



AGREEMENT FOR WATER SYSTEM SERVICES

BY AND BETWEEN

INMAN-CAMPOBELLO WATER DISTRICT, SOUTH CAROLINA

AND

POLK COUNTY, NORTH CAROLINA

AND

BROAD RIVER WATER AUTHORITY

Dated: _____, 2014

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AGREEMENT FOR WATER SYSTEM SERVICES BY AND BETWEEN
INMAN-CAMPOBELLO WATER DISTRICT, SOUTH CAROLINA AND
POLK COUNTY, NORTH CAROLINA

This **AGREEMENT FOR WATER SYSTEM SERVICES** (the “*Agreement*”) is entered into this ____ day of _____, 2014 by and between the Inman-Campobello Water District, South Carolina (“*ICWD*”) and Polk County, North Carolina (“*Polk County*”), each a “Party” and together the “Parties.”

WHEREAS, Polk County is a body politic and corporate organized under the laws of the State of North Carolina (“*North Carolina*”).

WHEREAS, Section 153A-275 of the North Carolina General Statutes authorizes Polk County to construct, establish, enlarge, improve, extend, maintain, own and operate a water supply and distribution system (collectively, “*Water Service*”), and to contract with third parties to furnish Water Service to Polk County and its citizens.

WHEREAS, Chapter 160A, Article 20, Part 1 of the North Carolina General Statutes (the “*Joint Exercise of Powers Statutes*”), authorizes Polk County to cooperate with any other unit of local government in the exercise of any of its authorized powers, including furnishing Water Service to its citizens.

WHEREAS, Section 160A-461 of the Joint Exercise of Powers Statutes provides that Polk County may enter into contracts of reasonable duration with units of local governments of North Carolina or any other state for the joint exercise of such powers.

WHEREAS, ICWD is a public service district of the State of South Carolina (“*South Carolina*”) created pursuant to Act No. 939 of 1954 of the Acts and Joint Resolutions of the General Assembly of South Carolina as amended by Act No. 579 of 1955 (“*Act 579*”) and other acts (collectively, the “*Enabling Legislation*”).

WHEREAS, ICWD is a “unit of local government” as defined by the Joint Exercise of Powers Statutes.

WHEREAS, Sections 3(10) and 3(11) of Act 579 authorize ICWD to purchase, or otherwise acquire, a supply of water for its water distribution system, and to that end, to build, construct, maintain and operate water tanks, reservoirs, pumps and such other apparatus as may be necessary to obtain and distribute water beyond the limits of the district, on such terms as it shall approve, wherever it shall be economically feasible to do so.

WHEREAS, ICWD operates a water system that serves approximately 12,000 customers. ~~ICWD~~ and warrants that it has an established record of low rates, efficient operations and excellent customer service.

WHEREAS, pursuant to an agreement for the construction of a water transmission line and the sale of finished water, by and between the Broad River Water Authority, Polk County, and ICWD, dated July 7, 2008 and amended February 6, 2012 (the “*Broad River Line Agreement*”), ICWD currently receives bulk water from the Broad River Water Authority, located in Rutherford County, North Carolina, through a high-capacity line that crosses Polk County.

WHEREAS, ICWD donated those portions of that line and appurtenances that are located in North Carolina (the “**Broad River Line**”) to Polk County which were installed at a cost of \$4.03 million in 2008.

WHEREAS, Polk County provides water service to approximately 130 customers ~~using~~ who use the Broad River Line ~~as well as an additional~~, the public well system and lateral lines that have been installed by Polk County or by developers.

WHEREAS, also pursuant to the Broad River Line Agreement, ICWD provides all customer services and operational services for the Polk County water system and assets.

WHEREAS, the Polk County Board of Commissioners, the governing body of Polk County (the “**Polk Commission**”), has determined that for reasons of public health and the welfare of its citizens, it is advantageous to provide for the continued expansion of public water service in unserved areas of the County.

WHEREAS, establishing its own water system would require Polk County to invest in the personnel, equipment, facilities, water supply resources, customer service and billing systems, financial resources and the other assets and technical skills required to efficiently operate such a system.

WHEREAS, current customer growth forecasts for Polk County’s water service indicate that even if such service expands in a sustained and effective way in the areas in which the County provides water service, Polk County will serve less than 1,000 customers by 2030, resulting in water needs that are anticipated to be significantly less than two million gallons per day (MGD).

WHEREAS, such a water system standing alone would lack economies of scale and would be challenged to meet increasingly stringent environmental and public health regulations.

WHEREAS, ICWD has a proven track record of efficient and low-cost operations and is one of the lowest cost providers of water in the area.

WHEREAS, ICWD warrants that during the term of this Agreement, it will continue to provide efficient and low-cost operations and will remain one of the lowest cost providers of water in the area.

WHEREAS, ICWD’s rates are much lower than the rates Polk County would have to charge were it to operate a water system on a stand-alone basis.

WHEREAS, Polk County has determined that it constitutes better stewardship of public funds and will be more economical to contract with ICWD to construct and operate its water system than to attempt to construct and operate a water system on a stand-alone basis.

WHEREAS, ICWD is willing to make available to Polk County ICWD’s existing personnel, equipment, expertise, customer service culture, economies of scale, capital resources and other resources in exchange for a pooling of water supply resources, including potential raw water withdrawal rights from Lake Adger, which is owned by Polk County, either through direct withdrawal or indirectly through downstream releases.

NOW, THEREFORE, and in consideration of the premises and the mutual covenants and obligations contained herein, the receipt and sufficiency of which are hereby acknowledged, ICWD and Polk County agree as follows:

Article I. Definitions

As used in this Agreement, unless the context shall otherwise require, the following terms shall have the following respective meanings:

- (a) **“Agreement”** shall mean this Agreement For Water System Services, as the same may be modified or amended from time to time.
- (b) **“Capital Projects”** shall mean those projects undertaken by ICWD to construct Transmission Line Expansions, Distribution Line Expansions, capital maintenance and improvements to Lake Adger and the Lake Adger dam and other capital projects in Polk County to benefit the customers of the Polk County System, but shall not include the future construction of any water treatment facilities within Polk County or transmission lines associated with such facilities.
- (c) **“Distribution Expansion Projects”** shall mean those projects undertaken to construct water lines from transmission lines to provide water service directly to residential, commercial or industrial water customers within Polk County.
- (d) **“Fiscal Year”** shall mean the ~~Fiscal Year of ICWD, which currently~~ year that begins July 1st of each year and ends June 30th, ~~but which may be changed from time to time by the ICWD Commission.~~
- (e) **“Force Majeure”** shall mean acts of God or nature, strikes, lockouts, or other industrial disturbances; acts of a public enemy, orders of any kind of the government of the United States, South Carolina or North Carolina, or the courts thereof, or any civil or military authority; insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, ~~droughts,~~ arrests, restraint of government and people, civil disturbances and explosions; ~~malfunctions of machinery and pipe lines; partial or entire failure of water supply, contamination of water supplies or of treated water,~~ or the inability of Polk County to receive water or the Services hereunder, or ICWD to provide water or the Services hereunder, on account of any other causes not reasonably within the control of the party claiming such inability.
- (f) **“Generally Accepted Accounting Principles”** shall mean generally accepted accounting principles and accounting practices that are applicable to governmentally owned and operated water utility systems such as the ICWD System.
- (g) **“Good Utility Practices”** shall mean practices, methods, and acts engaged in or approved by a significant portion of the potable water utility industry during the relevant time period, or practices, methods, and acts which, in the exercise of reasonable judgment in the light of the facts known at the time the decision was made, could have been expected to accomplish the desired results at a reasonable cost and within a reasonable time consistent with good business practices, reliability, safety, and expedition. Good Utility Practice does not require use of the optimum practice, method, or act, ~~but only~~

~~requires use of practices, methods, or acts generally recognized within the potable water utility industry to accomplish the desired results at a reasonable cost and within a reasonable time consistent with good business practices, reliability, safety, customer service and expedition.~~

(h) **“ICWD Customers”** shall mean customers of the ICWD System located in South Carolina.

(i) **“ICWD Reimbursement”** shall mean the reimbursement earned by ICWD for its costs and expenses in providing the Water System Services required for operating the Polk County System. The ICWD Reimbursement amount shall equal the amount of the total revenue, less credits and refunds, that is collected from ~~operations~~ ICWD’s operation of the Polk County System including, without limitation,

- (i) fixed and volumetric water service charges, including meter charges and standby charges,
- (ii) tap fees, impact fees and similar charges,
- (iii) charges for connections, disconnections, reconnections, inspections, service calls, repairs or testing,
- (iv) late fees, interest, or similar charges,
- (v) fines, payments or compensation granted for misuse of the system or assets, or damage to the system,
- (vi) charges for unauthorized use of water,
- (vii) payments resulting from condemnation of system assets,
- (viii) governmental assistance for disaster recovery associated with the Polk County System, and
- (ix) all other charges or revenues associated with ~~the~~ ICWD’s operation of the Polk County System.

It is the intent of the Parties that all revenue associated with ~~the~~ ICWD’s operation of Polk County System be included in computing the ICWD Reimbursement. It is also the intent of the Parties that the ICWD Reimbursement shall not include audit fees, fines or penalties imposed on ICWD for its noncompliance with any local, state or federal law, rule, ordinance, order or regulation.

(j) **“ICWD System”** shall mean those transmission and distribution lines, water treatment facilities and any other facilities or systems that are owned by ICWD and are not part of the Polk County System.

(k) **“Joint Coordinating Committee”** shall mean the Joint Coordinating Committee created pursuant to Article IV of this Agreement to oversee the on-going implementation of this Agreement.

(l) **“Minimum Rates”** shall mean rates which are precisely equivalent to the rates, fees and charges charged to ICWD Customers, and reflect the same rate structures and classifications as ICWD uses in billing ICWD Customers. Minimum Rates ~~will~~ may be adjusted as ICWD’s rates, charges, fees and rate classifications for ICWD Customers ~~may be~~ are amended from time to time; provided, ICWD provides prior written notification of a rate change to Polk County and explains the proposed rate increase at a public hearing before the Joint Coordinating Committee. Until such time as ICWD equalizes its rates between customers located within and outside of ICWD’s corporate boundaries (the former having historically been subsidized by property tax millage) Minimum Rates shall be based on ICWD’s rates to customers located outside of its corporate boundaries.

(m) **“Polk County Customers”** shall mean those customers located within Polk County and who receive potable water from water lines owned by Polk County and connected to the Polk County System.

(n) **“Polk County System”** shall mean those transmission and distribution lines and other facilities or systems that are located within Polk County and provide water service to Polk County Customers. The Polk County System shall not include any water treatment facility and associated assets, including associated transmission lines that may be constructed by ICWD within Polk County in the future or the Broad River Line to the extent that it is necessary to transmit water from such water treatment facility to the ICWD System.

(o) **“Raw Water Withdrawal”** shall mean any withdrawal of raw water either directly from Lake Adger or at a point that is downstream from Lake Adger that utilizes releases of water from Lake Adger for water supplies.

(p) **“Water System Services”** shall mean, collectively, those O&M Services, Customers Services, Expansion Services, Accounting Services and Capital Projects Services further provided for in Sections 2.02 through 2.06, herein.

(q) **“Transmission Expansion Projects”** shall mean those projects undertaken to construct “backbone” water transmission lines to expand water service into areas of Polk County that are not presently receiving water service.

Article II. Operating and Expanding the Polk County Water System

Section 2.01 Standard of Service. ICWD shall, at all times, furnish Polk County Customers, on Polk County’s behalf, with Water Service that is safe, reliable, adequate, efficient and reasonably priced.

Section 2.02 Operation and Maintenance. ICWD shall provide all services related to the operation and maintenance and regulatory compliance of the Polk County System (the **“O&M Services”**). O&M Services shall include, without limitation, operation, maintenance, repair and replacement of water lines and other facilities comprising the Polk County System, in accordance with Good Utility Practices, to ensure that the Polk County System is able to provide safe and reliable service to the Polk County Customers.

Section 2.03 Customer Service. ICWD shall provide all customer service functions necessary to serve Polk County Customers efficiently (“*Customer Services*”). Customer Service shall include, without limitation, the opening of new customer accounts, account transfers, meter-reading, billing, credit and collections, installation of new taps and connections, termination of accounts, connection and disconnection services, response to customer complaints and inquiries, account adjustments and error resolution, account transfers, final billing, record keeping and all other customer accounting and customer service functions required to serve Polk County Customers in keeping with Good Utility Practices. Customer Service shall be provided by ICWD in accordance with the rates, regulations, and terms and conditions of service as established by ~~the Polk County~~ Polk County. ICWD shall be solely responsible for any and all claims, actions or causes of action arising out of the provision of customer service functions.

