STATE OF NORTH CAROLINA COUNTY OF CALDWELL

AGREEMENT TO ACCEPT AND TREAT MUNICIPAL WASTEWATER TREATMENT FACILITY SLUDGE

THIS CONTRACT is made and entered into this 15th day of September, 2026 by and between the City of Lenoir, a North Carolina Municipal Corporation hereinafter referred to as "Lenoir" and the Town of Blowing Rock, a North Carolina Municipal Corporation hereinafter referred to as "Blowing Rock".

WITNESSETH

WHEREAS, Lenoir and Blowing Rock are political subdivisions of the State of North Carolina, both having the power and authority to enter into this agreement, and the signatories hereto have been authorized to execute this document on behalf of the Lenoir City Council and the Blowing Rock Town Council; and

WHEREAS, Lenoir currently owns and operates the Lower Creek Wastewater Treatment Facility (LCWWTF) and is engaged in the enterprise of managing, operating, and maintaining said facility and the biosolid residuals generated by such operation; and

WHEREAS, Blowing Rock owns and operates a wastewater treatment facility, and is also engaged in the enterprise of managing, operating, and maintaining the facility; and

WHEREAS, Lenoir and Blowing Rock mutually desire to enter into an agreement to provide for the acceptance and treatment of sludge generated by the Blowing Rock wastewater treatment facility in accordance with the terms and provisions contained herein; and

WHEREAS, Lenoir has determined that it has the capability to accept the wastewater treatment sludge throughout the term of this agreement without impairing the treatment capabilities of the Lower Creek Wastewater Treatment Facility; and

WHEREAS, Lenoir and Blowing Rock have or hold and will continue to have or hold throughout the term of this agreement, all appropriate permits necessary to effectuate their respective responsibilities under this agreement or will use their best efforts to obtain such permits;

NOW THEREFORE, in consideration of the mutual covenants, conditions and terms contained herein, the parties hereto, intending to be legally bound hereby, agree as follows:

1. This agreement will commence on the 15th day of September, 2026, and unless earlier terminated in accordance with the terms herein, will expire on the 30th day of June, 2035 (Hereinafter referred to as the "Wastewater Service Period").

2. Lenoir agrees to accept up to three (3) tanker loads (not to exceed 3,750 gallons per load) of sludge from the Blowing Rock Wastewater Treatment Facility per week (not to exceed 9,000 gallons per week) during the term of this agreement. Sludge received from Blowing Rock will be discharged directly into the discharge area that is pumped directly to the sludge holding tank.

3. Blowing Rock will not exceed the above gallons per tanker load (or 9,000 gallons per week) and a maximum of three (3) tanker loads per week provided for in Section 2 of this agreement, unless Lenoir expressly agrees in advance in writing that said maximum weekly loads and gallons per load may exceed the terms set forth for a specified period of time.

4. ~~The wastewater sludge received from Blowing Rock must be in liquid form and~~ must not have a concentration of more than 1.5% solids. The pH must not be less than 5.5 or greater than 8.0. These test results must be provided to the lab by Blowing Rock to Lenoir staff, daily, on all tanker loads.

5. To monitor sludge quality at the LCWWTF, Blowing Rock will fund and perform testing to evaluate the quality and constituents of the sludge being accepted at the LCWWTF. Depending on results of the testing, Blowing Rock will perform this testing at a minimum of annually or a maximum of quarterly. This testing is required and will be conducted in accordance with acceptable industry standards and the North Carolina Department of Environmental Quality (NCDEQ) guidelines for the following parameters:
   - TCLP (Toxicity Characteristics Leaching Procedure)
   - Arsenic, Cadmium, Chromium, Copper, Lead, Mercury, Nickel, Selenium, Silver, and Zinc
   - Cyanide
   - Total Phosphorus
   - Percent (%) Solids

   Within seven (7) days of receiving the results of these tests, the Town of Blowing Rock must email or mail a copy to the City of Lenoir Wastewater Treatment Facility Superintendent. Should Lenoir's permit limits change, Blowing Rock will immediately adjust testing accordingly.

6. Blowing Rock will timely pay Lenoir for the gallons of treated sludge on a monthly basis, in accordance with invoices, or by purchase of coupons from Lenoir for septic waste haulers, which will be based upon the capacity of the tanker or the actual gallons disposed of at the LCWWTF. Blowing Rock will pay Lenoir the amounts of each such monthly invoice within 30 calendar days of the date of each invoice.

7. The initial per gallon rate to be charged to Blowing Rock for the acceptance of

wastewater treatment sludge shall be 20 cents per gallon.

Over the term of this agreement or any extension thereof, Lenoir may, at its sole discretion, increase the initial per gallon rate as it deems necessary. Lenoir will not increase said rates to Blowing Rock more than one time during any fiscal year of twelve (12) months ending on June 30 of each year. Lenoir agrees to notify Blowing Rock in writing of planned increases in rates at least ninety (90) days prior to June 30 of any fiscal year, with rate increases that are to become effective on July 1 of that same year.

8. Blowing Rock will provide a minimum of three months advance written notice to Lenoir prior to the expiration of this agreement or subsequent extensions of this agreement if Blowing Rock desires to extend the terms of this agreement. Upon timely receipt of such notice of Blowing Rock's desire to extend this agreement, Lenoir will, within sixty (60) days after having received such notification, notify Blowing Rock in writing of its acceptance of the extension of this agreement.

