

INTERLOCAL AGREEMENT

BETWEEN WAKE COUNTY AND THE CITY OF RALEIGH REGARDING THE PONDEROSA SUBDIVISION

This Agreement is made and entered into this the ____ day of _____, 2025, between Wake County ("County"), a public body politic and corporate of the State of North Carolina, and the City of Raleigh ("Raleigh"), a municipal corporation having charter granted by the State of North Carolina (together, the "Parties").

RECITALS:

WHEREAS, Raleigh is the owner and operator of a public sanitary sewer collection system ("Raleigh's System");

WHEREAS, the Ponderosa Subdivision is a residential development constructed in 1972 and located on Riley Hill Road north of the Town of Wendell;

WHEREAS, due to ongoing defects with the subdivision's septic systems, the County constructed an on-site wastewater lagoon, spray irrigation system, and septic tank effluent pumping ("STEP") using federal grant monies in 1988. The County has remained the owner and operator of this system ("County's System");

WHEREAS, the County's System is approaching the end of its useful life. One of the five spray fields has been required to be removed from service and the treatment facility experiences an increasing volume of service requests and associated annual maintenance costs;

WHEREAS, both Raleigh and County agree that the best protection for the Little River watershed is the County's System to be abandoned and a new system installed by the County that will collect and send the wastewater to Raleigh's System;

WHEREAS, this new system will only collect and send wastewater from the Ponderosa Subdivision and the homes that exist at the time of execution or a single-family home that replaces an existing home. Any additional homes built in the Ponderosa Subdivision must not connect to the new system;

WHEREAS, Raleigh is willing to assist the County by approving the construction of a new sanitary sewer lift station and force main connection to the municipal sewer collection system located at the East Wake High School (PIN 1775015631).

WITNESSETH:

NOW, THEREFORE, for and in consideration of the respective rights, powers, duties and obligations hereinafter set forth to be performed by Raleigh and the County, the Parties mutually agree as follows:

1. **Definitions.** As used in this Agreement, the terms listed below mean:
 - a. "Connection" means the sanitary sewer force main extension pipeline, between the lift station and the Raleigh connection point.
 - b. "Sewer System" means any portion of the sanitary sewer collection system and lift station owned, maintained and operated by the County which effectuates the purposes of this Interlocal Agreement.
 - c. "Average flow rate" means the total volume of wastewater discharged to Raleigh during a month divided by the number of days in the month.
 - d. "Peak flow rate" means the maximum rate of flow in gallons per minute (GPM) from a single pump within the lift station.
2. **Purpose and Scope.** This Agreement is made pursuant to Article 20, Part 1 of N.C. Gen. Stat. Chapter 160A. The purpose of this Agreement is to establish, for each unit of local government, the terms and conditions for the construction and operation of a sanitary sewer lift station and for the conveyance of sewerage by each unit of local government as an intermediary.
3. **Duration.** The term of this Agreement shall be for a period of 99 years from the date of execution and shall terminate at the end of the term unless otherwise extended by written amendment to this Agreement signed by the Parties.
4. **Responsibilities of the County.**
 - a. The County shall be responsible for the design, permit acquisition, construction and all other costs associated with the Sewer System and Connection from the Ponderosa Subdivision to Raleigh's System located at the Eastern Wake High School.
 - b. The County is responsible for the Connection to Raleigh being made and completed in a manner acceptable to Raleigh. Prior to entering into a contract for the construction of the Sewer System or Connection, the County shall submit final engineering construction plans, specifications, and contract documents for the Sewer System and Connection to Raleigh's Public Utilities Director and shall obtain approval, in writing. During construction, the Sewer System and Connection shall be subject to inspection by Raleigh staff.
 - c. The County shall retain ownership of the Sewer System and Connection upon completion and shall be responsible for the operation and maintenance thereof. This includes, but is not limited to, inspections, preventative maintenance, repairs, and replacement of all pumps, controls, generators, gravity sewer and force main.