Section 2.04 Expansion Projects.

(a) ICWD shall undertake all system expansion projects for the Polk County System (“*Expansion Services*”) including the design, engineering and construction of Transmission Expansion Projects and Distribution Expansion Projects. Such Expansion Services shall be undertaken by ICWD under the oversight of the Joint Coordinating Committee in keeping with Good Utility Practices and in accordance with the rates, regulations and terms and conditions of service as established and adopted by Polk County.

(b) When developers or other third parties undertake to design and construct lines or other facilities to connect with the Polk County System, ICWD shall, on Polk County’s behalf, exercise all rights and powers of Polk County related to the review, inspection, permitting and approval of such projects. ICWD shall exercise these powers under the oversight of the Joint Coordinating Committee in keeping with Good Utility Practices.

(c) On occasion, economic development activities may require Polk County to seek the Expansion Services including the design and construction of lines or other facilities to connect with the Polk County System. Upon the request of Polk County, ICWD shall undertake the expansion project and exercise its powers consistent with Good Utility Practices.

Section 2.05 Capital Projects. ICWD shall undertake all capital maintenance, capital improvements and renewal and replacement investment (“*Capital Project Services*”) necessary to keep the Polk County System in good operating condition and to provide safe, reliable service. Such Capital Project Services shall be provided by ICWD in keeping with Good Utility Practices and in accordance with the rates, regulations and terms and conditions of service as established and adopted by the Polk Commission.

Section 2.06 Accounting Services. ICWD shall provide all record keeping and financial accounting for the Polk County System (“*Accounting Services*”). The Accounting Services will be provided according to Generally Accepted Accounting Principles. ICWD shall provide to Polk County annually audited financials of the Polk County System. Such audit shall be performed by a certified public accountant.

Section 2.07 Regulatory Compliance and Permitting; Acquisition of Rights of Way.

(a) As an agent for Polk County, ICWD shall be responsible for all regulatory compliance and permitting for the Polk County System, and shall acquire and maintain all necessary crossing or encroachment permits or other regulatory approvals ~~-, permits and licenses as~~ necessary for the provision of the Services provided for herein. Any fees related to such approvals as they relate to Capital Projects shall be included within the amounts invested in such Capital Projects. ICWD shall be responsible for any civil penalties or fines related any non-compliance with or failure to obtain any such permits, licenses or approvals, including any legal fees and costs related to the same.

(b) Polk County shall assist ICWD in the acquisition of all necessary crossing or encroachment permits or other regulatory approvals necessary for the provision of the Services provided for herein, and at ICWD's reasonable request shall make use of its power of eminent domain to support ICWD in the construction of expansion and transmission lines, appurtenances or other water system assets or treatment facilities within Polk County. However, prior to the use of eminent domain powers, ICWD shall exhaust all reasonable efforts to acquire the desired interests. All costs incurred by Polk County from the use of eminent domain shall be borne by ICWD.

Section 2.08 Drought Response Plan. ICWD will prepare and update from time to time a drought response plan for the Polk County System that conforms in all respects to North Carolina law. The plan and revisions to it will be provided to Polk County for adoption as a regulation of the Polk County System. Where conditions of drought exist, Polk County in conjunction with the Joint Coordinating Committee may restrict water use and water withdrawal to the needs of the Polk County System.

Article III. Water Supplies; Future Water Treatment Facilities

Section 3.01 Water Resources. ~~The~~ Except as provided in Section 2.08 above, the intent of this Agreement is to provide for the pooling of the water resources of ICWD and Polk County so that ICWD may have access to sufficient water resources to provide long-term, safe and reliable water service, on an equal basis, to Polk County Customers and ICWD Customers on the same terms and conditions. To that end:

(a) ICWD shall make available to Polk County Customers the capacity that ICWD has obtained from the Broad River Water Authority and any future capacity it may obtain from Broad River Water Authority (the "**ICWD Broad River Capacity**"). Likewise, Polk County shall make available to ICWD any capacity that Polk County has obtained, or may obtain in the future, from the Broad River Water Authority (the "**Polk Broad River Capacity**")

(b) ICWD shall make available to Polk County Customers the capacity that ICWD may, in the future, withdraw from its permitted withdrawal site on North Pacolet River in Fingerville, South Carolina for which ICWD has a South Carolina Surface Water Withdrawal Permit for 8 MGD (the "**North Pacolet Capacity**").

(c) Subject to Section 3.04 of this Agreement, Polk County shall make available to ICWD the Raw Water Withdrawal as a future source of raw water supply for Polk County Customers and ICWD. Other provisions of this section notwithstanding, ICWD will reserve for Polk County any amount of raw water from the Raw Water Withdrawal that is necessary to meet the actual water capacity requirements of Polk County to provide Water Service to Polk County Customers;

(d) Any future water treatment facility that will receive water from any of the water resources described in this Section ~~2.08-3.01~~ may be constructed in Polk County, Spartanburg County or elsewhere, with the location to be at the discretion of ICWD with input from the Joint Coordinating Committee.

Section 3.02 Future Water Treatment Facilities.

(a) Should ICWD construct a water treatment plant within Polk County, Spartanburg County or elsewhere, relying on water resources from the Broad River Water Line or withdrawing water from the Raw Water Withdrawal or from ICWD's Fingerville, S.C. site, such water treatment plant and any associated transmission lines necessary to connect the water treatment plant to the Polk County and ICWD distribution systems (together the "***Plant***"), will be owned by ICWD. The capital cost to construct the Plant shall not be treated as a Capital Project of the Polk County System and shall not accumulate in the Capital Asset Account; but such amounts shall be treated solely as a capital cost of the ICWD System.

(b) Should ICWD construct the Plant, and to the extent that ICWD uses any portion of the Broad River Line to transport water from the Plant to ICWD Customers or the ICWD System, then ~~any expiration dates, periods or terms of time in the Broad River Line Agreement notwithstanding,~~ ICWD's right to transport water through such portions of the Broad River Line, and ICWD's corresponding responsibility to maintain such portions of the Broad River Line, shall continue for ~~so long as ICWD continues to operate the Plant~~ forty (40) years unless Polk County acquires the Plant and compensates ICWD for the fair market value of the Plant at the time of acquisition. Any expiration dates, periods or terms of time in the Broad River Line Agreement may be extended upon the request of ICWD. In this event, the corresponding rights and responsibilities of ICWD and Polk County regarding the Broad River Line contained in the Broad River Line Agreement shall survive the expiration or termination of such Agreement but shall be limited to that portion of the Broad River Line necessary to transport water from the Plant to the ICWD Customers or the ICWD System.

