12	2.845	29	0.098	2.0074	29	0.069
Mar-12	3.345	31	0.108	1.7021	31	0.055
Apr-12	3.233	30	0.108		30	0.000
May-12	3.305	31	0.107	1.9949	31	0.064
Jun-12	2.847	30	0.095	2.2742	30	0.076
Jul-12				2.4422	31	0.079
Totals	54.972	547	0.1005	37.140	578	0.0643

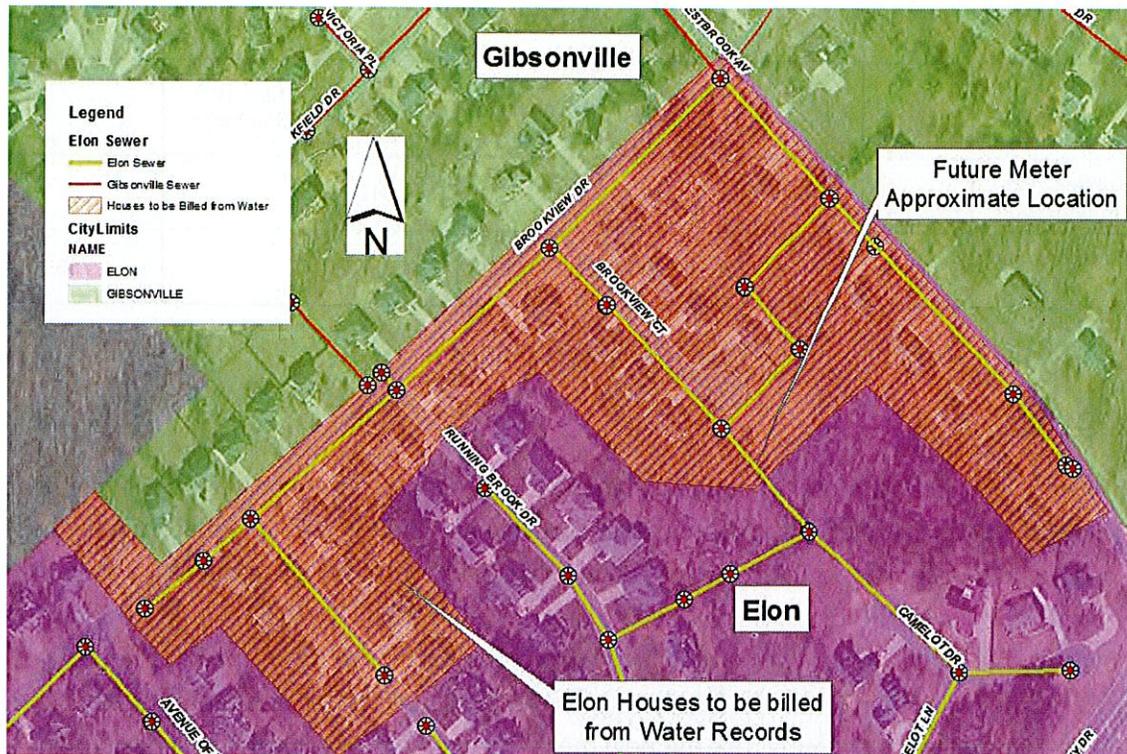
Table 2: Dula Flynn and Consumption Records

An additional issue is maintenance of the flow meters. Normally when one community accepts sewer from another community, the community accepting flow maintains the meter. In general this situation is preferred because it simplifies that the billing community is solely responsible for calibration and accurate billing of flows. In the Elon-Gibsonville case, the Town of Elon maintains both the Dula-Flynn and the Travis Creek meters. Billing and calibration would be simplified if the Travis Creek meter was maintained by the Town of Gibsonville and Gibsonville was responsible for calibration and accurate billing.

Gibsonville Town Staff has proposed that Gibsonville would build a new monitoring station upstream of the existing Dula Flynn meter. This would be intended to clarify and improve the accuracy of the Dula-Flynn Meter and would significantly improve the confidence levels of Town staff in the metered flows. While Gibsonville would build this station, it would be maintained by the Town of Elon. Elon would then bill the Town of Gibsonville from the metering records of this meter. The approximate meter location is shown in Figure 4.

