

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

**INTERLOCAL AGREEMENT
FOR THE RECOVERY OF COSTS ASSOCIATED
WITH INFRASTRUCTURE IMPROVEMENTS**

PROJECT: Front Street Bridge Rehabilitation

THIS INTERLOCAL AGREEMENT (the “Agreement”) is made and entered into this the ____ day of _____, 2026, by and between the CITY OF WILMINGTON, a municipal corporation of the State of North Carolina (the “City”), and the CAPE FEAR PUBLIC UTILITY AUTHORITY, a public water and sewer authority duly authorized under Article 1 of North Carolina General Statutes Chapter 162A (the “Authority”), collectively, the “Parties.”

WITNESSETH

WHEREAS, the City, and the Authority entered into an Interlocal Agreement dated April 9, 2012, for the purpose of ensuring efficiency in infrastructure improvement projects, including maintenance and repairs, through the consolidation of construction (“2012 Interlocal Agreement”);

WHEREAS, pursuant to the 2012 Interlocal Agreement, prior to beginning any work for any project, the City and Authority shall execute a project-specific agreement that enumerates in writing the scope of work, estimated costs, cost sharing responsibilities, project management responsibilities, value of in-kind contributions, permitting and design responsibilities, schedule, invoicing and reimbursement, public notification and relations, adequate contingency funds, and such other terms that may be applicable to each project;

WHEREAS, the City is currently working on the Front Street Bridge Rehabilitation Project (the “Project”) which will require temporary support and installation of a new permanent support system of the Authority’s water line (the “Water Line Work”); and

WHEREAS, the Authority owns and operates the water and sewer systems serving the residents of the City and New Hanover County; and

WHEREAS, the City and the Authority desire to enter into an interlocal agreement by which the City agrees to incur all the initial cost of the Project construction and the Authority will reimburse the City for the costs of the Water Line Work, including work directed by the Authority; and

WHEREAS, to improve the overall quality, function, and condition of its infrastructure, the Authority will reimburse the City for the Water Line Work within the Project in such amounts as specified herein; and

WHEREAS, the City contracted for the engineering and design of the Project and attests that it did so pursuant to the public contracting laws of North Carolina; and

WHEREAS, the City and the Authority have budgeted funding available for the construction of the Water Line Work and this Agreement will not require the issuance of municipal bonds by either City or the Authority; and

WHEREAS, the City and the Authority desire to coordinate the specifications and construction of the Water Line Work and set forth their respective responsibilities for said work and the cost thereof; and

WHEREAS, this Interlocal Agreement is entered into pursuant to Article 20, Part 1 of North Carolina General Statutes Chapter 160A; and

NOW THEREFORE, for and in consideration of the premises and the representations, warranties, covenants, and agreements contained herein, the Parties hereby agree as follows:

I. Purpose

This Agreement establishes a framework for funding the Water Line Work, and initial agreements regarding construction, maintenance, operation, and ownership of the water lines relating to the rehabilitation of the bridge on Front Street between Hanover Street and Red Cross Street within the municipal jurisdiction of the City of Wilmington.

II. Term

This Agreement shall become effective upon the date it is properly authorized and executed by the last of all the Parties named in the introductory clause of this Agreement and continue until the final completion and acceptance of the infrastructure improvements under the Project or five (5) years from final execution, whichever first occurs. This Agreement is conditioned upon authorization and execution by all Parties.

III. Definitions

The following words and terms shall have the following meanings unless the context otherwise requires:

A. "Authority" means the Cape Fear Public Utility Authority.

B. "Authority Infrastructure" means any water or sewer main, line, or other utility infrastructure owned and operated by the Cape Fear Public Utility Authority.

C. "City" means the City of Wilmington.

D. "Project" means the City's current undertaking of construction known as the Front Street Bridge Rehabilitation Project which involves replacing the existing bridge deck and making certain repairs to the existing structure located on Front Street between Red Cross Street and Hanover Street which is within the municipal jurisdiction of the City of Wilmington. The Project includes the temporary support and installation of a new permanent utility support system for Authority Infrastructure.

E. "Water Line Work" means the entire engineering, design, and construction, to include any various separately identifiable parts thereof required to be provided hereunder. Work includes and is the result of performing or providing all labor, services, and documentation necessary to produce such engineering, design, and/or construction, and furnishing, installing, and/or incorporating all materials and equipment into such construction, as may be required for the removal and replacement of Authority Infrastructure.