- d. The County shall only provide sewer connections from the existing 67 residential properties within the Ponderosa Subdivision to the Sewer System. No future sewer connections or inflow will be allowed.
- e. The County shall install a flow measurement device leaving the lift station, which must be approved by Raleigh. The County must test the approved flow measurement device yearly with a certified testing agent. The testing report will be provided to Raleigh within 15 days of the testing. If the testing shows there is a malfunction of the meter, the meter shall be fixed or replaced within 90 days. During the time between the testing and repair or replacement of the meter, billing will be calculated based on historical averages.

5. Responsibilities of Raleigh.

- a. Raleigh shall accept and treat the wastewater flow from the County at the maximum volume of 25,000 GPD with an associated pumping rate of 50 gpm. Wastewater discharged to Raleigh's System shall comply with the quality and constituent limitations as defined in the Raleigh Sewer Use Ordinance (SUO) at Raleigh City Code Part 3, Chapter 2, Article C., including all future amendments and revisions of the SUO.
- b. Raleigh will accept sewer flow from the County upon approval and execution of the Agreement by both jurisdictions, the completion of the Connection as described in Item 1 above.
- c. Discovery by Raleigh of violations of discharge limitations as provided in the Raleigh SUO, including toxic substances or heavy metals, by the County shall be reported by Raleigh to the County within 24 hours of the analysis identifying such violation. Repeated violations by the County of the Raleigh SUO will result in Raleigh interrupting or terminating the County's sewer service from Raleigh.
- d. The City may immediately terminate service to the County if continued service in violation of State law, rules, or permits issued to the City or any breach of this Agreement by the County causes the City to be in violation of any permit the City holds.

6. Monthly Bill.

- a. The County agrees to pay Raleigh a monthly bill based on the amount of total wastewater delivered by the County's facilities to Raleigh's System, contract customer rates, and all other sums due and payable by the County to Raleigh pursuant to the terms of this Agreement. The monthly bill sent to the County will be based upon its reserve treatment capacity to determine the final monthly bill amount. As of the date of this Agreement, those rates and charges include a monthly operation and maintenance charge and a monthly

capital charge. These rates and charges may be adjusted and new rates and charges added at the City's sole discretion (the "Contract Rates and Charges"), which shall become incorporated into this Agreement upon approval by the Raleigh City Council.

- b. Raleigh will perform billing for the sewer service on a monthly basis. The first bill will be calculated and issued within 21 days of the end of the first month. After the initial bill is issued, all others will continue on a monthly frequency. All bills received by the County for sewer service are due and payable within 15 days after receipt. The City may institute an action, legal or otherwise, to enforce payment of amounts due.
- c. If the County exceeds either its average or peak flow rate as stated in Section 4 in any month, the County will pay double the amount of the rates and charges in effect during that month for the entire volume of sewer service.

Sewer Usage Charges and Capital Charges will be in accordance with the most current Water and Sewer Contract Service rate schedule. For FY26 this will be \$2.04 per CCF (hundred cubic feet) and \$29,579.00 per MGD allocation per month.

- d. The City and the County shall each have access to all equipment, devices and structures at the Sewer System and Connection for examination and visual inspection at all reasonable times. The reading of any meters for billing purposes shall be done by the City on a monthly basis.

7. **Sewer Overflow Responsibilities.**

- a. Should a sewer overflow occur at the County's connection point as a result of the County's discharge of wastewater into Raleigh's sewerage collection system, regardless of the cause, the County shall immediately take any and all necessary remedial action, to eliminate the overflow condition and to mitigate the environmental harm and other damages resulting from the overflow condition.
- b. Should a sewer overflow in the opinion of the Raleigh Public Utilities Director be imminent at the County's connection point as a result of the County's discharge of wastewater into Raleigh's sewerage collection system, regardless of the cause, the County shall immediately take any and all necessary remedial action, to eliminate the overflow condition and to mitigate the environmental harm and other damages resulting from the overflow condition, upon notification by Raleigh. Furthermore, the County shall and does hereby assume, and agrees to indemnify and hold harmless Raleigh, its successors and assigns, from and against all loss, claims, damages, penalties, fines, costs, expenses including attorney's fees, damage to property caused by, or in any way resulting from an overflow event as described above. Raleigh and the County each agree to assist in the defense of any cause of actions, whether civil or administrative, arising from the overflow condition.