Since no matter where the Dula-Flynn Meter is placed it will miss some Gibsonville homes or include other Elon homes, these homes will be billed based on consumption records. The amount of homes in this situation will be greatly reduced with this new meter and the homes that this will need to take place at are shown on Figure 5. Additionally, there is at least one

home that is currently billed by Elon that does not go through the Travis Creek meter so the standard will be that all homes that do not go through meters will be billed on their consumption records.



In a similar step, The Town of Gibsonville would assume responsibility for maintenance of the Travis Creek Meter. Future meters associated with future projects should be handled similarly with the community accepting flow responsible for the meter and the community being billed responsible for the upstream lines where possible.

Surcharges on Pump Station Flow vs. Surcharges on Gravity Flow

Currently Elon and Gibsonville charge each other a 10% surcharge on top of the City of Burlington's sanitary sewer flow rates. This surcharge is intended to cover a portion of the maintenance cost for the receiving community's downstream lines. However, while Gibsonville's flow into Elon is gravity flow, Elon's flow into Gibsonville goes through the Travis Creek Pump Station. Pump stations are much more expensive to maintain than gravity lines are and charging an equal percentage on flow for both gravity and pump station maintenance appears questionable.

As a solution, AWCK has calculated, in conjunction with staff from both communities, the maintenance costs for the gravity lines in Elon and the pump station in Gibsonville. After calculating these costs we calculated a surcharge rate for each community based on a

percentage of average flow from the study period. In order to provide sufficient funding in the future the percentage's used included approximately a 10% safety factor. Table 3 shown below details this calculation as well as the maintenance cost, percentage of flow, and proposed surcharge rates.

	% Flow - Elon	% Flow - Gibsonville	Maintenance Cost	Elon Maintenance Cost	Gibsonville Maintenance Cost	Elon 10% Surcharge	Gibsonville - 1.7% Surcharge
Travis Creek Pump Station	45%	55%	\$ 35,718.33	\$ 15,897.02	\$ 19,812.23	\$ 17,500.00	\$ -
Michael's Branch Outfall	76%	24%	\$ 6,519.78	\$ 4,985.26	\$ 1,534.51	\$ -	\$ 1,708.50

Table 3: Surcharge Calculations

Fiscal Changes

With the changes in flow metering and surcharges, this revised payment structure will have an impact on the financial relationship between Gibsonville and Elon. The following exhibit shows this in detail but in short, the Town of Elon, on average, will continue to pay about \$17,500 in surcharges, the Town of Gibsonville will reduce payments from \$6,710 to \$1,710 in surcharges. The biggest changes however will be the change from Elon billing from the consumption records for the Dula Flynn meter toward billing from the existing Dula-Flynn Meter or from the new Dula-Flynn Meter. Assuming that the new meter measures flows similar to the existing meter this will be a significant change in both the flow and the total cost of the flows. Over the study period these changes would be 34,000 GPD for an average monthly change of \$4,900, which would be approximately \$59,000 more annually that Gibsonville would pay Elon. Without the change in surcharges and just using the new meter readings versus using the consumption records this annual change would be approximately \$64,000 annually.