IV. Project Scope

A. Project Contract.

1. The Project contract will be advertised, awarded, and entered into as a City contract; provided, however, the Authority will communicate with representatives of the City as needed in the administration and management of the Project contract. The City will consult and communicate with representatives of the Authority in the administration and management of the Project contract.

2. The City is to provide the Authority with the Scope of Work from the plans submitted by its selected engineer, AECOM INC.. The Authority shall have the right to inspect the Scope of Work.

3. The City shall cause all Water Line Work to be divisible from the other portions of its Project in a manner acceptable to the Authority.

4. The City shall bid the Project in accordance with North Carolina law. The result of the bid process shall be one single contract with the section for Water Line Work divisible. The Authority shall have the right to review and approve the bids for the Scope of Work and the Water Line Work to ensure that the bids are within reasonable amounts budgeted by the Authority as set forth herein. The Authority's approval of the Water Line Work shall not be unreasonably withheld or conditioned. The Project contract shall include separate line items to delineate work for the temporary support and permanent utility support systems to facilitate the invoicing and inter-local accounting.

B. Construction and Inspection of the Work.

1. Any Construction or Construction Management contract for the Project will be bid, awarded, and entered into as a City contract. Upon the award of the construction contract, the City shall administer the construction contract for the entire Project.

- a. The City shall be responsible for the overall project management, shop drawing review, inspection, testing, and approval for the Project.
- b. The Authority shall be responsible for specific project management, shop drawing review, inspection, testing, and approval of the Water Line Work.
- c. Both the City and the Authority shall have the independent right to enter the Project site and inspect all work at any time during construction.

2. *Changes in Work.* All changes to the Scope of Work, including any Water Line Work, are subject to written approval of the Authority. The City is not authorized to incur any additional cost to the Water Line Work without the prior written consent of the Authority or the subsequent ratification of the expenditure by the Authority Board based upon a determination of just cause. Any unforeseen cost will be deemed a risk of the City's Project.

3. *As-Built Drawings.* Upon completion of construction, the City shall provide as-built drawings of the utility work (preferably on one set of drawings) and record a map of survey (if necessary) of all its facilities and easements which have been approved by the Office of the City Attorney. As-built drawings shall be reviewed by the City and include, but are not limited to, both water line and bridge construction within the Project. As-built drawings will be produced in accordance with the Authority standard specifications and included as part of the construction contract. Additionally, said drawings shall be furnished to the Authority for review and approval prior to final payment on the construction contract.

4. The City will obtain any permits, permanent easements, temporary easements (including any such easements for or on behalf of the Authority), and licenses necessary to accommodate and allow the performance of the Project, including Water Line Work. Any easements for or on behalf of the Authority shall be reviewed and approved by the Office of the Authority Attorney.

C. Water and Sewer Service. To facilitate construction and minimize potential disruptions to water and sewer service, the Authority will provide general construction oversight, inspections, and operational maintenance support for the Water Line Work, as needed or required by law. Any contractor engaged by the City shall be required to adhere to specifications set forth by the Authority or as otherwise required, including without limitation, scheduling, use of approved materials, and proper construction methods. For water lines, the Authority shall oversee efforts

during tie-ins, pressure testing, disinfection, flushing, survey as-builts, certification, activation, service transfers, and meter change outs. The Authority will be prepared to assist during a sudden loss of service and shall exercise reasonable control over the contractor as to be determined by the Authority. This work may include activities such as valve status checking, valve turning and water main isolation, water or sewer main repairs, water or sewer service repairs, or providing bottled water or any other contingencies as needed to restore service within a timely manner.

D. Construction Meetings and Public Relations. The City and Authority will participate jointly in progress meetings with the contractor as necessary to manage the Project effectively and limit delays in approvals. The City will provide public relations for the Project and the Authority will provide public relations for the Water Line Work. Such activities may include, but are not limited to, email and letter updates to concerned citizens and business owners, website updates, business identification efforts, and media inquiries. The Authority will be responsible for all required notices relating to the Water Line Work.

