



City of High Point

Meeting Agenda

Finance Committee

Municipal Office Building
211 S. Hamilton Street
High Point, NC 27260

Council Member Britt Moore, Chair
Committee Members:
Mayor Pro Tempore Monica Peters
Council Member Michael Holmes
Council Member Tim Andrew

Cyril Jefferson, Mayor (Alternate)

Thursday, April 16, 2026

4:00 PM

Council Chambers

Finance Committee - Council Member Britt W. Moore, Chair

CALL TO ORDER

PRESENTATION OF ITEMS

- 2026-110 **Consideration of a Resolution of Support for the Piedmont Triad Regional Water Authority Regionalization Study**
City Council is requested to consider a Resolution of Support of the findings of the Piedmont Triad Regional Water Authority Water and Wastewater Regionalization Study and authorize the appropriate City Official(s) to execute all necessary documents.
- 2026-108 **Consideration of the Ratification of a Pressing Need Purchase Order Increase with Republic Services**
City Council is requested to consider the ratification of a pressing need purchase order increase with Republic Services, from \$78,205.00 to \$154,453.34, for emergency hauling of dewatered biosolids from the Eastside Wastewater Treatment Plant and authorize the appropriate City Official(s) to execute all necessary documents.
- 2026-109 **Consideration of a Task Order with Hazen and Sawyer, P.C.**
City Council is requested to consider a task order with Hazen and Sawyer, P.C. in the amount of \$310,400 for professional engineering services related to a safe yield study of Arnold Koonce City Lake and Oak Hollow Lake and authorize the appropriate City Official(s) to execute all necessary documents.
- 2026-111 **Consideration of a Contract with Hydromax USA, LLC**
City Council is requested to consider a contract with Hydromax

USA, LLC in the amount of \$926,767.05 over a three-year period for a water valve assessment project and authorize the appropriate City Official(s) to execute all necessary documents.

- 2026-112 **Consideration of a Task Order with Black & Veatch International Company**
City Council is requested to consider a task order with Black & Veatch International Company in the amount of \$135,000 for professional engineering services at the Ward Water Treatment Plant and authorize the appropriate City Official(s) to execute all necessary documents.
- 2026-114 **Consideration of a Resolution for Grant Funding Submission for the Kersey Valley Landfill**
City Council is requested to consider a resolution for a grant funding submission to implement treatment for emerging compounds at the Kersey Valley Landfill and authorize the appropriate City Official(s) to execute all necessary documents.
- 2026-115 **Consideration of an Agreement with the North Carolina Department of Transportation**
City Council is requested to consider an Agreement with the North Carolina Department of Transportation for funding to design and construct the Cedrow Drive Pedestrian Bridge Project and authorize the appropriate City Official(s) to execute all necessary documents.
- 2026-118 **Consideration of a Purchase from Clinton Automotive, LLC dba Deacon Jones Ford of Clinton**
City Council is requested to consider a purchase from Clinton Automotive, LLC dba Deacon Jones Ford of Clinton in the amount of \$451,296.10 for ten (10) Ford Interceptor SUVs, approve a budget ordinance amendment, and authorize the appropriate City Officials to execute all necessary documents.
- 2026-116 **Consideration of a Purchase from Batteries of NC, L.L.C.**
City Council is requested to consider a purchase from Batteries of NC, L.L.C. in the amount of \$102,653.90 for emergency vehicle equipment, approve a budget ordinance amendment, and authorize the appropriate City Official(s) to execute all necessary documents.
- 2026-119 **Consideration of Purchases from Multiple Vendors for Equipment to Upgrade the Commerce Substation**
City Council is requested to consider purchases from multiple vendors for equipment to upgrade the Commerce Substation and authorize the appropriate City Official(s) to execute all necessary

documents.

2026-122

Consideration of an Ordinance Approving the Amended and Restated Project Power Sales Agreement and Amended and Restated Supplemental Power Sales Agreement

City Council is requested to consider an ordinance approving the Amended and Restated PPSA and the Amended and Restated SPSA and authorize the appropriate City official(s) to execute all necessary documents.

ADJOURNMENT

CITY OF HIGH POINT

AGENDA ITEM



TITLE: Consideration of a Resolution of Support for the Piedmont Triad Regional Water Authority Regionalization Study

FROM:
Damon Dequenne
Assistant City Manager

MEETING DATE:
April 16, 2026

PUBLIC HEARING:
No

ADVERTISED DATE/BY:
N/A

ATTACHMENTS:
1. Regionalization Support Resolution

PURPOSE: To establish and document the city’s support of the findings of the Piedmont Triad Regional Water Authority (PTRWA) Water and Wastewater Regionalization study, and to commit to working cooperatively with the PTRWA and other regional partners to further evaluate, plan, and pursue feasible regional water and/or wastewater solutions that address identified capacity needs.

BACKGROUND: PTRWA is a North Carolina municipal corporation established in December 1986 by the Cities of Archdale, Greensboro, High Point, Randleman, the Town of Jamestown, and Randolph County, organized under Section 162A-3.1 of the North Carolina Water and Sewer Authorities Act to provide water utility services to its current members.

In response to growing regional needs for sewer capacity and treatment, the city entered into a Memorandum of Understanding with the other members of PTRWA and the City of Asheboro to study the feasibility of enhanced regionalization of water resources. That study is now complete, and a presentation was made by Mr. Greg Flory, PTRWA Executive Director, regarding the findings at the City Council Special Meeting on March 2nd, 2026. In summary, the study recommends pursuing a regional approach to managing water resources to manage costs and to provide the most capacity, in the region, for the next 25 years and beyond. The attached resolution pledges the city’s support and willingness to commit to this process and provides documentation of the same.

BUDGET IMPACT: N/A

RECOMMENDED ACTION REQUESTED: City Council is requested to consider a Resolution of Support of the findings of the PTRWA Water and Wastewater Regionalization Study and authorize the appropriate City Official(s) to execute all necessary documents.

**RESOLUTION SUPPORTING THE FINDINGS OF THE PIEDMONT TRIAD
REGIONAL WATER AUTHORITY WATER AND WASTEWATER UTILITY
REGIONALIZATION STUDY AND REGIONAL CAPACITY DEVELOPMENT**

WHEREAS, the Piedmont Triad Regional Water Authority (“PTRWA”) is a North Carolina municipal corporation organized pursuant to Section 162A-3.1 of the North Carolina Water and Sewer Authorities Act to provide regional utility services to its members and the broader Piedmont Triad region; and

WHEREAS, reliable and sufficient water and wastewater infrastructure is essential to protecting public health, supporting economic development, complying with state and federal regulatory requirements, and accommodating future growth within the entire Piedmont Triad region; and

WHEREAS, the North Carolina Department of Environmental Quality has identified significant present and future water and wastewater infrastructure capacity challenges across the region through its regional planning efforts; and

WHEREAS, to better understand and address these challenges, PTRWA completed the Water and Wastewater Utility Regionalization Study (“Study”), which evaluated existing infrastructure, projected growth, regulatory constraints, capital needs, and opportunities for enhanced regional coordination and service delivery within both Randolph and Guilford Counties; and

WHEREAS, the Study identified the City of High Point (“City”) as a jurisdiction facing current and/or future water and/or wastewater capacity limitations that could impact growth, resilience, affordability, and long-term sustainability; and

WHEREAS, the Study concludes that regional solutions and collaborative utility planning and service delivery approaches can provide operational efficiencies, cost effectiveness, regulatory compliance advantages, and improved long-term system reliability for participating jurisdictions; and

WHEREAS, the Board of Directors of the PTRWA has formally adopted the Study and expressed its commitment to facilitating regional water and wastewater solutions in partnership with affected municipalities, including the City; and

WHEREAS, the City affirms the City’s ongoing commitment to PTRWA in their efforts to develop regional water and wastewater capacity through regional cooperation and a desire to explore solutions that best serve the long-term interests of the City’s residents, businesses, and stakeholders;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of High Point does hereby affirm by resolution of support the findings of the PTRWA’s Water and Wastewater Utility Regionalization Study and the City’s commitment to work with PTRWA toward a regional water and wastewater solution for capacity development.

Adopted this the 20th day of April 2026.

Cyril Jefferson, Mayor

ATTEST:

Sandra Keeney, City Clerk

CITY OF HIGH POINT

AGENDA ITEM



TITLE: Consideration of the Ratification of a Pressing Need Purchase Order Increase with Republic Services

FROM:
Allison Kraft
Water Resources Director

MEETING DATE:
April 16, 2026

PUBLIC HEARING:
No

ADVERTISED DATE/BY:
N/A

ATTACHMENTS:

1. Quote #1
 2. Quote #2
-

PURPOSE: To ratify the pressing need increase of PO-03-2026-12841 that was set up for Republic Services to assist with the emergency hauling of dewatered biosolids from the Eastside WWTP to a licensed landfill for disposal.