Travis Creek Meter						
Town	Flow	Burlington Rate (\$/1000 Gal)	Charged Rate (10%)	Average Daily Cost	Average Monthly Cost	Average Annual Cost
Elon	0.175	\$ 4.75	\$ 5.23	\$ 914.38	\$ 27,431.25	\$ 333,746.88
Gibsonville	0.218	\$ 4.75		\$ 1,035.98	\$ 31,079.25	\$ 378,130.88
Dula Flynn Meter						
Town	Flow	Burlington Rate (\$/1000 Gal)	Charged Rate (1.7%)	Average Daily Cost	Average Monthly Cost	Average Annual Cost
Elon	0.327	\$ 4.75		\$ 1,550.88	\$ 46,526.25	\$ 566,069.38
Gibsonville	0.101	\$ 4.75	\$ 4.83	\$ 485.49	\$ 14,564.71	\$ 177,203.99
Total Sanitary Sewer Charges						
Town	Flow	Burlington Rate (\$/1000 Gal)	Charged Rate	Average Daily Cost	Average Monthly Cost	Average Annual Cost
Elon	0.502	\$ 4.75	\$ 5.23	\$ 2,465.25	\$ 73,957.50	\$ 899,816.25
Gibsonville	0.319	\$ 4.75	\$ 5.23	\$ 1,521.47	\$ 45,643.96	\$ 555,334.86
Sanitary Sewer Charges - Consumption Records						
Town	Flow	Burlington Rate (\$/1000 Gal)	Charged Rate	Average Daily Cost	Average Monthly Cost	Average Annual Cost
Elon	0.538	\$ 4.75	\$ 5.23	\$ 2,638.29	\$ 79,148.61	\$ 962,974.76
Gibsonville	0.282	\$ 4.75	\$ 4.83	\$ 1,346.38	\$ 40,391.30	\$ 491,427.46

Table 4: Fiscal Analysis

Action Items

The Towns of Elon and Gibsonville need to continue to work together to implement the metering changes and update each community's maps to accurately measure flows and portray maintenance of water and sewer lines. This cooperation will provide clarity and pave the way for continued future cooperation, less overlapping of services and a more equitable billing structure between the two communities. To further improve this communication each community will receive the billing and usage information from both meters on a monthly basis.

In order to keep the Memorandum of Understanding up to date, it is recommended that the flow analysis and surcharge levels be evaluated a minimum of every 5 years or when any other installation takes place (such as a new meter installation or a significant reduction or increase in flow from either municipality). The original agreement suggested annual updates but it is not expected that the flow data will change significantly enough to justify an annual renewal.

Conceptual Line of Agreement

The Town of Elon and Town of Gibsonville agree on a mutual line of growth extending from the existing line following the existing corporate limits lines of each municipality until intersecting Manning Avenue and then continuing to the north along the centerline of Gibsonville – Ossipee Road until the intersection with Guilford County Farm Road (SR 1553). This is shown on the attached Exhibit #1. This line will provide a limitation for each Town's annexations and extra territorial jurisdiction limits. The line will be along the center of Manning Avenue and then Gibsonville Ossipee Road.

The Line of Agreement is agreed to with the following conditions:

The Town of Elon will purchase the Travis Creek Sewer Pump Station, the parcel of land for the Travis Creek Sewer Pump Station and assume responsibility for the Pump Station's operations and maintenance. The Pump Station is shown on Exhibit #2. The pump station will be purchased for a cost of \$858,611.70 as calculated in Exhibit #2A that will be paid in installments of \$285,000.00 by August 1, 2020, \$285,000.00 by August 1, 2021, and \$288,611.70 by August 1, 2022. The Town of Elon will take over maintenance of the pump station on July 1, 2020. The Town of Elon will be responsible for all costs associated with maintenance and repair of the pump station from this date forward.

The capacity of the Travis Creek Pump Station will be split evenly based on a capacity of 800,000 gallons per day. The average gallons per day will be calculated on a quarterly basis. Increases in capacity at the pump station will be funded according to the percentage of capacity for each community.

The Town of Elon will purchase the Travis Creek Sanitary Sewer Outfall line (Exhibit #2) from Gibsonville Ossipee Road to the Travis Creek Pump Station. The outfall line is currently being improved by the Town of Gibsonville in order to rehabilitate the lines through cured in place piping and manhole rehabilitation as shown in Exhibit #3. The Town of Gibsonville will complete the rehabilitation in accordance with the construction drawings included in Exhibit #3 and as proposed to be funded by the USDA. The outfall line will be purchased for an estimated cost of \$832,160.68. The final cost will be directly associated with the final construction rehabilitation cost of the line as shown on Exhibit #4. Full payment for the line will be due 180 days following completion of construction. This is expected to be in the calendar year 2020. The Town of Gibsonville will then we be required to pay this exact cost to the USDA to comply with the loan agreement for the sewer rehabilitation project.

The Town of Elon will be responsible for sewer metering of flow from the Town of Gibsonville. At present, no new sewer meters will be required and both towns will agree on future location and type of sewer meters with the Town of Elon being financially responsible for installation of the sewer meter.