(c) In the event that ICWD seeks to construct the Plant, Polk County shall provide such assistance, approvals or support as is reasonably necessary for ICWD to obtain the appropriate watershed classification from the North Carolina Department of Environment and Natural Resources, along with any other necessary regulatory approvals or permits. ICWD shall pay Polk County's out-of-pocket costs for such assistance.

(d) Nothing in this Agreement shall require ICWD to construct nor shall it prevent ICWD from constructing any such water treatment facilities it determines to be required to serve ICWD Customers, Polk County Customers, or any other water customers whether such water treatment facilities are located in Polk County or elsewhere.

Section 3.03 Prioritization of Water Resources. In the course of ICWD's operation of the Plant, ICWD shall make maximum permitted use, based upon applicable permits and other regulatory restrictions, environmental restrictions in place at any given time and Good Utility Practices, of the water resources to provide for the water needs of ICWD Customers and Polk County Customers, on an equal basis, in the following priority based upon the order of water resources below:

(a) Such capacity owned by ICWD as is available at that time from the Broad River Line;

(b) ~~(a)~~Such capacity as is available at that time from the Broad River Line, regardless of whether such capacity is owned by ICWD or Polk County;

(c) ~~(b)~~Any withdrawal available from the North Pacolet Capacity;

(d) ~~(c)~~Any withdrawal, as may be permitted at that time, from the Green River; and

(e) ~~(d)~~Any withdrawal, as may be permitted at that time, from Lake Adger.

Section 3.04 Lake Adger Water Levels. In the event that ICWD makes use of raw water withdrawn from Lake Adger, ICWD shall, at all times make maximum use of all other water resources reasonably available, based upon applicable permits and other regulatory restrictions, environmental restrictions in place at any given time and Good Utility Practices, in order to minimize the impact that the use of Lake Adger as a raw water resource may have on Lake Adger water levels. Except in emergency situations approved by NCDENR, no raw water withdrawal from Lake Adger shall occur that will reduce the normal lake water surface elevation below 911.6 feet above the mean sea level or that would otherwise violate the North Brook Hydroelectric Agreement dated _____.

Article IV. System Operation and Revenue

Section 4.01 Customers of the Polk County System. All customers served by the Polk County System shall remain, at all times, customers of Polk County and shall, in all cases, be in an exclusive contractual and customer relationship with Polk County for the provision of Water Service. ICWD shall serve as Polk County's exclusive agent for providing Customer Services to Polk County Customers and managing the Polk County System. Polk County may require ICWD to include Polk County related materials in the billings to Polk County System Customers, provided such materials are received by ICWD at least five (5) business days prior to the mailing.

Section 4.02 Rates. The rates, charges, classifications and categories of service for Polk County Customers shall, at all times, be those established by Polk County. The rates charges shall include a Minimum Rate, which shall provide ICWD with compensation for its provision of services to Polk County Customers, and any Additional Charges that Polk County determines to impose. Changes to the minimum rate shall require prior written notification and a public hearing by the Joint Coordinating Committee.

Section 4.03 Minimum Rates. To ensure sufficient revenue to compensate ICWD for provision of the Water System Services to Polk County and Polk County Customers, Polk

County covenants to establish rates and charges for each classification of service that are at minimum equal to those established by ICWD for ICWD Customers residing outside of the boundaries of ICWD, as described in the ICWD schedule of rates as “New District” rates (the “**Minimum Rates**”). In the event that ICWD finds it necessary to make adjustments to its Minimum Rates, or other charges, classifications or categories of service, [following proper notification and hearing](#), Polk County shall, within thirty (30) days of such amendment, make a similar adjustment to its rates, charges and classifications of service to be effective simultaneously with ICWD’s adjustments.

Section 4.04 Additional Charges. At Polk County’s request, ICWD will bill and collect Minimum Rates plus any additional percentage-based rider or per-unit charge that Polk County authorizes ICWD to charge to Polk County Customers (the “**Additional Charges**”). Such Additional Charges may be imposed (i) to generate funds to pay the cost of Expansion Projects not otherwise funded under this Agreement, (ii) as a payment to Polk County in the nature of a utility franchise fee or inter-fund transfer to be used as Polk County sees fit, or (iii) for any other purpose authorized by law for Polk County. Any Additional Charges imposed by Polk County shall be separately billed to Polk Customers by ICWD and shall be paid directly to Polk County.

Section 4.05 Terms and Conditions, and Classification of Service. The terms and conditions and classification of service under which the Water System Services are provided to Polk County Customers shall, at all times, be those terms and conditions of service adopted by Polk County. For ease of billing and customer service administration, Polk County shall adopt, through the Resolution of the Polk Commission approving the execution of this Agreement, those terms and conditions and classification of service that are substantially ~~identical~~ [similar](#) to those adopted by ICWD, as shown in **Exhibit A** attached hereto (the “**Terms and Conditions**”). In the event that the Terms and Conditions adopted thereunder are determined to violate North Carolina law or regulations, ICWD shall ~~endeavor to~~ amend its terms and conditions ~~so that they~~ [to](#) satisfy North Carolina requirements. In the event that ICWD amends its terms and conditions of service for any reason, Polk County covenants to, within thirty (~~30~~[60](#)) days of any such amendment, adopt substantially ~~identical~~ [similar](#) amendments unless prevented from doing so by North Carolina law or regulation.

Section 4.06 Service to be Substantially Consistent Across the System. ICWD shall provide the Services to the Polk County Customers in accordance with Good Utility Practice and at substantially the same quality and level of service as such services are provided to ICWD Customers. [At a minimum, the level of service shall meet or exceed industry standards.](#)

Article V. Governance and Oversight

Section 5.01 Joint Coordinating Committee. Through the execution of this Agreement, there is hereby created a Joint Coordinating Committee (the “**Joint Coordinating Committee**”) to oversee the administration of this Agreement and the provision of Water System Services by ICWD to Polk County Customers and Polk County (“**Oversight**”). The membership of the committee will be comprised of the following individuals or their appointee: (1) the General Manager of ICWD; (2) the County Manager of Polk County or his designee; (3) two members appointed by the Polk County Commission (who may or may not be a members of the Polk [County](#) Commission); and (4) one member to be appointed by the ICWD Commission. The

County Manager of Polk County shall also be permitted to sit on the ICWD Commission; serving in an advisory role, with seat and voice but no vote.