BACKGROUND: The incinerator at the Eastside WWTP was taken out of service for unscheduled repairs in March. Republic Services was utilized for emergency hauling of dewatered biosolids while the incinerator was down. PO-03-2026-12841 was initially set up as a pressing need for the first month of hauling for \$78,205.00. The need for hauling extended into a second month. The cost of the hauling for the two months is \$154,453.34.

BUDGET IMPACT: Funds are available in the FY 2025-2026 Budget.

RECOMMENDED ACTION REQUESTED: City Council is requested to consider the ratification of a pressing need purchase order increase with Republic Services, from \$78,205.00 to \$154,453.34, for emergency hauling of dewatered biosolids from the Eastside Wastewater Treatment Plant and authorize the appropriate City Official(s) to execute all necessary documents.



Quote-GR1753

March 4, 2026

Tricia Lowery
 City Of High Point
 PO Box 230
 High Point, NC 27261

RE: City Of High Point
 816 E. Green Dr.
 High Point, NC 27260

Dear Tricia Lowery,

Republic Services is pleased to provide you with this Quote for the services outlined below in the Scope of Work. We pride ourselves on being responsive and delivering a quality service. We appreciate being considered for this opportunity. Upon your review, if there are any changes to the Scope of Work, or if additional services are required, we would be pleased to discuss any additional needs you may have.

SCOPE OF WORK

Republic Services will be providing 4- Dump Trucks to the City of high point WWTP to put there Dewatering cake inside. Once the Trailer is loaded to legal capacity Client will move it to a staging area then proceed to contact Republic Services to come and Transport the dump truck/Waste Cake to the Republic Services Uwharrie Land fill for Proper disposal. Land Fill will bill WWTP Directly.

Task 1 - EQ Rental/Waste /Trans

LABOR AND EQUIPMENT		EST. QTY.	UOM QTY.	UOM	UNIT PRICE	EXTENDED PRICE
Equipment Operator	Reg	2.00	240.00	HR	\$75.00	\$36,000.00
Equipment Operator	OT	2.00	30.00	HR	\$75.00	\$4,500.00
Dump Truck, Double Axel, 10 Wheel		4.00	1.00	MONTH	\$6,500.00	\$26,000.00
Subtotal:						\$66,500.00
Tax:						\$0.00
Total:						\$66,500.00



Quote-GR1753

TOTAL:	\$66,500.00
EEC FEE SURCHARGE:	\$11,438.00
TAX:	\$0.00
ESTIMATED GRAND TOTAL:	\$77,938.00



Quote-GR1806

March 31, 2026

Tricia Lowery
City Of High Point
PO Box 230
High Point, NC 27261

RE: City Of High Point
816 E. Green Dr.
High Point, NC 27260

Dear Tricia Lowery,

Republic Services is pleased to provide you with this Quote for the services outlined below in the Scope of Work. We pride ourselves on being responsive and delivering a quality service. We appreciate being considered for this opportunity. Upon your review, if there are any changes to the Scope of Work, or if additional services are required, we would be pleased to discuss any additional needs you may have.

SCOPE OF WORK

Republic Services will be providing 4- Dump Trucks to the City of high point WWTP to put there Dewatering cake inside. Once the Trailer is loaded to legal capacity Client will move it to a staging area then proceed to contact Republic Services to come and Transport the dump truck/Waste Cake to the Republic Services Uwharrie Land fill for Proper disposal. Land Fill will bill WWTP Directly. 2- Drivers

Task 1 - EQ Rental/Waste /Trans

LABOR AND EQUIPMENT		EST. QTY.	UOM QTY.	UOM	UNIT PRICE	EXTENDED PRICE
Equipment Operator	Reg	2.00	224.00	HR	\$75.00	\$33,600.00
Equipment Operator	OT	2.00	28.00	HR	\$75.00	\$4,200.00
Dump Truck, Double Axel, 10 Wheel		4.00	1.00	MONTH	\$6,500.00	\$26,000.00
Subtotal:						\$63,800.00
Tax:						\$0.00
Total:						\$63,800.00



Quote-GR1806

TOTAL:	\$63,800.00
EEC FEE SURCHARGE:	\$12,715.34
TAX:	\$0.00
ESTIMATED GRAND TOTAL:	\$76,515.34

CITY OF HIGH POINT

AGENDA ITEM



TITLE: Consideration of a Task Order with Hazen and Sawyer, P.C.

FROM:
Allison Kraft
Water Resources Director

MEETING DATE:
April 16, 2026

PUBLIC HEARING:
No

ADVERTISED DATE/BY:
N/A

ATTACHMENTS:
1. Scope of Services

PURPOSE: To approve a task order with Hazen and Sawyer, P.C. for professional engineering related to a safe yield study of Arnold Koonce City Lake and Oak Hollow Lake. The City has a master agreement for professional services with Hazen and Sawyer, P.C.

BACKGROUND: The City of High Point utilizes Arnold Koonce City Lake and Oak Hollow Lake as water supply reservoirs. The proposed study will provide the City of High Point with an estimate of the volume of water storage available in each reservoir, which is a key metric for estimating water supply reliability and conducting long-range water supply planning. Reservoir system storage can change over time and needs to be periodically studied. A bathymetric survey of the City's water supply reservoirs will be conducted to establish storage volumes and sedimentation rates.

BUDGET IMPACT: Funds are available in the FY 2025-2026 Budget.

RECOMMENDED ACTION REQUESTED: City Council is requested to consider a task order with Hazen and Sawyer, P.C. in the amount of \$310,400 for professional engineering services related to a safe yield study of Arnold Koonce City Lake and Oak Hollow Lake and authorize the appropriate City Official(s) to execute all necessary documents.



Hazen and Sawyer
804 Green Valley Road, Suite 206
Greensboro, NC 27408 • 336.478.3378

February 5, 2026

Mr. Robby Stone, PE
Public Services Director
City of High Point
211 S Hamilton St
High Point, NC 27261

Re: Reservoir Safe Yield Study

Dear Mr. Stone:

Hazen and Sawyer is pleased to submit the enclosed scope and fee proposal for your consideration to provide engineering services to complete a safe yield study on High Point City Lake and Oak Hollow Lake using our internal bathymetric services. As discussed, Hazen and Sawyer is allowed to provide these services as an engineering tool to provide an engineering study and report and not as a stand-alone service. Should the City of High Point decide a certified survey will be an anticipated deliverable as a part of this study, Hazen is prepared to provide the bathymetric surveying service through a subconsultant at an additional cost. Please notify us if you would like a separate proposal with subconsultant surveying services in lieu of the proposal attached.

Should you have any questions as you review the proposal, please do not hesitate to reach out. Thank you for this opportunity to assist the City of High Point.

Sincerely,

Aaron D. Babson, PE
Associate Vice President

SCHEDULE A
ENGINEER's Services and Schedule
City of High Point, North Carolina
Engineering Services for Water Supply Reservoir Study

Project Description

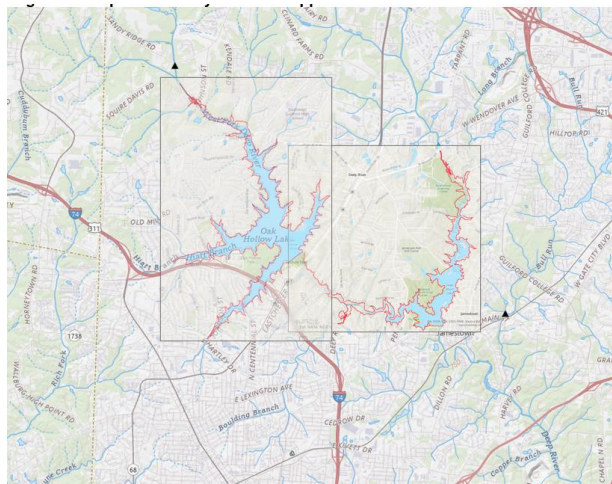
This study will provide the City of High Point with an estimate of its water supply reservoir system yield, which is a key metric for estimating water supply reliability and conducting long-range water supply planning. Reservoir system storage is an important element of a system's water supply yield and can change over time with the deposition of sediment in reservoirs. A bathymetric survey of the City's water supply reservoirs, Oak Hollow Lake and High Point City Lake, will be conducted to establish storage volumes and sedimentation rates.

The scope of work to be provided by ENGINEER includes professional services for the elements listed below.

ENGINEER's Services

I. Survey of Oak Hollow Lake and High Point City Lake

- A. ENGINEER shall conduct bathymetric and sediment surveys using multi-frequency acoustic bathymetric and sub-bottom survey data with a boat-mounted sonar device for Oak Hollow Lake and High Point City Lake. As part of the sediment survey ENGINEER will collect sediment cores from each lake to confirm the elevation of the pre-impoundment bottom surface identified from the sonar data. Lidar-derived elevations, published in 2016, from the North Carolina Spatial Download website will be used to extend the entire surface contours around the lakes at least 25 feet landward of the waterline at full pool (803' contour on Oak Hollow Lake and the 756' contour on High Point City Lake) along the reservoir shore. Data for areas that are too shallow to navigate/obtain good bathymetric data and/or don't contribute significantly to reservoir storage will be obtained from 2016 State lidar data.