The Towns of Elon and Gibsonville will continue to reimburse each other through the same general practices included in the 2013 Water and Sewer Agreement Addendum (Exhibit #5) until at least 2023 unless both parties agree to changes in terms prior to 2023. **A financial update will be completed prior to May 1, 2023 for implementation in the 2023-2024 fiscal year budgets.**

The Town of Elon and Town of Gibsonville both purchase drinking water and wastewater treatment from the City of Burlington. The revised line of agreement will require a change in both town's current agreements with the City of Burlington. Both towns will meet jointly with the City of Burlington in order to amend each Town's utility agreements for water and sewer treatment.

Item 10

Memo

To: Mayor Williams and Members of the Board of Aldermen
From: ^{RBB} Ben Baxley, Town Manager
Date: 8/1/2019
Re: FY 2020 Budget Ordinance Amendment #1

The attached FY 2020 Budget Ordinance Amendment #1 is needed to account for allocation of Federal Drug Funds to purchase two K-9s and kennels, pay for the second half of the surveillance camera system funded through the Governors Crime Commission Grant (through reimbursement), account for State Aid Grant to the Gibsonville Public Library (this is a monthly grant), and donations the National Night Out event. Below is a list of the amendments with explanations.

General Fund Revenues

- Increase of \$814 in Miscellaneous line item to account for donations to the National Night Out event
- Increase of \$408 in Library State Aid Grant line item to account for said funding
- Increase of \$24,000 in Federal Drug Funds line item to purchase two K-9s and kennels
- Increase of \$11,990 in Appropriated General Fund Balance line item to fund a camera surveillance system (will be reimbursed by a Governor's Crime Commission Grant)

General Fund Expenditures

- Increase of \$36,804 in Police line item to purchase two K-9s and kennels in the amount of \$24,000 of Federal Drug Funds, to fund a camera surveillance system in the amount of \$11,990 (will be reimbursed by a Governor's Crime Commission Grant), and \$814 in donations to National Night Out
- Increase of \$408 in Library line to account for account for a monthly State Aid Grant

The amendments increase the General Fund budget by \$37,212.

Item 10

**TOWN OF GIBSONVILLE, NORTH CAROLINA
FY 2020 BUDGET ORDINANCE AMENDMENT #1**

BE IT ORDAINED by the Board of Aldermen of the Town of Gibsonville, North Carolina, a meeting was held this the 5th day of August, 2019 that the following fund revenues and departmental expenditures together with certain restrictions and authorizations be amended.

SECTION I. GENERAL FUND

Anticipated Revenues	FY 2020	Amendment	FY 2020
	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
Taxes, Current Year	2,956,000	-	2,956,000
Taxes, Prior Years	25,150	-	25,150
Motor Vehicle Tax	372,000	-	372,000
Penalties & Interest	12,000	-	12,000
Cemetery	10,000	-	10,000
Recreation	82,000	-	82,000
Sanitation Service Charge	306,000	-	306,000
Interest on Investments	8,000	-	8,000
Fire District Tax (Guilford)	14,400	-	14,400
Library	2,000	-	2,000
Transfer Perpetual Care	2,700	-	2,700
Sale of Fixed Assets	10,000	-	10,000
Guilford County Funds	55,500	-	55,500
Code Enforcement/Planning	8,000	-	8,000
Brush/White Goods Pickup Fees	2,000	-	2,000
Miscellaneous	30,706	-	30,706
GHA	2,340	814	31,520
Stormwater Fee	32,000	-	2,340
Solid Waste Disposal Tax	4,600	-	32,000
Intangible: Sales Tax (Alamance Co.)	921,000	-	4,600
Intangible: Sales Tax (Guilford Co.)	488,500	-	921,000
Utility Franchise	400,000	-	488,500
Beer & Wine	30,000	-	400,000
Library State Aid Grant	-	-	30,000
Federal Drug Funds	-	408	408
Powell Bill Funds	192,000	24,000	24,000
Appropriated General Fund Balance	701,999	-	192,000
Appropriated Recreation Capital Reserve	30,033	11,990	713,989
Total Anticipated Revenues	6,698,928	37,212	6,736,140