V. **Payment of Costs**

A. The Authority agrees to reimburse the City's costs related to the Project for the Water Line Work performed, as the actual costs received from the lowest responsible responsive bidder are itemized on Exhibit 1 which is attached hereto and incorporated herein. The Authority is responsible for payment of the amounts as set forth within Exhibit 1, to the extent limited by subsection V.B., "Project Costs." The City is obligated to ensure the full delivery of services as described in the Scope of Work and Exhibit 1.

B. Project Costs. Final costs for all project costs shall be based on actual installed quantities. To the extent that any work conditions require mitigation or other work, the parties will determine the responsibility for such costs in good faith and based on the respective benefits to the City and the Authority. The Authority's cost shall not exceed \$131,077.65 without written authorization by the Authority.

C. Invoicing and Reimbursement. The City shall require the contractor to submit a single invoice in accordance with the pay items and terms of the contract. Upon the respective reviews of the quantities and approval of the invoices by both the Authority and the City, the City shall pay the contractor using the City's standard protocol. Upon payment to the contractor(s), the City shall request payment from the Authority and provide the Authority with copies of all approved payment requests from the contractor(s) and any supporting documents that may be needed for accounting and record keeping. To the extent allowed by law, the Authority shall pay to the City the Authority's share of each payment request within thirty (30) days of the receipt thereof, so long as the payment is in accordance with the terms of this Agreement.

VI. **Termination**

A. Termination Prior to Award. Prior to the award of any construction contract for the Project, this Agreement may be terminated by either party upon thirty (30) days written notice to the other party.

B. Mutual Consent. This Agreement may be terminated by mutual consent of the Parties in writing executed with the same formality as this Agreement. Upon termination by mutual consent, this Agreement shall automatically terminate without penalty to either Party.

C. Termination for Cause. Either Party may terminate this Agreement for cause if the other Party materially breaches a provision of this Agreement and fails to cure such breach within thirty (30) days of receipt of written notice describing the breach in reasonable detail

D. Non-Appropriation. In the case of non-appropriation by the governing board of either Party, then this Agreement shall automatically expire without penalty to either Party

VII. General Terms and Conditions

A. Governing Law. 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 New Hanover County Civil Superior Court or the United States District Court for the Eastern District of North Carolina, Southern Division.

B. Interpretation. In the event of a conflict between the various terms and conditions contained herein or between these terms and other applicable provisions, then the more particular shall prevail over the general and the more stringent or higher standard shall prevail over the less stringent or lower standard. This Agreement shall be considered to have been prepared equally by the Parties and shall not be construed more strictly against either party, regardless of which party was responsible for its preparation.

C. Savings Clause. If any section, subsection, paragraph, sentence, clause, phrase or portion of this Agreement is for any reason held invalid, unlawful, or unconstitutional by any court of competent jurisdiction, such portion shall be deemed severable and such holding shall not affect the validity of the remaining portions hereof.

D. Time. Time is of the essence in this Agreement and each and all of its provisions.

E. No Joint Venture. Nothing herein is intended or will be construed to establish any agency, partnership, joint venture, or the acquisition of real property by or between the Parties. Any employees of any entity contracted with the City shall be employees of or have any individual contractual relationship with the Authority.

F. Waiver. No failure by any party to insist upon the strict performance of any covenant, duty, agreement, or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach of any other covenant, duty, agreement, or condition.

G. Dispute Resolution. In the event of conflict or default that might arise for matters associated with this Agreement, the Parties agree to informally communicate to resolve the conflict. If any such dispute cannot be informally resolved, then such dispute, or any other matter arising under this Agreement, shall be subject to resolution in a court of competent jurisdiction.

H. No Waiver of Sovereign or Governmental Immunity. Nothing in this Agreement shall be construed to mandate purchase of insurance by any Party to this Agreement; or to in any other way waive any Party's defense of sovereign or governmental immunity to any cause of action alleged or brought against a Party if otherwise available as a matter of law.

I. No Waiver of Qualified Immunity. No officer, agent or employee of any Party shall be subject to any personal liability by reason of the execution or implementation of this Agreement, or any other documents related to the transactions contemplated hereby. Such officers, agents, or employees shall be deemed to execute this Agreement in their official capacities only, and not in their individual capacities. This section shall not relieve any such officer, agent, or employee from the performance of any official duty provided by law.