B. ENGINEER will use advanced interpolation techniques to generate a current bottom surface and pre-impoundment bottom surface. The current lake capacity and surface area, stage-area-capacity relationships, and accumulated sediment volume will be generated as part of this task.

- i. These engineering surveys by the ENGINEER are performed for the purposes of completing an engineering analysis/project and do not provide horizontal and vertical control, nor determine boundary conditions, easements, wetland delineation, buffers or flood zone boundaries. The engineering survey shall not be construed to permit the location, description, establishment, or reestablishment of property lines or descriptions of land boundaries for conveyance. The survey will not provide elevation of reservoir controls such as spillway elevations, normal pool elevations, and controlling culverts, etc.
- ii. The stage-volume-elevation curves and sedimentation estimates are provided to the OWNER. However, the ENGINEER is not licensed to certify the plats of a topographic survey, thus, the hydrographic survey cannot be issued as a work product to the OWNER or others.
- iii. In work products where the engineering survey is used, this disclaimer will be included.

"THIS MAP HAS NOT BEEN REVIEWED BY A PROFESSIONAL LAND SURVEYOR AND IS NOT A CERTIFIED HYDROGRAPHIC SURVEY. THIS MAP IS AN ENGINEERING SURVEY USED TO COMPLETE THE ENGINEERING ANALYSIS SUBMITTED HEREIN AND IS NOT TO BE SEPARATED FROM THE REPORT AND USED AS AN INDIVIDUAL DELIVERABLE OR TO SUPPORT FUTURE ENGINEERING PROJECTS. HAZEN AND SAWYER IS NOT RESPONSIBLE FOR THE MISREPRESENTATION OF THIS DOCUMENT OR ITS USE BY OTHERS BEYOND THE SCOPE OF ITS ORIGINAL INTENT."

C. ENGINEER will review drawings and other information provided by the OWNER to establish the maximum depth from which water can be withdrawn from each reservoir. Intake locations and the engineering survey will be used to calculate stage-area-capacity relationships for each reservoir.

- i. OWNER shall make a reasonable effort to provide drawing to the ENGINEER. Should drawings or other documentation not be available, the ENGINEER and OWNER shall agree to a maximum withdrawal depth for the analysis based on past operational data and institutional knowledge and experience.

D. ENGINEER will use accumulated sediment volume and past bathymetric survey results, if any, to estimate sedimentation rates for the reservoirs.

II. Water Supply System Model Development and Operational Yield Estimate

- A. ENGINEER will use records of withdrawal provided by the OWNER which, along with Local Water Supply Plan information and other information from the OWNER, be used to estimate seasonal demand patterns.
- B. ENGINEER shall create a City of High Point OASIS reservoir model that includes inflow and evaporation from each reservoir, seasonal demand withdrawals, and regulatory and other required withdrawals. The model will use the updated stage-area-volume relationships for each reservoir.
- C. ENGINEER shall use streamflow records from USGS gages and time series records from the OASIS Cape Fear Neuse Combined River Basin Model (CFNCRBM) to the best of its ability to create a historically representative inflow record for each reservoir.
 - i. The historic hydrology record in the CFNCRBM is itself based on USGS gage data with adjustments based on drainage area, impoundments, and inter-gage correlations. The assembled dataset spans 1930 through 2023.
- D. ENGINEER will include release requirements and other operating rules for the reservoirs in the model.
- E. ENGINEER shall prepare the data for internal review and take reasonable steps to ensure model fitness for the purpose of estimating system yield. Preliminary results will be shared with OWNER.
- F. ENGINEER shall calculate the operational yield of the reservoir system. The definition of operational yield used will be the maximum withdrawal rate that can be sustained during the historical drought of record along with any minimum release requirements and other reservoir operating protocol that can be modeled with OASIS.

III. Meetings, Workshops, and Project Management

- A. ENGINEER and OWNER will have regular communication as required for information sharing and coordination of various project scope activities and to keep the project on schedule. Day-to-day communications will typically be in the form of telephone and e-mail.
- B. The ENGINEER shall conduct a kickoff meeting with the OWNER to ensure a common understanding of the project goals and timing, review the existing knowledge of the system, and otherwise exchange information.
- C. The ENGINEER shall conduct periodic remote project update meetings with the OWNER to review overall project progress, goals and objectives for specific items, work completed since the previous meeting, and interim findings. The frequency of these meetings shall be up to once per month as jointly determined by ENGINEER and OWNER and as appropriate for the stage of the project.

D. ENGINEER shall conduct up to four in-person meetings or workshops (in-person or remote at the OWNER's preference). The first will accommodate more detailed discussion of the preliminary results. The second, if needed because of substantive changes from the first, will be used to deliver and discuss the final project results. The OWNER may authorize the use of the Allowance for a third meeting or workshop related to Additional Services.

- i. Workshop #1 Review Hydrographic Survey Findings
- ii. Workshop #2 Present Safe Yield Study Results

E. ENGINEER shall prepare all meeting/workshop materials to facilitate discussions. Workshops shall be led by the ENGINEER and conducted at the OWNER's office in High Point or ENGINEER's office in Greensboro, or remotely via MS Teams at OWNER's discretion.

IV. Deliverables

ENGINEER shall prepare the following deliverables for the OWNER's review and records:

- A. A draft technical memorandum (TM) covering the sediment survey / reservoir volume findings and operational yield study. Memorandum shall document the sediment findings and water resource model, including calibration of inflows, seasonal demand estimates, and the operational yield of the reservoir system.
- B. A final TM covering the sediment survey/reservoir volume findings and operational yield study.
- C. Stage-volume-elevation curves and sedimentation estimates. The ENGINEER is not licensed to certify the plats of a topographic survey, thus, the hydrographic survey cannot be issued as a separate work product to the OWNER or others.

V. Additional Services

- A. Additional analyses to address circumstances or needs that may arise during the execution of service in this schedule are NOT included in this proposal. The ENGINEER and OWNER shall establish an amendment for any specific deliverable(s) prior to beginning work.

OWNER's Responsibilities

1. OWNER shall provide any prior hydrographic surveys or other drawings/information related to establishing volumes and depths of reservoir intakes and/or feeder pipes for the OWNER's reservoirs.

2. OWNER will support access to the reservoirs by the ENGINEER, including identifying and securing access to boat ramps or other locations suitable for deploying the boat used for the engineering survey.
3. OWNER shall provide a daily record of demand to support estimating seasonal demand patterns for the water supply model.
4. OWNER shall provide current operational rules for reservoir withdrawals for water supply, regulated releases, and other purposes.
5. Insofar as any of the above services are necessary for the Engineer's performance of their obligations under this Contract, OWNER shall be responsible for providing such services in a satisfactory and timely manner so as not to delay the Engineer in their performance thereof.

ENGINEER's Schedule

The ENGINEER will begin the project as soon as possible following City authorization to proceed. The project is expected to have a duration of 10 months. Key milestones for the project are summarized in the table below, based on a start date from the Notice to Proceed (NTP).

<u>Activity</u>	<u>Activity/Deliverable Date from NTP</u>
Kickoff Meeting	3 Weeks
Completion of Engineer Survey of system reservoirs	4 months
Update reservoir volume estimates available	6 months
TM Draft and Workshop for Water Supply Operational Yield Study. TM Draft of Alternative Analysis, if performed	8 months
Deliver Final Technical Memoranda	10 months

The schedule durations reflect the assumption that review and comments by the OWNER are provided within three (3) weeks of the OWNER's receipt of draft deliverables (i.e. technical memoranda).

SCHEDULE B
Compensation
City of High Point, North Carolina
Engineering Services for Water Supply Reservoir Study

OWNER shall pay ENGINEER as full compensation for the services identified under Schedule A the amounts listed below. Compensation for each task is shown below, based on the engineering effort attached.

Task	Description	Cost Ceiling	
		Baseline	Allowance
1	Determine Storage Volumes and Sedimentation	\$149,830	\$0
2	Water Model Development and Safe Yield Estimate	\$85,390	\$0
3	Meetings and Communication	\$49,670	\$0
4	Deliverables	\$25,510	\$0
5	Additional Services	\$0	\$0
	Subtotal	\$310,400	\$0
	Total Contract Amount		\$310,400

Hourly rates are provided in the rate schedule for use in tasks which use hourly rates with cost ceiling. Hourly rates are subject to annual increase July 1, 2026 based on actual wage increases.

**Hazen and Sawyer
Hourly Rate Schedule
Engineering Services for Water Supply Reservoir Study**

Title / Role	Hourly Rate
Vice President	\$330
Associate Vice President	\$320
Senior Associate	\$285
Associate	\$245
Senior Principal Engineer	\$200
Principal Engineer	\$180
Engineer II / Ass't Engineer	\$160
Engineer I	\$145
Administrator	\$100

Notes:

- 1) Billing rates include all payroll costs, corporate overhead, profit and miscellaneous postage, telephone, supporting clerical work, and miscellaneous reproduction.
- 2) Salary adjustments occur annually. The rates herein are applicable for the period through June 30, 2026.