Section 5.02 Powers of the Joint Coordinating Committee. The Joint Coordinating Committee shall monitor and oversee the implementation of this Agreement and the quality of customer service provided by ICWD and shall provide guidance to ICWD on all issues related to the joint administration of this Agreement and service to the Polk County System. In addition, the Joint Commission shall exercise the following powers under this Agreement:

- (a) It shall adopt the annual Capital Improvement Plan for the Polk County System;
- (b) It shall review, approve, and amend as necessary, plans for [raw water withdrawal](#), capital improvements and maintenance to Lake Adger;
- (c) It shall coordinate customer service policies and terms and conditions of service related to the Polk County System to ensure that they are consistent across both the Polk County System and the ICWD System;
- (d) It shall have the right to inspect, copy and audit all financial records and customer service records related to service to the Polk County System by ICWD and may hire auditors to independently review such financial records;
- (e) It [shall hear and conduct public hearings on rate adjustments by ICWD and](#) may hire experts to conduct analyses of rates, service-related issues, or other issues related to the operation of the Polk System with funds to be provided by the Polk Commission;
- (f) If so authorized in the regulations of the Polk County System, it may act as the final arbiter of disputes between Polk County Customers and ICWD.
- (g) It shall ensure compliance with [all applicable local, State and federal laws and regulations and specifically with all](#) North Carolina Department of Environment and Natural Resources ~~and other laws and regulations of the North Carolina.~~

Section 5.03 Meetings of the Joint Coordinating Committee. The Joint Coordinating Committee shall meet initially within 45 days of the date first entered above and shall then meet thereafter so often as is necessary to adequately provide Oversight, but no less than twice annually to (1) approve the Capital Improvement Plan for the upcoming fiscal year and (2) to receive the Annual Report. At the initial meeting, the Joint Coordinating Committee shall adopt bylaws that further set forth the policies and procedures for the governance of the Joint Coordinating Committee.

Section 5.04 Compliance with Open Meetings and Records Laws. Meetings of the Joint Coordinating Committee shall be conducted in compliance with the laws of ~~both North Carolina and South~~ Carolina regarding meetings of public bodies.

Section 5.05 Reporting Requirements. Annually, upon the later of thirty (30) days after the issuance of the audited financial statements of ICWD or ten days before the first meeting of the Joint Coordinating Committee held thereafter, ICWD shall provide to the Joint Coordinating Committee and to the Polk Commission an annual report (the “*Annual Report*”) containing the following information for the prior year:

(a) ICWD's costs of providing service to the ICWD System and the Polk County System together, and the cost of providing service to the Polk County System individually;

(b) Revenues generated from the ICWD System and the Polk County System together, and the revenue generated from the Polk County System individually;

(c) A description of the nature, location, cost and status of capital projects and Transmission Expansion Projects undertaken by ICWD in the preceding fiscal year both for the ICWD System and the Polk County System;

(d) Information concerning droughts, service interruptions and boil-water notices that occurred in the preceding fiscal year; providing the date, cause, location and number of customers affected, and time for restoration of service for the Polk County System;

(e) Information concerning the monthly water levels and withdrawals from Lake Adger, its performance levels, maximum daily withdrawals and the impact of withdrawals occurring during the fiscal year;

~~(f)~~^(e) Other financial, operational and customer service metrics as are necessary to ascertain the quality of service provided to Polk County Customers.

The Annual Report shall, as soon as is practicable thereafter, be presented to the Polk Commission personally by the General Manager of ICWD who shall be available to address any issues or answer any questions of the Polk Commission.

Section 5.06 Approval of Wholesale Water Sales. Any agreement, by either Party, to sell water on a wholesale basis to any customer that is not located either within the ICWD service area or Polk County, shall, prior to execution, be submitted for approval by the ICWD Commission if the wholesale agreement is to be entered into by Polk County, or by the Joint Coordinating Committee if the wholesale agreement is to be entered into by ICWD. The approval or disapproval of such wholesale agreement by either body, as applicable, shall be binding upon the party requesting approval. Provided that sufficient water resources are available at the time the request is made, and are reasonably projected to be available for the entirety of the term of any such wholesale agreement, the approval of the applicable body shall not be unreasonably withheld.

Article VI. Compensation and Accounting for Revenues

Section 6.01 ICWD's Compensation; ICWD Reimbursement. ICWD shall be reimbursed for its costs and expenses in providing the Water System Services through a fee equal to the revenue generated by the Polk County System less revenue generated by any Additional Charges (the "***ICWD Reimbursement***").

Section 6.02 Disposition of Polk County System Revenues. ICWD shall create, pursuant to the requirements of this Agreement, the Polk County System Enterprise Fund (the "***Polk County Enterprise Fund***") which shall remain separately stated in the accounts of ICWD. Within this fund, ICWD shall record all revenue generated by the Polk County System, with the exception of revenue generated by Additional Charges. ~~ICWD may recover its ICWD~~

~~Reimbursement by transferring amounts listed in the Polk County Enterprise Fund from time to time to other accounts~~Revenue generated by Additional Charges shall be maintained in a separate account with a Polk County financial institution approved by Polk County. The Additional Charges shall remain the exclusive property of Polk County.

Article VII. System Capital Investments

Section 7.01 Ownership of Polk County System Assets. With the exception of any future water treatment facility and associated facilities built within Polk County (pursuant to Section 6.09 below), Polk County shall own all water system assets that are hereafter constructed by ICWD within Polk County, along with any improvements to Lake Adger, pursuant to the terms of this Agreement. ICWD will provide Polk County with all documents necessary to reflect ownership of these assets in the records of Polk County.

Section 7.02 Transmission Expansion Projects. ICWD will fund expansion of the ~~“backbone”~~main trunk lines of the Polk County System through Transmission Expansion Projects at the greater of one hundred thousand dollars (\$100,000) per year or 5% of the gross revenue received from the ICWD Reimbursement. In the event that the amount spent on Transmission Expansion Projects in any year is greater or less than the amount provided for herein, the difference will be carried over into the next year to increase or reduce the investment required for Transmission Expansion Projects in that year; provided that no amount shall be carried over for more than three years. Upon the request of Polk County, the Joint Coordinating Committee may recommend the use of special assessments or the creation of a Special Assessment District to fund Transmission Expansion Projects once the one hundred thousand dollars or 5% of gross revenues is exhausted.