9. In the event that Lenoir elects not to extend this agreement, Lenoir will continue to accept and provide sludge treatment to Blowing Rock, under the same terms of the agreement, until Blowing Rock has had sufficient opportunity to secure an alternate source(s) of sludge disposal and treatment; however, Lenoir will not be bound to continue to provide sludge acceptance and treatment to Blowing Rock beyond a period of twelve (12) months past the date of its written notification to Blowing Rock of its intention not to extend this agreement.

10. In the event of damage or destruction of Lenoir's LCWWTF or any emergency which, in the reasonable judgment of Lenoir, is likely to result in material loss or damage to the system or constitute a material threat to human health or safety, Lenoir may suspend operation of its wastewater treatment facility. Lenoir's response to emergencies and other such unusual circumstances will be in accordance with applicable policies, regulations, laws and requirements and with such personnel and equipment as necessary to maintain or restore the operations of its wastewater treatment facility in a timely manner with the least possible disruption or inconvenience.

11. Lenoir and Blowing Rock both represent that no litigation is pending or threatened against them which would impair their ability to perform their respective duties and obligations under the terms, covenants and provisions of this agreement.

12. Resolution of Disputes
Should any disputes arise under this agreement, including but not limited to disputes pertaining to services, rates, or invoices, said disputes will be resolved, when possible, through good faith negotiations between the parties. It is the intent of Lenoir and Blowing Rock that pursuit of legal action will be a remedy of last resort and that a negotiated resolution, including the use of outside experts or mediators, will be the preferred means of resolving disputes

hereunder.

13. Default and Termination
This agreement may be terminated prior to its stated expiration date by Lenoir or Blowing Rock in accordance with the terms and conditions set forth below.

A. Termination for cause by Lenoir. Upon the happening of any of the following events of default by Blowing Rock, Lenoir will have the right to terminate this agreement:

The failure of Blowing Rock to perform or observe any of its material covenants, agreements, obligations and/or duties created by this agreement including but not limited to paragraph 6 hereof.

B. Termination for cause by Blowing Rock. Upon the happening of any of the following events of default by Lenoir, Blowing Rock will have the right to terminate this agreement:

The failure of Lenoir to perform or observe any of its material covenants, agreements, obligations and/or duties created by this agreement.

14. **NOTICES:** To effectuate service of all notices required under this agreement, notices must be served by Certified United States Mail, Postage Prepaid, Return Receipt Requested, Addressed to the Party to whom directed at the address herein set forth or at such other address as may from time to time be designated in writing by either party:

To Lenoir:

City of Lenoir
Wastewater Treatment Superintendent
1905 Broadland Rd, Lenoir, NC 28645

To Blowing Rock:

Town of Blowing Rock

15. This agreement embodies the entire agreement between the parties in connection with this transaction, and there are no oral or parol agreements, representations or inducements existing between the parties relating to this transaction, which are not expressly set forth herein. This agreement may not be modified except by a written agreement signed by all parties to this agreement. Neither party may sell, convey or otherwise alienate the rights and obligations created herein without the prior written permission of the other party to this agreement. This agreement is non-assignable.

16. Nothing contained herein is to be construed to place the parties in the relationship of partners or joint ventures, and neither party has the power to obligate or bind the other party in any manner whatsoever. No joint agency is established by this Agreement pursuant to Article 20, Part 1 of Chapter 160A of the North Carolina General Statutes, by other similar statutory authority authorizing interlocal cooperation between units of local government, or

otherwise.

17. No written waiver by any party to this agreement at any time of any breach of any other provision of this agreement will be deemed a waiver of a breach of any provision herein or consent to any subsequent breach of the same or any other provision.

18. The captions and article numbers appearing in this agreement are inserted only as a matter of convenience and do not define, limit, construe or describe the scope of such paragraphs or articles of this agreement or in any way affect this agreement.

19. This agreement is governed by and interpreted in accordance with the laws of the State of North Carolina.

20. Words of any gender used in this agreement include any other gender, and words in the singular number include the plural, when the sense requires.

21. This agreement may be executed in any number of counterparts, each of which when so executed and delivered will be deemed an original, and it will not be necessary in making proof of this agreement to produce or account for more than one such fully executed counterpart.

22. Except as provided herein, the rights and remedies provided for in this agreement are cumulative and are not exclusive of any rights or remedies that any party may otherwise have at law or in equity.

IN WITNESS WHEREOF, the parties have executed this agreement on the day and year first above written.

CITY OF LENOIR, NORTH CAROLINA

By: _____
Joseph L. Gibbons, Mayor

(SEAL)
Attest:

By: _____
Lauren Hartley, City Clerk

TOWN OF BLOWING ROCK, NORTH CAROLINA

By: _____
Charlie Sellers, Mayor

(SEAL)
Attest:

By: _____
Hilari H. Hubner, Town Clerk

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

By: _____
Donna Bean, Finance Director
City of Lenoir, North Carolina

by: _____
Margaret Piercy, Finance Director
Town of Blowing Rock, North Carolina