CITY OF HIGH POINT

AGENDA ITEM



TITLE: Consideration of a Contract with Hydromax USA, LLC

FROM:
Allison Kraft
Water Resources Director

MEETING DATE:
April 16, 2026

PUBLIC HEARING:
No

ADVERTISED DATE/BY:
February 2, 2026

ATTACHMENTS:
1. Bid Recommendation Form

PURPOSE: To hire a contractor to perform professional services related to assessing, maintaining, and repairing valves within the water distribution system.

BACKGROUND: The Water Resources Department has an active asset management program with the goals of extending the life expectancy of system assets and reducing long-term costs through programmed maintenance efforts. The goal of this project is to assess, maintain and repair valves within the distribution system to help ensure they are in good working order.

The City issued a Request for Proposals, and received packages from three contractors for the assessment, maintenance and repair of valves within the water distribution system. The proposals were opened on March 11, 2026, and Hydromax USA, LLC was selected as the service provider to conduct the water valve assessment and repairs at a cost of \$926,767.05. The agreement has a base period of three (3) years and is renewable at the City of High Point's discretion for one (1) additional 1-year renewal. It is estimated that a third of the water distribution system will be assigned and completed each year, and a purchase order issued for one-third of the total cost each of the three years, or \$308,922.35 per year.

BUDGET IMPACT: Funds for this project are available in the FY 2025-2026 budget, and accounted for in future capital planning years.

RECOMMENDED ACTION REQUESTED: City Council is requested to consider a contract with Hydromax USA, LLC in the amount of \$926,767.05 over a three-year period for a water valve assessment project and authorize the appropriate City Official(s) to execute all necessary documents.

BID RECOMMENDATION

DEPARTMENT:

COUNCIL AGENDA DATE:

BID NO.: CONTRACT NO.: DATE OPEN:

DESCRIPTION:

PURPOSE:

COMMENTS:

RECOMMEND AWARD TO: AMOUNT:

JUSTIFICATION:

FUND	COST CENTER	GRANTS/PROJECTS	SPEND CATEGORY	ADDITIONAL WORKTAGS	BUDGETED AMOUNT
TOTAL BUDGETED AMOUNT					

DEPARTMENT HEAD: DATE:

The Purchasing Division concurs with recommendation submitted by the and recommends award to the lowest responsible, responsive bidder in the amount of .

PURCHASING MANAGER: DATE:

FINANCIAL SERVICES DIRECTOR: DATE:

Approved for Submission to Council

CITY MANAGER: DATE:
(For City Council Approval Only)

CITY OF HIGH POINT

AGENDA ITEM



TITLE: Consideration of a Task Order with Black & Veatch International Company

FROM:
Allison Kraft
Water Resources Director

MEETING DATE:
April 16, 2026

PUBLIC HEARING:
No

ADVERTISED DATE/BY:
N/A

ATTACHMENTS:
1. Scope of Services

PURPOSE: To approve a task order with Black & Veatch International Company for professional engineering services related to the evaluation of the electrical power distribution system at the Ward Water Treatment Plant (WTP). The City has a master agreement for professional services with Black & Veatch International Company.

BACKGROUND: On December 16, 2025, a chemical feed line carrying sodium hypochlorite at the WTP began leaking and was immediately repaired. It was later discovered that the electrical power distribution system within the plant had been exposed to sodium hypochlorite as a result of the leak. This event raised concerns about the impact on the functionality and longevity of onsite electrical wiring critical to operation of the facility.

The purpose of this study will be to assess the condition of the power distribution system components and identify potential issues; develop a phased implementation plan to address condition issues and prevent future water or chemical intrusion; develop an emergency action plan (EAP) to maintain operation in case of failure; and identify short-term solutions that can help prevent future electrical damage in the event of chemical piping or equipment failure.

BUDGET IMPACT: Funds are available in the FY 2025-2026 Budget.

RECOMMENDED ACTION REQUESTED: City Council is requested to consider a task order with Black & Veatch International Company in the amount of \$135,000 for professional engineering services at the Ward Water Treatment Plant and authorize the appropriate City Official(s) to execute all necessary documents.

ATTACHMENT A SCOPE OF SERVICES

Owner: City of High Point (City)
Project: Ward WTP Electrical Assessment and Rehabilitation Study

The City of High Point (City) owns and operates the Frank L. Ward Water Treatment Plant (Ward WTP). The Ward WTP receives raw water from two surface water sources; Oak Hollow and Arnold Koonce City Lake, and is sized to treat 24 million gallons per day (mgd). The treatment process includes SuperPulsator clarification followed by filtration and disinfection prior to distribution.

Components of the electrical power distribution system were exposed to sodium hypochlorite from a leak in a 2-inch PVC below-grade pipe to Filters 5-8. The leak combined with standing water in manhole EMH-3. Within manhole EMH-3, ground water mixed with sodium hypochlorite, which was transferred along conduits into the switchgear SWGR-2 enclosure. Conduits routed between SWGR-2 and utility transformers UT-1 and UT-2 took on water to the point that the utility transformer enclosures were also exposed to groundwater mixed with sodium hypochlorite. Likewise, the conduits between SWGR-2, MCC-1A, and MCC-1B were exposed to the chemical water mixture. The mixture traveled along the ductbank that penetrates the western wall of the High Service Pipe Gallery in the basement of the Operations Building and then flowed through the metal conduits that run to MCC-1A and MCC-1B. This event raised concerns on impact to functionality and longevity of the electrical equipment and materials that are critical to operation of the facility.

The purpose of this study will be to assess the condition of the power distribution system components and identify potential issues; develop a phased implementation plan to address condition issues and prevent future water intrusion; develop an emergency action plan (EAP) to maintain operation in case of failure; and short term solutions that can be immediately implemented to provide temporary power and prevent further infiltration of chemical into the power distribution system.

The Scope of Services is anticipated to be performed as follows:

Assessment and Phased Implementation Plan	April 2026 – June 2026
Emergency Action Plan	July 2026 – August 2026
Interim Solutions	July 2026 – August 2026

PHASE 100. PROJECT ADMINISTRATION AND COORDINATION

- A. Project Administration. Provide administration and management of project. Prepare project management documents which may include budget, schedule, drafting

standards, and quality assurance and quality control plan. Review ongoing activities. Monitor schedule and budget. Review progress with Owner on a regular basis. Discuss issues with Owner as they are noted.

B. Progress Meetings.

1. Conduct a project initiation meeting to clarify Owner's requirements for the project; review available data and project organization and staffing; and present initial work plan and schedule.
2. Participate in informal meetings with Owner to review progress and exchange ideas and information.
3. Conduct periodic progress meetings with Owner to exchange ideas and information; present verbal status reports including estimated completion of tasks; discussion of project issues, and summary of work status. Project meetings are estimated to be monthly.
4. Prepare and distribute the minutes for project meetings. Minutes for the project meetings will include a record of decisions made and why those decisions were made.

C. Regulatory.

1. No meetings with NCDEQ are anticipated.

PHASE 200. ASSESSMENT AND PHASED IMPLEMENTATION PLAN

- A. Perform an assessment of the power distribution system associated with SWGR-2 up to MCC-1A and MCC-1B, identify solutions to address issues, and develop a phased implementation plan to monitor and address issued identified.
- B. Review Electrical Assessment Report dated 12/22/2025 and conduct site visit to perform condition assessment to confirm findings. One (1) trip is assumed for condition assessment site visit.
- C. Identify potential failure scenarios and solutions to address.
- D. Identify periodic monitoring and testing of the power distribution system components and triggers for implementation of solutions.
- E. Develop a phased implementation plan to address failure scenarios. Phased implementation plan to include near, intermediate, and long-term actions to address failure scenarios. Long term actions to be developed to align with future upgrades at the WTP that are identified in the Ward WTP Filter Evaluation and Site Planning project.

- F. Conduct a workshop to present condition assessment results and proposed solutions to address issues.
- G. Develop a Technical Memorandum (TM) to document the results of the condition assessment, solutions to address issues, recommended monitoring and/or inspection of electrical components, and phased implementation plan.
- H. The final TM, in PDF format, incorporating any comments will be submitted to the City.

PHASE 300. EMERGENCY ACTION PLAN (EAP)

Develop an Emergency Action Plan (EAP) with Standard Operating Procedures for the City to implement to address failures in the power distribution system and maintain the WTP in operation.