Section 7.03 Distribution Expansion Investment. ICWD shall make capital available for defraying the cost of Distribution Expansion Projects according to the distribution expansion policy contained in Polk County’s terms and conditions of service which, pursuant to the terms of this Agreement, shall be identical to the ICWD Water Line Extension Policy, as it may be amended from time to time (the *“Distribution Expansion Policies”*). Under the ICWD Water Line Expansion Policy existing at the time of the execution of this Agreement, ICWD provides 55% of the cost of a Distribution Expansion Projects at the request of a customer, provided that such customer or other third-party provides the remaining 45%. The Distribution Expansion Policies of ICWD are subject to change in the same manner as ICWD may amend other terms and conditions of service.

Section 7.04 Supplemental Funding of Distribution Expansion Projects. Polk County may provide supplemental funding for Transmission and Distribution Expansion Projects at its discretion. Such supplemental funding may be provided directly by Polk County or may be generated from Additional Charges (as provided for in Section 3.03). Unless prevented from doing so by engineering, permitting, right-of-way or other binding constraints imposed by third parties, ICWD shall publicly bid and have a contractor construct any lines requested by Polk County so long as Polk County pays any costs above those which ICWD is obligated to pay under this Agreement.

Section 7.05 Transmission Expansion Project Approval. Prior to annual submission of the Capital Improvement Plan (as provided for in Section 6.06), ICWD shall provide the Polk Commission with information concerning Transmission Expansion Projects that ICWD

anticipates undertaking for the coming year; including the size and location of lines to be constructed in such project. ICWD and Polk County shall each agree to the size and location of lines included in Transmission Expansion Projects.

Section 7.06 Capital Improvement Plan. Prior to the beginning of each Fiscal Year, ICWD shall submit to the Joint Coordinating Committee and the Polk Commission a Capital Improvement Plan that shall include the size and location of Transmission Expansion Lines as well as any other Capital Projects that ICWD anticipates it will undertake in the upcoming Fiscal Year (the “*Capital Improvement Plan*”). Polk County shall have the right to suggests Capital Projects to be included in the coming year and ICWD and Polk County shall work in good faith to develop a plan to implement the suggested projects. The Capital Improvement Plan shall include the budget for each such Capital Project. The Capital Improvement Plan shall also indicate the amount of capital investment that ICWD anticipates will be required for the upcoming Fiscal Year, pursuant to the requirements of Section 6.02, as well as any amounts necessary to true-up any under or over-expenditures from the prior period. Based upon this information, the Joint Coordinating Committee shall formulate and approve the annual Capital Improvement Plan for the Polk County System. In the event that ICWD determines that mid-period changes to the Capital Improvement Plan are necessary, such changes shall be submitted in a like manner to the Joint Coordinating Committee for approval.

Section 7.07 Lake Adger Investments. ICWD shall undertake and bear the cost of any capital maintenance and improvements to the Lake Adger dam that are required in order to correct the current deficiencies in the Lake Adger dam structure that are identified by the North Carolina Division of Energy, Mineral and Land Resources in the Dam Safety Inspection Report: Turner Shoals Dam, prepared by AECOM and dated April 22, 2014 (the “*Dam Report*”). At such time as it is determined the deficiencies in the Lake Adger dam structure that are identified in the Dam Report are rectified, ICWD shall thereafter invest amounts necessary to maintain the dam as a source of raw water consistent with Good Utility Practice and to the satisfaction of the North Carolina Division of Energy, Mineral and Land Resources. All capital maintenance and improvements required to comply with the Dam Report, and ongoing maintenance on the Lake Adger dam going forward, shall be included within Capital Projects as defined in this Agreement. It is the expectation of the parties that repairs to correct the current deficiencies will be completed by

Section 7.08 Capital Asset Account. All amounts invested by ICWD in Capital Projects in the Polk County System shall accumulate in a capital account (the “*Capital Asset Account*”). All amounts accumulated in the Capital Asset Account shall be amortized through straight line depreciation over the useful life for engineering purposes of the asset for which the capital was invested. The balance of all unamortized amounts invested in Capital Projects shall accrue interest at ICWD’s weighted average cost of long term debt calculated annually, adjusted for ICWD’s cost of issuance.

Article VIII. Term and Termination

Section 8.01 Term. This Agreement shall be effective upon the date first entered above and shall extend for an initial period commencing upon the date first entered above for a term of twenty (20) years thereafter (the “*Initial Term*”). This Agreement ~~shall automatically renew for~~ may be renewed for two (2) separate and successive ten (10) year terms upon the end of the Initial Term ~~and the expiration of any successive term~~ unless a Party to this Agreement

notifies the other Party, in writing, no later than ~~one-sixty (160)~~ year-days prior to the end of the then-current term of that Party's intent to terminate this Agreement at the next expiration date.

Section 8.02 Breach; Termination. Upon the failure of ICWD to satisfy a material provision of this Agreement, Polk County may declare that ICWD is in default. Polk County shall issue a written notice of default to ICWD identifying the breach. ICWD shall have ten (10) days following the mailing of the notice of default to cure the default. If the default cannot be cured within ten days, ICWD may request an extension of time from Polk County to cure the default. Any extension must be in writing. If the default is not cured within the ten days or within the extension period, Polk County may terminate this Agreement. Upon termination, ICWD shall reimburse Polk County for up to _____ and No/100 Dollars (\$_____.00) of out of pocket costs and expenses incurred by Polk County in reliance on ICWD's performance of its obligations hereunder, or pursue an action to require ICWD to specifically perform its obligations under this Agreement. A material breach of this Agreement shall include, but not be limited to, the failure of ICWD to correct the deficiencies in the dam in a timely manner or the failure to maintain and operate the water system consistent with Good Utility Practices.

~~Upon~~ Except for termination of this Agreement, as provided for in this Section 8.02, upon termination or expiration of this Agreement, as provided for in Section 7.01-8.01 or for any other reason, including but not limited to a determination by a court of competent jurisdiction that the obligations of either Party to this Agreement are invalid under the laws of South Carolina, North Carolina or federal law, Polk County, as the owner of assets comprising the Polk County System that have been paid for by ICWD, shall pay to ICWD the accumulated balance of the Capital Asset Account less depreciation. ICWD and Polk County shall be responsible for any reasonable and necessary costs of segregating the ICWD System from the Polk County System to allow each system to adequately serve their respective customers. The Parties acknowledge and stipulate that such a payment shall be a reasonable measure of part of the benefit received by Polk County for ICWD's performance under this Agreement, quantum meruit. This stipulation is severable from any other terms of this Agreement. its respective customers. However, where this Agreement is terminated as a result of a breach as set out in this Section 8.02, Polk County may withhold payment of the accumulated balance of the Capital Asset Account to ICWD, and apply the proceeds of the Capital Asset Account toward Polk County damages.