J. Notices. Any communication required or permitted by this Agreement must be in writing except as expressly provided otherwise in this Agreement. Any communication under this Agreement will be sufficiently given and deemed given when delivered by hand, by confirmed facsimile transmission or by Federal Express or similar express delivery service, or on the date shown on a certified mail delivery receipt, when addressed as follows:

If to CFPUA: Cape Fear Public Utility Authority (CFPUA)
Executive Director
235 Government Center Drive
Wilmington, NC 28403

With a copy to: Authority Attorney (CFPUA)
235 Government Center Drive
Wilmington, NC 28403

If to the City: City Manager
City of Wilmington
PO Box 1810
Wilmington, NC 28402

With a copy to: City Attorney
City of Wilmington
PO Box 1810
Wilmington, NC 28402

Any addressee may designate additional or different addresses for communications by notice given under this Section to the other party.

K. Amendment. This Agreement constitutes the entire agreement between the Parties with respect to its general subject matter. This Agreement may not be changed except by subsequent written agreement, consented to and duly executed by all Parties.

L. Assignments; Binding Effect. No party may sell or assign any interest in or obligation under this Agreement without the prior express written consent of the other party.

Subject to the specific provisions of this Agreement, this Agreement will be binding upon and inure to the benefit of and be enforceable by the Parties and their respective successors and assigns.

M. No Third-Party Beneficiaries. There are no entities which are, or which are intended as, third-party beneficiaries of this Agreement.

N. Counterparts. This Agreement may be executed in several counterparts, including separate counterparts. Each will be an original, but all of them together constitute the same instrument.

O. Complete Agreement. Specifically excepting the Interlocal Agreement for Transfer and Operation of Water and Sewer Systems dated January 30, 2008 and the 2012 Interlocal Agreement, both of which remain in full force and effect, this Agreement constitutes the entire understanding and agreement between the Parties relating to the Project, Scope of Work, and Water and Sewer Work as described herein, and supersedes all other prior discussions, agreements, understandings, and communications, oral or written, between the Parties regarding the subject matter of this Agreement.

(REMAINDER OF THE PAGE INTENTIONALLY BLANK; SIGNATURES TO FOLLOW)

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above mentioned.

CITY OF WILMINGTON, NORTH CAROLINA

By: _____
Becky Hawke, City Manager

Date: _____

WITNESS:

Daryle Parker, Purchasing Manager

APPROVED AS TO FORM:

Gina Essey, Assistant City Attorney

FINANCE OFFICER'S CERTIFICATION STATEMENT

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

This ___ day of _____, 20__.

Martha Wayne, Finance Director

Project Account _____

Org _____ Obj _____ Project _____

Amount \$

Requisition/PO Number: _____

Federal ID Number: 56-6000239

CAPE FEAR PUBLIC UTILITY AUTHORITY

(SEAL)

By: [Signature]
Wesley P. Corder, Chairperson

ATTEST:

[Signature]
Jessica Cannon, M.D., Authority Secretary

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act this the 11 day of March, 2026.

[Signature]
John McLean, Authority Finance Officer

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

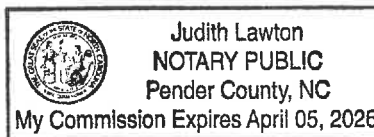
I, Judith Lawton, a Notary Public of the State and County aforesaid, certify that Jessica Cannon personally appeared before me this day and acknowledged that he is the Secretary of the CAPE FEAR PUBLIC UTILITY AUTHORITY, a North Carolina body politic and corporate, and that by authority duly given and as the act of the Authority, the foregoing instrument was signed in its name by its Chairperson, sealed with its corporate seal and attested by its Secretary.

WITNESS my hand and notarial seal, this 11 day of March, 2026.

[Signature]
Notary Public

My Commission Expires:

4-5-2026



(Seal)

Exhibit 1

Water Line Temporary Utility Support System and Permanent Utility Support System
Front Street Bridge Rehabilitation Project

Item	Description	Quantity	Unit	Unit Cost	Total Cost
36	Temporary Utility Support System	1	LS	\$65,000	\$65,000
37	Utility Support System	1	LS	\$54,161.50	\$54,161.50
Subtotal					\$119,161.50
10% Contingency					\$11,916.15
Total (NTE)					\$131,077.65