- A. The EAP to include the following items:
 - 1. Identify failure scenarios in the power distribution system associated with SWGR-2 through MCC-1A and MCC-1B.
 - 2. Identify interim operational scenarios, temporary equipment, or other requirements to maintain WTP in operation.
 - 3. Coordinate with suppliers for lead time and budgetary pricing of temporary equipment.
 - 4. Develop SOPs for each of the failure scenarios.
- B. Develop a draft EAP and conduct a workshop to present the draft EAP and solicit feedback from City. The final EAP, in PDF format, incorporating any comments will be submitted to the City.

PHASE 400. INTERIM SOLUTIONS

Engineer will develop design packages for two interim solutions identified in the Electrical Assessment Report dated 12/22/2025 for City to implement. Design packages to include PDF markups of solutions including cutsheets of any equipment or materials. Design packages are not intended for advertisement or soliciting of bids for the work.

- A. Interim solutions for design packages to include:
 - 1. Temporary generator connections (Cam Lock) at MCC-1A, MCC-1B, MCC-5 and MCC-6 to provide in case of switchgear equipment failure.
 - 2. Sump pump for manhole EMH-3 including piping for discharge, electrical feed, and local control/indication.

PHASE 500. SUPPLEMENTAL SERVICES

- A. Any work requested by Owner that is not included in one of the items listed in any other phase will be classified as supplemental services.
- B. Supplemental services shall include, but are not limited to:
 - 1. Meetings with local, State, or Federal agencies to discuss the project.
 - 2. Supplemental engineering work required to meet the requirements of regulatory or funding agencies that become effective subsequent to the date of this agreement.
 - 3. Changes in the general scope, extent, or character of the project, including, but not limited to:
 - a. Changes in size or complexity.
 - b. Owner's schedule, design, or character of construction.
 - c. Revision of previously accepted studies, reports, design documents, or construction contract documents when such revisions are required by changes in laws, rules, regulations, ordinances, codes, or orders enacted subsequent to the preparation of such studies, reports, documents, or designs; or are required by any other causes beyond Engineer's control.
 - 4. Permitting or regulatory meeting assistance. Payment of permitting fees.
 - 5. Assistance in financially related transactions for the Project.
 - 6. Detailed design and construction documents for bidding.
 - 7. Construction contract administration services.
 - 8. Development of Engineer's Estimate of Probable Construction Cost (OPCC) for solutions identified during the study.
 - 9. Assessment of SWGR-1 and downstream electrical components that were not impacted by water intrusion event.

ATTACHMENT B

Owner: City of High Point (HP)
Project: Ward WTP Electrical Assessment and Rehabilitation Study

COMPENSATION

For services covered by this Contract, the Owner agrees to pay Engineer as follows:

- A. For Phase 100 – 400, as defined in Attachment A of the Contract, a lump sum amount of \$135,000.00.
- B. For Phase 500 - Supplemental Services, as defined in Attachment A of the Contract, Owner and Engineer will negotiate a written amendment to this Contract prior to beginning work on the revised services.

ATTACHMENT C

Owner: City of High Point (HP)
Project: Ward WTP Electrical Assessment and Rehabilitation Study

SCHEDULE

The Scope of Services is anticipated to be performed as follows:

Assessment and Phased Implementation Plan	April 2026 – June 2026
Emergency Action Plan	July 2026 – August 2026
Interim Solutions	July 2026 – August 2026

CITY OF HIGH POINT

AGENDA ITEM



TITLE: Consideration of a Resolution for Grant Funding Submission for the Kersey Valley Landfill

FROM:
Robby Stone
Public Services Director

MEETING DATE:
April 16, 2026

PUBLIC HEARING:
No

ADVERTISED DATE/BY:
N/A

ATTACHMENTS:
1. Resolution - Grant Funding

PURPOSE: The Public Services Department will be competing for grant funding to implement treatment for emerging compounds at the Kersey Valley Landfill. Submission for grant funding requires the City Council to adopt a resolution. The first round of submittals are due on June 1, 2026, and must contain a copy of the adopted resolution to be considered for funding. Funding opportunities are through the Department of Environmental Quality Division of Water Infrastructure.

BACKGROUND: The North Carolina Department of Environmental Quality's Division of Water Infrastructure is offering Emerging Contaminants funding, available to local government units, non-profit water corporations and investor-owned drinking water companies for planning or construction projects addressing Per- and Polyfluoroalkyl Substances (PFAS) in water or wastewater systems. The Department of Environmental Quality is utilizing federal funding to help public water systems address PFAS in advance of the EPA's proposed National Drinking Water Regulation.

Funding is available to assist eligible local government units in planning how to address PFAS contamination. Planning can be in the form of assessment studies, pilot testing treatment technologies, design and alternatives analysis for future construction projects, pre-construction planning projects, etc., following the guidance of the Division of Water Resources' Public Water Supply Section. Funding is also available to assist eligible applicants with construction projects to address PFAS contamination.

BUDGET IMPACT: N/A

RECOMMENDED ACTION REQUESTED: City Council is requested to consider a resolution for a grant funding submission to implement treatment for emerging compounds at the Kersey Valley Landfill and authorize the appropriate City Official(s) to execute all necessary documents.

**RESOLUTION FOR GRANT FUNDING SUBMISSION FOR THE EMERGING
CONTAMINANTS FUNDING PROGRAM OF THE NORTH CAROLINA
DEPARTMENT OF ENVIRONMENTAL QUALITY**

WHEREAS, the City of High Point (“City”) has need for and intends to plan for or conduct a study in a project described as the City of High Point Leachate Emerging Contaminants Study (“Project”); and

WHEREAS, the City intends to request loan and/or grant assistance for the Project from the North Carolina Department of Environmental Quality, Division of Water Infrastructure of the State of North Carolina (“State”);

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of High Point (“City Council”) that:

Section 1. The City will arrange financing for all remaining costs of the Project, if approved for a State loan and/or grant award.

Section 2. The City will provide for efficient operation and maintenance of the Project on completion of construction thereof, if applicable.

Section 3. The City will adopt and place into effect on or before completion of the Project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system, if applicable, and the repayment of all principal and interest on the debt for the Project, if applicable.

Section 4. The City Council agrees to include in any loan agreement for the Project a provision authorizing the State Treasurer, upon failure of the City to make a scheduled repayment of the loan, to withhold from the City any State funds that would otherwise be distributed to the City in an amount sufficient to pay all sums then due and payable to the State as a repayment of the loan.

Section 5. The City Manager is an Authorized Representative of the City and is hereby authorized to execute and file an application with the State on behalf of the City for a loan and/or grant for the Project.

Section 6. The City Manager is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the Project; to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

Section 7. The City has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, ordinances, and funding conditions applicable to the Project and to Federal and State grants and loans pertaining thereto.

Section 8. This Resolution is effective upon adoption.

Adopted this the 20th day of April 2026.

Cyril Jefferson, Mayor

ATTEST:

Sandra Keeney, City Clerk

CITY OF HIGH POINT

AGENDA ITEM



TITLE: Consideration of an Agreement with the North Carolina Department of Transportation

FROM:
Greg Venable
Transportation Director

MEETING DATE:
April 16, 2026

PUBLIC HEARING:
No

ADVERTISED DATE/BY:
N/A

ATTACHMENTS:
1. Agreement

PURPOSE: This is a request to approve a municipal agreement with the North Carolina Department of Transportation (NCDOT) for funding to design and construct the Cedrow Drive Pedestrian Bridge project.

BACKGROUND: A pedestrian bridge adjacent to Cedrow Drive has been a priority for High Point and has been in the State Transportation Improvement Program (STIP) for several years. When Interstate 74 through High Point was constructed, there were no pedestrian accommodations included on most of the grade separated crossings over the interstate. Due to the residential character of the area as well as the location of parks, employment areas and churches along Cedrow Drive, a safer pedestrian connection is needed.

BUDGET IMPACT: NCDOT will allocate a maximum of \$3,328,000 for the project to the City of High Point. The City will provide a 20% local match of \$832,000. Funding will be appropriated as needed via budget ordinance amendment or through the annual budget process.

NCDOT Allocation (80%)	\$	3,328,000
City of High Point Local Match (20%)	\$	832,000
Total Project Cost	\$	4,160,000

The City will be responsible for all costs that exceed the total available funding.

RECOMMENDED ACTION REQUESTED: City Council is requested to consider an Agreement with the NCDOT for funding to design and construct the Cedrow Drive Pedestrian Bridge Project and authorize the appropriate City Official(s) to execute all necessary documents.

Executive Summary

The Executive Summary is a summation of this agreement and is not intended to be used as the agreement between the Department (North Carolina Department of Transportation) and the Party (Entity).

Entity: City of High Point

County: Guilford

TIP: EB-5989

Project: Cedrow Drive Pedestrian Bridge

Scope: Construction of multi-use facility across I-74

Eligible Activities:

PE	48566.1.1	Design
		Environmental
ROW	48566.2.1	ROW Acquisition
UTIL	48566.2.2	Utility
CON	48566.3.1	Construction
OTHER	_____	
FEDERAL-AID		

Fund Source	Federal Funds Amount	Reimbursement Rate	Non-Federal Match \$	Non-Federal Match Rate
Transportation Alternatives Program (TAP)	\$3,328,000	80 %	\$832,000	20 %
Total Available Funding			\$4,160,000	

Responsibility: The City of High Point shall be responsible for all aspects of the project.