Section 8.03 Assistance Upon Termination. Upon termination, ICWD shall provide, at no cost to Polk County, any assistance necessary to transfer to Polk County all billing, accounting and customer service information, system design and operations data, warranty information and contractual rights necessary for a smooth transition of the Water System Services to Polk County.

Section 8.04 Water Resources to Remain Pooled Upon Termination. In the event that ICWD constructs the Plant prior to the termination, for any reason, or expiration of this Agreement, the water resources described in Section 3.01 shall remain pooled for the joint use of the Parties. ~~In such for forty (40) years, unless Polk County acquires the Plant and compensates ICWD for the fair market value of the Plant at the time of acquisition. In the event that the water resources remain pooled,~~ the prioritization of water resources provided for in Section 3.03 herein shall survive the termination of this Agreement and remain effective.

Section 8.05 Lake Adger. Upon termination or expiration of this Agreement for any reason, provided that ICWD has, at that time constructed the Plant and Polk County has not acquired the Plant, and notwithstanding the prioritization of water resources provided for in Section 8.04, ICWD shall retain the right to receive raw water supplies from Lake Adger for a period of forty (40) years, on the following terms:

(a) ICWD will pay Polk County the cost it reasonably incurs, using Good Utility Practices, in operating Lake Adger as a water supply reservoir in the same proportion that ICWD's use of water ~~withdraw~~ withdrawn from Lake Adger as a raw water supply resource bears to the use of water withdrawn from Lake Adger by all entities as a water supply resource.

(b) Consistent with binding environmental and regulatory restraints imposed by third parties, Polk County will operate Lake Adger to meet the reasonable requirements of ICWD as a raw water supply for the Plant to supply water to ICWD Customers and Polk County Customers, including any requests for water releases to support downstream-withdrawals by ICWD for use in the Plant.

(c) Prior to ICWD's withdrawal of water from the Raw Water Supply, ICWD shall obtain a registration of water withdrawal from Polk County. At a minimum, the registration must contain the information set forth in NC Gen. Statutes § 143-215.22H. ICWD must renew this registration every 5 years. Unless it is determined that ICWD's withdrawal from the Raw Water Supply will have an adverse impact on Lake Adger or the Polk Customers, Polk County will not unreasonably deny ICWD's request for registration of its water withdrawal.

Section 8.06 Allocation of Plant Capacity Upon Termination. If ICWD constructs the Plant within Polk County, Spartanburg County or elsewhere that withdraws water from the Raw Water Withdrawal, then ICWD will provide water supplies to Polk County, at Polk County's option, according to these terms:

(a) Within sixty (60) days of the date that Polk County gives or receives notice of termination of this Agreement for whatever cause and provided Polk County does not acquire the Plant, Polk County shall elect the amount of the pro-rata share of the daily capacity in the Plant that it wishes to reserve for its use. Polk County may elect to reserve for its use any amount up to the average daily water usage of all Polk County Customers during the twelve (12) month period prior to the date that notice of termination is given or received, plus ~~ten (10)~~ a maximum of twenty-five (25%) percent.

(b) Polk County's election of its pro rata share shall be binding for an initial term of three (3) years, to begin on the date that Polk County's election of its pro-rata share of capacity is received by ICWD. This three-year term shall automatically renew for successive three (3) year terms upon the end of the initial three year term and the expiration of any successive term unless Polk County notifies ICWD, in writing, no later than six (6) months prior to the end of the then-current term that Polk County intends to change its pro-rata share of capacity in the Plant or abandon any capacity that has been so reserved.

(c) At the end of any then-current term and with notice given as provided for in Section ~~7.05(b)~~8.06(b), Polk County may increase or decrease its pro rata share of the daily capacity in the Plant. Polk County may increase its pro rata share of the Plant capacity up to the average daily water usage of all Polk County Customers during the twelve (12) month period prior to the date that notice is given of Polk County's intent to increase its pro-rata share of the Plant capacity, plus ten (10%) percent. At no time shall Polk County's pro-rata share of the capacity of the Plant exceed the amount of water withdrawn from the Raw Water Withdrawal.

(d) Polk County shall, based upon its election of the pro-rata capacity in the Plant during the initial term and any successive term, pay its pro-rata share of the fully-loaded fixed costs of operating and maintaining, and renewing and replacing the Plant, including overhead, depreciation funds and reserve funds, all as reflected in the accounting for the Plant by ICWD and based upon Generally Accepted Accounting Principles, and including a 10% allowance on expenses for debt service coverage ratios. Variable costs shall be allocated in proportion to the volume of water delivered to Polk County compared to the volume of water delivered to all customers.

Section 8.07 Survival of Rights Upon Termination. The rights set forth in this section shall remain in force for so long as ICWD owns and operates the Plant relying upon the Raw Water Withdrawal. It is the express intent of the parties that the provisions of this Section ~~7.04~~8.07 shall be severable from the other terms of the Agreement and shall survive termination of the Agreement for any reason. The provisions of this Section ~~7.04~~8.07 related to Lake Adger are severable from the other provisions of this Agreement and shall remain in force even if other provisions of the Agreement are determined to be void or unenforceable.

Section 8.08 Regulation of Lake Adger. For so long as ICWD makes use of raw water supplies from the Raw Water Withdrawal, either pursuant to this Agreement or pursuant to the terms of Section 7.04 herein, Polk County shall cooperate with ICWD to take such regulatory action that is reasonable and necessary under the cost sharing terms set forth above in order to manage Lake Adger as a viable source of raw water that meets ICWD's needs and requirements.

Article IX. Miscellaneous

Section 9.01 Effect on the Broad River Line Agreement. By the execution of this Agreement, the Parties hereby agree that the Broad River Line Agreement shall be amended as follows:

(a) The entirety of Section 6 of the Broad River Line Agreement ("**Section 6**") shall be of no further effect as between ICWD and Polk County, such that the terms of this Agreement shall supplant entirely the five (5) year term of Section 6 and the terms of Section 6 by which ICWD (i) operates and maintains the Broad River Line and any distribution lines pursuant to Section 6.1; (ii) collects and retains fees, along with provisions as to how such fees are set, pursuant to Section 6.2; and (iii) has responsibility, with the approval of Polk County, for the design and construction of distribution lines pursuant to Section 6.3.