Authorized Expenditures

	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
Governing Board	68,346	-	68,346
Administration	1,002,474	-	1,002,474
Police	2,019,839	36,804	2,056,643
Fire	1,070,619	-	1,070,619
Public Works	1,491,214	-	1,491,214
Powell Bill	102,500	-	102,500
Recreation	714,165	-	714,165
Library	172,271	408	172,679
Cemetery	17,500	-	17,500
Contingency	40,000	-	40,000
Total Authorized Expenditures	6,698,928	37,212	6,736,140
	0		0

SECTION II. WATER & SEWER

	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
Anticipated W&S Revenues			
<u>Water Revenues</u>			
Water Service Fees	815,000	-	815,000
Tapping Fees	1,000	-	1,000
Meter Setting	13,000	-	13,000
Reconnection Fees	45,000	-	45,000
Realize Deferred Revenue	57,045	-	57,045
Miscellaneous Revenues	11,000	-	11,000
Internet Convenience Fees	12,000	-	12,000
Retained Earnings Appropriation	15,000	-	15,000
Total Anticipated Water Revenues	969,045	-	969,045
<u>Sewer Revenues</u>			
Sewer Service Fees	2,200,000	-	2,200,000
Tapping Fees	1,000	-	1,000
Meter Setting	13,000	-	13,000
Reconnection Fees	45,000	-	45,000
Realize Deferred Revenue	57,045	-	57,045
Miscellaneous Revenues	11,000	-	11,000
Internet Convenience Fees	12,000	-	12,000
Retained Earnings Appropriation	15,000	-	15,000
Total Anticipated Sewer Revenues	2,354,045	-	2,354,045
Total Anticipated W&S Revenues	3,323,090	-	3,323,090
Authorized W&S Expenditures			
Water Expenditure	969,045	-	969,045
Sewer Expenditures	2,354,045	-	2,354,045
Total Authorized Expenditures	3,323,090	-	3,323,090

SECTION III. PERPETUAL CARE FUND

<i>Anticipated Revenues</i>	2,700	-	2,700
<i>Authorized Expenditures</i>	2,700	-	2,700

SECTION IV. TAX RATE ESTABLISHED

An ad valorem tax rate of \$0.53 per \$100 at full valuation is hereby established as the official tax rate for the Town of Gibsonville for the fiscal year 2020. This rate is based on a total valuation of property of \$636,652,700 and an estimated collection rate of 98.61%.

SECTION V.

Charges for services and fees by Town Departments are levied in the amounts set forth in the Fee Schedule (See Attachment A).

SECTION VI. SPECIAL AUTHORIZATION - BUDGET OFFICER

- A. Budget Officer shall be authorized to reallocate departmental appropriations among various object of expenditures as he believes necessary.
- B. The Budget Officer shall be authorized to effect interdepartmental transfers, in the same fund, not to exceed 10% of the appropriated monies for the department whose allocations is reduced. Notation of all such transfers shall be made to the Board on the next succeeding Financial Report.
- C. He may make interfund loans for a period of not more than 60 days.
- D. Interfund transfers, established in the budget document may be accomplished without recourse to the Board.

SECTION VII. RESTRICTION - BUDGET OFFICER

- A. Interfund transfer of monies, except as noted in Section VI. Shall be accomplished by the Board authorization only.
- B. The utilization of any contingency appropriations shall be accomplished only with Board authorization.

SECTION VIII. UTILIZATION OF BUDGET ORDINANCE

This Ordinance Amendment and the Budget Document shall be the basis of the financial plan for the Gibsonville Municipal Government during the 2020 fiscal year. The Budget Officer shall administer the budget and shall insure that operating officials are provided guidance and sufficient details to implement their appropriate portion of the budget. The accounting section shall establish records which are consonance with the Budget and this Ordinance and the appropriate statute of the State of North Carolina.

Amended this the 5th day of August, 2019.

Attest:

Mayor of Gibsonville, NC

Town Clerk of Gibsonville, NC