NORTH CAROLINA

**LOCALLY ADMINISTERED PROJECT -
FEDERAL**

GUILFORD COUNTY

DATE: 3/4/2026

NORTH CAROLINA DEPARTMENT OF
TRANSPORTATION

TIP #: EB-5989

AND

WBS Elements: PE 48566.1.1

ROW 48566.2.1

UTIL 48566.2.1

CON 48566.3.1

CITY OF HIGH POINT

OTHER FUNDING: _____

FEDERAL-AID NUMBER:

ALN #: 20.287

Total Funds [NCDOT Participation] \$3,328,000

THIS AGREEMENT is made and entered into on the last date executed below, by and between the North Carolina Department of Transportation, an agency of the State of North Carolina, hereinafter referred to as the "Department" and the City of High Point, hereinafter referred to as the "Municipality".

WITNESSETH:

WHEREAS, the Infrastructure Investment and Jobs Act (IIJA) allows for the allocation of federal funds to be available for certain specified transportation activities; and,

WHEREAS, the Municipality has requested federal funding for Cedrow Drive Pedestrian Bridge, hereinafter referred to as the Project, in Guilford County, North Carolina; and,

WHEREAS, subject to the availability of federal funds, the Municipality has been designated as a recipient to receive funds allocated to the Department by the Federal Highway Administration (FHWA) up to and not to exceed the maximum award amount of \$3,328,000 for the Project; and,

WHEREAS, the Department has agreed to administer the disbursement of said funds on behalf of FHWA to the Municipality for the Project in accordance with the Project scope of work and in accordance with the provisions set out in this Agreement; and,

WHEREAS, the Department has programmed funding in the approved State Transportation Improvement Program (STIP) for the Project; and,

WHEREAS, the governing board of the Municipality has agreed to participate in certain costs and to assume certain responsibilities in the manner and to the extent as hereinafter set out; and,

WHEREAS, this Agreement is made under the authority granted to the Department by the North Carolina General Assembly including, but not limited to, the following applicable legislation: General Statutes of North Carolina (NCGS) Section 136-66.1, Section 136-71.6, Section 160A-296 and 297, Section 136-18, Section 136-41.3 and Section 20-169, to participate in the planning, construction and/or implementation of the Project approved by the Board of Transportation.

NOW, THEREFORE, this Agreement states the promises and undertakings of each party as herein provided, and the parties do hereby covenant and agree, each with the other, as follows:

1. GENERAL PROVISIONS

FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT

All parties to this Agreement, including contractors, subcontractors, and subsequent workforces, associated with any work under the terms of this Agreement shall provide reports as required by the Federal Funding Accountability and Transparency Act (FFATA) for this Project.

AGREEMENT MODIFICATIONS

Any modification to scope, funding, responsibilities, or time frame will be agreed upon by all parties by means of a Supplemental Agreement.

LOCAL PUBLIC AGENCY TO PERFORM ALL WORK

The Municipality shall be responsible for administering all work performed and for certifying to the Department that all terms set forth in this Agreement are met and adhered to by the Municipality and/or its contractors and agents. The Department will provide technical oversight to guide the Municipality. The Department must approve any assignment or transfer of the responsibilities of the Municipality set forth in this Agreement to other parties or entities.

PERSON IN RESPONSIBLE CHARGE

The Municipality shall designate a person or persons to be in responsible charge of the Project, in accordance with Title 23 of the Code of Federal Regulations, Part 635.105. The person, or persons, shall be expected to:

- Administer governmental project activities, including those dealing with cost, time, adherence to contract requirements, construction quality and scope of Federal-aid projects;
- Maintain knowledge of day to day project operations and safety issues;
- Make or participate in decisions about changed conditions or scope changes that require change orders or supplemental agreements;
- Visit and review the project in accordance with the project scope and scale;
- Review financial processes, transactions and documentation to reduce the likelihood of fraud, waste, and abuse;
- Direct project staff, agency or consultant, to carry out project administration and contract oversight, including proper documentation; and
- Be aware of the qualifications, assignments and on-the-job performance of the agency and consultant staff at all stages of the project.

The person in responsible charge must be a full-time employee of the Municipality, but the duties may be split among several employees, if necessary.

COMPLIANCE WITH STATE/FEDERAL POLICY

The Municipality, and/or its agent, including all contractors, subcontractors, or sub-recipients shall comply with all applicable Federal and State policies and procedures, stated both in this Agreement and in the Department's guidelines and procedures, including the *Local Programs Management Handbook*.

FAILURE TO COMPLY - CONSEQUENCES

Failure on the part of the Municipality to comply with any of the provisions of this Agreement will be grounds for the Department to terminate participation in the costs of the Project and, if applicable, seek repayment of any reimbursed funds.

2. SCOPE OF PROJECT

The Project consists of construction of multi-use facility across I-74.

The Department's funding participation in the Project shall be restricted to the following eligible items:

- Design
- Environmental Documentation
- ROW Acquisition
- Utility Relocation
- Construction

as further set forth in this Agreement.

3. FUNDING

PROGRAMMING AND AUTHORIZATION OF FEDERAL FUNDS

The funding currently programmed for the project in the State Transportation Improvement Program (STIP) is Transportation Alternatives Program (TAP). The funding source may be modified with the coordination and approval of the respective Metropolitan Planning Organization (MPO) and/or the Department prior to authorization of funds. The Department will authorize and reimburse federal funding based on the type of federal funding that is programmed in the STIP at the time of the authorization request. The Department will notify the Municipality of the type of federal funds authorized by issuing a Technical Amendment – Funds Authorization letter. A modification in the source of funds will have no effect on project responsibilities outlined in this agreement.

REIMBURSEMENT FOR ELIGIBLE ACTIVITIES

Subject to compliance by the Municipality with the provisions set forth in this Agreement and the availability of federal funds, the Department shall reimburse 80% of eligible expenses incurred by the Municipality up to a maximum amount of Three Million Three Hundred Twenty Eight Thousand Dollars (\$3,328,000), as detailed below. The Municipality shall provide the non-federal match, as detailed in the FUNDING TABLE below, and all costs that exceed the total available funding.

FUNDING TABLE

Fund Source	Federal Funds Amount	Reimbursement Rate	Non-Federal Match \$	Non-Federal Match Rate
Transportation Alternatives Program (TAP) #13533	\$3,328,000	80%	\$832,000	20%
Total Available Funding		\$4,160,000		

WORK PERFORMED BY NCDOT

All work performed by the Department on this Project, including, but not limited to, reviews, inspections, and Project oversight, during any phase of the delivery of the Project, shall reduce the funding available to the Municipality under this Agreement. The Department will set aside, but is not limited to, ten percent (10%) of the total available funding, or \$416,000, to use towards the costs related to review and oversight of this Project. These costs may include but are not limited to: review and approval of plans, environmental documents, contract proposals, and engineering estimates; performance of any phase of work, for example, contract administration or construction engineering and inspection; oversight of any phases; or any other items as needed to ensure the Municipality's appropriate compliance with state and federal regulations.

In the event that the Department does not utilize all the set-aside funding, then those remaining funds will be available for reimbursement to the Municipality at the above reimbursement rate. For all costs of work performed on the Project, whether incurred by the Municipality or by the Department, the Municipality shall provide the non-federal match. The Department will bill the Municipality for the non-federal match of any costs that the Department incurs on the Project and for any costs that exceed the total available funding.

4. PERIOD OF PERFORMANCE

COMPLETION DATE

CONFIDENT SCOPE AND COST ESTIMATE (CSCE)

This Project was selected through the Strategic Transportation Investments (STI) project prioritization process and is currently programmed with right-of-way acquisition or construction in years 2026-2030 (Scheduled for Delivery). The Municipality must achieve the CSCE milestone by September 30, 2027. For locally administered projects (LAPs), the CSCE is achieved once the

project reaches 25% design plan completion. Should the CSCE milestone of September 30, 2027, not be met, the project may be subject to losing the Scheduled for Delivery status and will be re-prioritized in prioritization 9.0 (P9). If the Project is reprioritized, then the agreement may need to be modified.

COMPLETION DATE

If the CSCE milestone is met, then the Municipality will have a total of five (5) years to complete all work outlined in the Agreement from the date of authorization of Federal funds for the initial phase of work. Completion for this Agreement is defined as completion of all construction activities or implementation activities, acceptance of the project, and submission of a final reimbursement package to the Department.

MILESTONE DATES AND REVISIONS

The Project is currently programmed with the following milestone dates for Project delivery:

- START OF ROW ACQUISITION DATE FFY 2029
- LET DATE (DATE OF OPENING BIDS) DATE FFY 2031

The Municipality is responsible for regularly updating project milestones throughout the life of the project. If project milestones are near (or have passed without completion) and have not been updated to a realistic schedule by the Municipality, the Department reserves the right to revise the milestones accordingly. Revisions by the Department could lead to milestones being pushed into another fiscal year resulting in a change to the STIP. The Department is not responsible for project delays caused by these milestone revisions.