(b) The terms of Section 7 of the Broad River Line Agreement ("**Section 7**") shall remain in effect as between ICWD and Polk County, except that the thirty (30) year term

provided for in Section 7.2 shall be supplanted by Section 6.09(b) of this Agreement in the event that ICWD constructs the Plant in Polk County and the Plant is not acquired by Polk County.

(c) The remaining terms of the Broad River Line Agreement shall remain in effect including Section 13. ICWD agrees to assume and indemnify Polk County for each of the covenants and warranties contained in that Section.

Section 9.02 Representations of the Parties. Each of the Parties hereby represents that it is a validly created governmental entity that it has taken all action required of it to authorize the execution and delivery of this Agreement and to authorize the performance its obligations contained herein.

Section 9.03 No Pledge of System Assets. ICWD agrees that it shall not pledge or encumber the assets of the Polk County System without the express written approval of Polk County and the Joint Coordinating Committee.

Section 9.04 Accounting Principles. Matters of expense, revenue, capital cost, depreciation and amortization will be recognized and allocated according to Generally Accepted Accounting Principles.

Section 9.05 Compliance with North Carolina Statutes; Public Bidding Laws. ICWD and Polk County agree to comply with all North Carolina statutes, laws and regulations applicable to the actions required by this Agreement. At a minimum, ICWD and Polk County shall comply with North Carolina Public Bidding requirements, Open Meeting laws and Public Records statutes.

Section 9.06 Additional Members. Upon the approval of both Parties and subject to the approval of the Joint Coordinating Committee, this Agreement may be amended to include additional North Carolina or South Carolina municipalities, public water systems or other governmental entities.

Section 9.07 Indemnification. ICWD shall, and does hereby agree to indemnify, defend and hold Polk County, its employees, agents and assigns harmless from, any and all actions, causes of action, suits, claims, demands, judgments, liens, proceedings and investigations (or any appeal thereof or relative thereto or other review thereof), of any kind or nature whatsoever, arising out of, by reason of, as a result of or in connection with ICWD's provision of water system services under this Agreement, including any and all liabilities, damages, losses, costs, expenses (including counsel fees and expenses and disbursements of counsel), amounts of judgment, assessments, fines or penalties, and amounts paid in compromise or settlement, suffered, incurred or sustained by Polk County on account of, by reason of, as a result of or in connection with any of the matters covered by ICWD's provision of water system services under this Agreement.

Section 9.08 Effects of Force Majeure. If by reason of Force Majeure either Party hereto shall be rendered unable wholly or in part to carry out its obligations under this Agreement, then such Party shall give notice and full particulars of such Force Majeure in writing to the other Party within a reasonable time after occurrence of the event or cause relied on, the obligation of such Party giving such notice, so far as it is affected by such Force Majeure,

shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such Party shall endeavor to remove or overcome such inability with all reasonable dispatch.

Section 9.09 **Notices.** All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by certified or registered mail, postage prepaid, and addressed as follows:

As to ICWD:
Attn: General Manager
Inman Campobello Water District
5 Prospect Street
Inman, SC 29349

As to Polk County:
Attn: County Manager
Polk County
P.O. Box 308
Columbus, NC 28722

Any Party hereto may, by notice given to the other Party to this Agreement, designate any further or different addresses to which subsequent notice, certificates or other communications shall be sent.

Section 9.10 **Beneficiaries.** This Agreement shall inure to the benefit of and shall be binding upon the Parties and their respective successors or assigns only. There are no third-party beneficiaries to this Agreement nor are any rights created in third parties as a result of this Agreement. No person may bring a claim under the terms of this Agreement except Polk County and ICWD.

Section 9.11 **Severability.** In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, unless ICWD determines in its sole discretion that the provision invalidated a) makes it impossible for ICWD to collect the ICWD Reimbursement, or b) prevents ICWD from effectively using the Raw Water Withdrawal, as a future source of raw water.

Section 9.12 **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 9.13 **Governing Law.** This Agreement is prepared and entered into with the intention that, wherever possible, the law of the State of ~~South~~ North Carolina shall govern its construction.

Section 9.14 **Jury Trial.** The Parties waive the right to jury trial in any action arising under this Agreement.

Section 9.15 **Time.** Time is of the essence of this Agreement.

~~Section 9.13—Claims and Damages~~ Amendment to the July 7, 2008 Agreement between Broad River Water Authority, County of Polk and Inman-Campobello. By execution of this Agreement, the parties agree to the amendments to BRWA/Polk/ICWD agreement dated July 7, 2008. Except as amended herein, the remaining provisions of the agreement shall remain in full force and effect.

~~Neither Party shall be liable to the other for special or punitive damages, or lost profits. The Parties acknowledge that there are many uncertainties in the provision of water service, and that interruptions of service are possible due to line breaks, equipment failures, pollution of water supplies, and other reasons. The service rendered hereunder is not warranted to be free of interruption and no party shall have any claim for interruption or limitations of service or contamination of water supplies apart for actions for injunctive relief to correct the problems. In all cases, the parties may rely on Good Utility Practices in responding to emergencies and events.~~

~~Section 9.14—NO WARRANTIES. NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE ARE GIVEN FOR THE WATER SUPPLIED HEREUNDER.~~

Section 9.17 Amendments. This Agreement may not be amended, changed, modified or terminated without in each instance the prior written consent of the Parties hereto.

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SIGNATURE PAGE OF
INMAN-CAMPOBELLO WATER DISTRICT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement for Water System Services to be signed in their names by their duly authorized officers as of the date first written above.

**INMAN-CAMPOBELLO WATER DISTRICT,
SOUTH CAROLINA**

By: _____[Seal]

Print Name: _____

Title: _____

Witness:

Secretary

SIGNATURE PAGE OF
POLK COUNTY

IN WITNESS WHEREOF, the parties hereto have caused this Agreement for Water System Services to be signed in their names by their duly authorized officers as of the date first written above.

POLK COUNTY, NORTH CAROLINA

By: _____[Seal]

Print Name: _____

Title: _____

Witness:

Clerk

SIGNATURE PAGE OF
BROAD RIVER WATER AUTHORITY

IN WITNESS WHEREOF, the parties hereto have caused this Agreement for Water System Services to be signed in their names by their duly authorized officers as of the date first written above.

BROAD RIVER WATER AUTHORITY

By: _____ [Seal]

Print Name: _____

Title: _____

Witness:

Secretary