- c. Should a sewer overflow occur, or in the opinion of the County's engineer be imminent, at the County's connection point as a result of the sewer flowrate in Raleigh's system, regardless of the cause, Raleigh shall immediately take any and all remedial action, within its control and legal authority, necessary to eliminate the overflow condition following notification from the County and to mitigate the environmental harm and other damages resulting from the overflow condition. Furthermore, Raleigh shall and does hereby assume and agrees to hold harmless the County, its successors and assigns, from and against all loss, claims, damages, penalties, fines, cost, expenses including attorney's fees, damage to property caused by an overflow event described above. Raleigh and the County each agree to assist in the defense of any cause of actions, whether civil or administrative, arising from the overflow condition.
8. **Non-Discrimination.** To the extent permitted by North Carolina law, the Parties for themselves, their agents, officials, directors, officers, members, representatives, employees, and contractors agree not to discriminate in any manner or in any form based on actual or perceived age, mental or physical disability, sex, religion, creed, race, color, sexual orientation, gender identity or expression, familial or marital status, economic status, veteran status or national origin in connection with this Contract or its performance.

The Parties agree to conform with the provisions and intent of Raleigh City Code § 4-1004 in all matters related to this Contract. This provision is incorporated into the Contract for the benefit of the City of Raleigh and its residents and may be enforced by an action for specific performance, injunctive relief, or any other remedy available at law or equity. This section shall be binding on the successors and assigns of all parties with reference to the subject matter of the Contract.
9. **E-Verify.** The Parties shall comply with E-Verify, the federal E-Verify program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law and as in accordance with N.C.G.S. §64-25 et seq. In addition, to the best of the County's knowledge, any subcontractor employed by the County as a part of this Agreement shall be in compliance with the requirements of E-Verify and N.C.G.S. § 64-25 et seq.
10. **Cancellation.** Except as otherwise provided in this Agreement, Raleigh may terminate this Agreement and the consent for the County to discharge wastewater into Raleigh's sewer collection system upon one hundred twenty days prior written notice of the County's default of any covenant or term hereof, which default is not cured within thirty days after receipt of such notice of default.
11. **Non-assignment.** No party may transfer or assign its rights under this Agreement without written approval from the governing boards of both the County and Raleigh. This Agreement shall bind the Parties, respective successors permitted assigns and

transferees.

12. **Choice of Law/Venue.** All matters relating to this Agreement shall be governed by the laws of the State of North Carolina, without regard to its choice of law provisions, and venue for any action relating to this Agreement shall be Wake County Civil Superior Court or the United States District Court for the Eastern District of North Carolina, Western Division.
13. **Entirety.** This Agreement contains the entire agreement and understanding of the Parties with respect to the subject matter contained herein and all prior agreements or understandings of the Parties are hereby revoked. There are no agreements, restrictions, promises, warranties, covenants or other undertakings other than those expressly set forth herein.
14. **Severability.** The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions herein and the Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

[SIGNATURE PAGES TO FOLLOW]

IN TESTIMONY WHEREOF, Raleigh and the County have caused this Agreement to be executed below by their respective Managers, their corporate seals affixed and attested by their respective Clerks, approved by their respective Attorneys, all by the authority of their respective Councils, as the day and year first written.

ATTEST:

CITY OF RALEIGH

This instrument has been pre-audited in the manner required by the Local Government Budget and Chief Financial Officer (or designee)

ATTEST:

COUNTY OF WAKE

(Attach Municipal Seal)

TOWN MANAGER

APPROVED AS TO FORM

COUNTY ATTORNEY

This instrument has been pre-audited in the manner required by the Local Government Budget and Chief Financial Officer (or designee)