MILESTONE DATES AND REVISIONS

The Municipality is responsible for regularly updating project milestones throughout the life of the project. If project milestones are near (or have passed without completion) and have not been updated to a realistic schedule by the Municipality, the Department reserves the right to revise the milestones accordingly. Revisions by the Department could lead to milestones being pushed into another fiscal year resulting in a change to the STIP. The Department is not responsible for project delays caused by these milestone revisions.

EXTENDING COMPLETION DATE

If additional time is needed to complete the Project, then a supplemental agreement must be executed. The Department may allow up to three additional months for submission of final

reimbursement package by the Municipality, without entering into a supplemental agreement. The Department and/or FHWA reserves the right to revoke the funds awarded if the Municipality is unable to meet milestone dates included herein.

5. PRELIMINARY ENGINEERING AUTHORIZATION

If Preliminary Engineering is an eligible expense, then upon receipt of an executed agreement, the Department will authorize Preliminary Engineering funds and shall notify the Municipality, in writing, once funds have been authorized and can be expended. The Municipality shall not initiate any work, nor solicit for any professional services prior to receipt of written authorization from the Department to proceed. Any work performed, or contracts executed, prior to receipt of written authorization to proceed will be ineligible for reimbursement.

6. PROFESSIONAL AND ENGINEERING SERVICES

The Municipality shall comply with the policies and procedures of this provision if the Municipality is requesting reimbursement for the Preliminary Engineering contract or the Construction Contract Administration / Construction Engineering and Inspection contract.

PROCUREMENT POLICY

When procuring professional services, the Municipality must adhere to Title 2 Code of Federal Regulations Part 200; Title 23 of the Code of Federal Regulations, Part 172; Title 40 United States Code, Chapter 11, Section 1101-1104; NCGS 143-64.31; and the Department's *Policies and Procedures for Major Professional or Specialized Services Contracts*. Said policies and standards are incorporated in this Agreement by reference at www.fhwa.dot.gov/legsregs/legislat.html and www.ncleg.net/gascrpts/Statutes/Statutes.asp.

- The Municipality shall ensure that a qualified firm is obtained through an equitable selection process, and that prescribed work is properly accomplished in a timely manner and at a just and reasonable cost.
- All Professional Services Firms shall be pre-qualified by the Department in the Work Codes advertised.
- A pre-negotiation audit will be conducted by the Department's External Audit Branch. The Municipality shall not execute a consultant contract until the Department's review has been completed.

SMALL PROFESSIONAL AND ENGINEERING SERVICES FIRMS REQUIREMENTS

Any contract entered into with another party to perform work associated with the requirements of this Agreement shall contain appropriate provisions regarding the utilization of Small Professional Services Firms (SPSF). This policy conforms with the SPSF Guidelines as approved by the North Carolina Board of Transportation.

- The Municipality shall not advertise nor enter into a contract for services performed as part of this Agreement, unless the Department provides written approval of the advertisement or the contents of the contract.
- If the Municipality fails to comply with these requirements, the Department will withhold funding until these requirements are met.

WORK BY ENTITY

If the Design, Planning, Contract Administration and/or Construction Engineering and Inspection required for this project will be undertaken by the Municipality, and the Municipality requests reimbursement, then the Municipality must submit a request and supporting documentation to the Department for review and approval, prior to any work being initiated by the Municipality.

7. PLANNING / ENVIRONMENTAL DOCUMENTATION

The Municipality shall prepare the environmental and/or planning document, including any environmental permits, needed to construct the Project, in accordance with the National Environmental Policy Act (NEPA) and all other appropriate environmental laws and regulations. All work shall be performed in accordance with Departmental procedures and guidelines. Said documentation shall be submitted to the Department for review and approval.

- The Municipality shall be responsible for preparing and filing with all proper agencies the appropriate planning documents, including notices and applications required to apply for those permits necessary for the construction of the desired improvements. Copies of approved permits should be forwarded to the Department.
- The Municipality shall advertise and conduct any required public hearings.
- If any permit issued requires that action be taken to mitigate impacts associated with the improvements, the Municipality shall design and implement a mitigation plan. The Department will determine if any mitigation costs are eligible for reimbursement. The

Municipality shall bear all costs associated with penalties for violations and claims due to delays.

- The Municipality shall be responsible for designing an erosion control plan if required by the North Carolina Sedimentation Pollution Control Act of 1973, NCGS 113A, Article 4, incorporated in this Agreement by reference at <https://www.ncleg.gov/Laws/GeneralStatutes> and obtaining those permits required thereby in order to construct the Project. During the construction of the improvements, the Municipality, and its contractors and agents, shall be solely responsible for compliance with the provisions of said Act and the plan adopted in compliance therewith.

8. DESIGN

CONTENT OF PLAN PACKAGE

The Municipality, and/or its agent, shall prepare the Project's plans, specifications, and a professional estimate of costs (PS&E package), in accordance with the Department's guidelines and procedures, and applicable Federal and State standards. All work shall be submitted to the Department for review and approval. The plans shall be completed to show the design, site plans, landscaping, drainage, easements, and utility conflicts.

9. RIGHT OF WAY / UTILITY AUTHORIZATION

If the costs of right of way acquisition or utility relocation are an eligible expense, the Municipality shall submit a letter of request to the Department to authorize and set up right of way and/or utility funding. The acquisition for right of way, construction easements, and/or utility relocation may be undertaken only after the Municipality receives written authorization from the Department to proceed.

10. PROJECT LIMITS AND RIGHT OF WAY (ROW)

The Municipality shall comply with the policies and procedures of this provision regardless of whether the Municipality is requesting reimbursement for the Right of Way phase of the Project.

SPONSOR PROVIDES ROW

The Municipality, at no liability whatsoever to the Department, shall be responsible for providing and/or acquiring any required ROW and/or easements for the Project.

ROW GUIDANCE

The Municipality shall accomplish all ROW activities, including acquisition and relocation, in accordance with the following: Title 23 of the Code of Federal Regulations, Part 710, Subpart B and Title 49 of the Code of Federal Regulations, Part 24, [Uniform Act] incorporated by reference at www.fhwa.dot.gov/legisregs/directives/fapgtoc.htm; NCGS, Chapter 133, Article 2, Sections 133-5 through 133-18, Relocation Assistance, incorporated by reference at <https://www.ncleg.gov/Laws/GeneralStatutes> ; and the North Carolina Department of Transportation Right of Way Manual.

APPRAISAL

The Municipality shall submit the appraisal to the Department for review and approval in accordance with Departmental policies and procedures.

CLEARANCE OF PROJECT LIMITS / ROW

The Municipality shall remove and dispose of all obstructions and encroachments of any kind or character (including hazardous and contaminated materials) from said ROW, with the exception that the Municipality shall secure an encroachment agreement for any utilities (which shall remain or are) to be installed within the Department's ROW, or follow other applicable approval process, for utilities within the Municipality's ROW. To the extent permitted by applicable law, the Municipality shall indemnify and save harmless the Department, Federal Highway Administration, and the State of North Carolina, from any and all damages and claims for damages that might arise on account of said right of way acquisition, drainage, and construction easements for the construction of said Project. The Municipality shall be solely responsible for any damages caused by the existence of said material now and at any time in the future and will save the Department harmless from any legal actions arising as a result of this contaminated and/or hazardous material and shall provide the Department with documentation proving the proper disposal of said material.

RELOCATION ASSISTANCE

The Municipality shall provide relocation assistance services and payments for families, businesses, and non-profit organizations being displaced by the Project in full accordance with the Federal relocation requirements of Title 49 Code of Federal Regulations, Part 24 [Uniform Act], as amended. Relocation assistance services and payments may be accomplished by contract with any other municipal corporation, or State or Federal agency, rendering such services upon approval by the Department and Federal Highway Administration.

11. UTILITIES

The Municipality, and/or its agent, at no liability to the Department, shall relocate, adjust, relay, change or repair all utilities in conflict with the Project, regardless of ownership. All utility work shall be performed in a manner satisfactory to and in conformance with State and Federal rules and regulations, prior to Municipality beginning construction of the project. This Agreement does not modify or supersede any existing Utility Encroachment Agreements that may be in place.

12. RIGHT OF WAY / UTILITY / RAILROAD CERTIFICATION

The Municipality, upon acquisition of all right of way/property necessary for the Project, relocation of utilities, and coordination with the railroad shall provide the Department all required documentation (deeds/leases/easement/plans/agreements) to secure certification. Certification is only issued after all ROW is in public ownership or property is publicly accessible by a legal document; utilities in conflict with the project are relocated, or a plan for their relocation during construction has been approved; and coordination with the railroad (if applicable) has occurred and been documented.

13. CONTRACT PROPOSAL AND ENGINEER'S ESTIMATE

CONTRACT PROPOSAL

The Municipality shall develop a contract proposal that will be advertised for bids. The proposal shall comply with NCDOT Specifications and Standard Drawings as applicable to the Project. The proposal shall also contain provisions, as applicable, per Title 23 Code of Federal Regulations 633 and 635 to include, but not be limited to: FHWA 1273, Buy America, Davis-Bacon Wage Rates, Non-discrimination, DBE Assurances, Contractor Certification regarding suspension and debarment, and other provisions as required by the Department.

ENGINEER'S ESTIMATE

The Municipality shall develop an itemized engineer's estimate to show items referenced to the NCDOT Standard Specifications, if applicable, along with units and unit price. The engineer's estimate will be used as the basis for comparing bids received.

14. CONSTRUCTION AUTHORIZATION

The Municipality shall submit the required environmental and/or planning document, ROW certification, final construction plans, total contract proposal, and an estimate of Project costs (final PS&E package) to the Department for review and approval.

- After approval of all documentation, the Department will request construction authorization from the Federal Highway Administration.
- The Municipality shall not advertise for bids prior to receiving written construction authorization from the Department.

15. CONTRACTOR PROCUREMENT

ADVERTISE FOR BIDS

Upon receipt of written construction authorization from the Department, the Municipality may advertise the Project. The Municipality shall follow applicable Federal and/or State procedures pertaining to the advertisement of the Project, bid opening, and award of the contract, according to Title 2 of the Code of Federal Regulations, Part 200 and Title 23 of the Code of Federal Regulations, Part 633 and Part 635, incorporated by reference at www.fhwa.dot.gov/legsregs/directives/fapgtoc.htm; and NCGS, Chapter 143, Article 8 (Public Contracts), incorporated by reference at <https://www.ncleg.gov/Laws/GeneralStatutes>.

CONSTRUCTION CONTRACTOR REQUIREMENTS

All Contractors submitting bids on the project shall be pre-qualified by the Department. All proposed subcontractors must be pre-qualified before construction work begins. Any subcontractors who are proposed to meet the Disadvantaged Business Enterprise goal must be certified by the Department.

CONSTRUCTION SUBCONTRACTOR REQUIREMENTS

Any contract entered into with another party to perform work associated with the requirements of this Agreement shall contain appropriate provisions regarding the utilization of Disadvantaged Business Enterprises (DBEs), or as required and defined in Title 49 of the Code of Federal Regulations, Part 26 and the North Carolina Administrative Code. These provisions are incorporated into this Agreement by reference

<https://connect.ncdot.gov/resources/Specifications/Pages/2024-Specifications-and-Special-Provisions.aspx>.

- The Municipality shall not advertise nor enter into a contract for services performed as part of this Agreement, unless the Department provides written approval of the advertisement or the contents of the contract.
- If the Municipality fails to comply with these requirements, the Department will withhold funding until these requirements are met.

AWARDING CONTRACT

After the advertisement of the Project for construction bids, the Municipality shall request concurrence from the Department to award the construction contract by submitting a letter along with tabulated bids received depicting Disadvantaged Business Enterprises (DBE) goals, and a resolution recommending award of the Project to the lowest responsible, responsive bidder. The Department will review the submitted information and provide written approval to the Municipality prior to the contract being awarded by the Municipality.

DELAY IN PROCUREMENT

In the event the Project has not been let to contract within six (6) months after receiving construction authorization from the Department, the Municipality shall be responsible for documenting to the Department justification for project delay and that the Project remains in compliance with the terms of this Agreement, the approved plans and specifications, and current codes.

FORCE ACCOUNT

Force account work is only allowed when there is a finding of cost effectiveness for the work to be performed by some method other than a contract awarded by a competitive bidding process, or there is an emergency. Written approval from the Department is required prior to the use of force account by the Municipality. Federal Highway Administration regulations governing Force Account are contained in Title 23 Code of Federal Regulations, Part 635.201, Subpart B; said policy being incorporated in this Agreement by reference www.fhwa.dot.gov/legsregs/directives/cfr23toc.htm. North Carolina General Statutes governing the use of Force Account, Chapter 143, Article 8 (Public Contracts) can be found at www.ncleg.net/gascripts/Statutes/Statutes.asp.

16. CONSTRUCTION

The Municipality, and/or its agents shall construct the Project in accordance with the plans and specifications of the Project as filed with, and approved by, the Department. During the construction of the Project, the procedures set out below shall be followed:

CONSTRUCTION CONTRACT ADMINISTRATION

The Municipality shall comply with the NCDOT Construction Manual as referenced at <http://www.ncdot.org/doh/operations/dp%5Fchief%5Feng/constructionunit/formsmanuals/construction/>, which outlines the procedures for records and reports that must be adhered to in order to obtain uniformity of contract administration and documentation. This includes, but is not limited to, inspection reports, material test reports, materials certification, documentation of quantities, project diaries, and pay records. The Municipality, and/or its agent, shall perform the construction engineering, sampling and testing required during construction of the Project, in accordance with Departmental procedures, including the Department's Guide for Process Control and Acceptance Sampling and Testing. The Municipality shall document that said compliance was accomplished in accordance with State and Federal procedures, guidelines, standards and specifications.

RETAINAGE

The Municipality shall not retain any portion of a payment due the contractor.

SIGNAGE

The Municipality shall provide and maintain adequate signage and other warning devices for the protection of the public in accordance with the approved traffic control plans for the Project and the current edition of the Manual on Uniform Traffic Control Devices (MUTCD) for Streets and Highways, or any subsequent revision of the same, published by the Federal Highway Administration and effective at the time of award of the contract.

SITE LAYOUT

The Municipality shall be responsible for ensuring that all site layout, construction work, and Project documentation are in compliance with applicable city, state and federal permits, guidelines, and regulations, including American Association of State Highway and Transportation Officials (AASHTO) guidelines and Americans with Disabilities Act (ADA) Standards for Accessible Design (www.usdoj.gov/crt/ada/stdspdf.htm).

RIGHT TO INSPECT

The Department and representatives of the Federal Highway Administration shall have the right to inspect, sample or test, and approve or reject, any portion of the work being performed by the Municipality or the Municipality's contractor to ensure compliance with the provisions of this Agreement. Prior to any payment by the Department, any deficiencies inconsistent with approved plans and specifications found during an inspection must be corrected.

CONTRACTOR COMPLIANCE

The Municipality will be responsible for ensuring that the contractor complies with all of the terms of the contract and any instructions issued by the Department or FHWA as a result of any review or inspection made by said representatives.

CHANGE ORDERS

If any changes in the Project plans are necessary, the Department must approve such changes prior to the work being performed.

SHOP DRAWINGS

Shop Drawings shall be submitted in accordance with the approved plans and specifications and may require review by the Designer.

17. CLOSE-OUT

Upon completion of the Project, the Municipality shall be responsible for the following:

FINAL INSPECTION

The Municipality shall arrange for a final inspection by the Department. Any deficiencies determined during the final field inspection must be corrected prior to final payment being made by the Department to the Municipality. Additional inspection by other entities may be necessary in accordance with the Department's guidelines and procedures. The Municipality shall provide the Department with written evidence of approval of completed project prior to requesting final reimbursement.

FINAL PROJECT CERTIFICATION

The Municipality will provide a certification to the Department that all work performed for this Project is in accordance with all applicable standards, guidelines, and regulations.

18. MAINTENANCE

The Municipality, at no expense or liability to the Department, shall assume all maintenance responsibilities for the Cedrow Drive Pedestrian Bridge, or as required by an executed encroachment agreement.

19. REIMBURSEMENT

SCOPE OF REIMBURSEMENT

Activities eligible for funding reimbursement for this Project shall include:

- Design
- Environmental Documentation
- ROW Acquisition
- Utility Relocation
- Construction

REIMBURSEMENT GUIDANCE

The Municipality shall adhere to applicable administrative requirements of Title 2 Code of Federal Regulations, Part 200 (www.fhwa.dot.gov/legsregs/directives/fapgtoc.htm) "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards." Reimbursement to the Municipality shall be subject to the policies and procedures contained in Title 23 Code of Federal Regulations, Part 140 and Part 172, which is being incorporated into this Agreement by reference at www.fhwa.dot.gov/legsregs/directives/fapgtoc.htm. Reimbursement to the Municipality shall be subject to the guidance contained in Title 2 Code of Federal Regulations, Part 170 (<http://edocket.access.gpo.gov/2010/pdf/2010-22705.pdf>) and Office of Management and Budget (OMB) "Federal Funding Accountability and Transparency Act" (FFATA). Said reimbursement shall also be subject to the Department being reimbursed by the

Federal Highway Administration and subject to compliance by the Municipality with all applicable federal policy and procedures.

REIMBURSEMENT LIMITS

- **WORK PERFORMED BEFORE NOTIFICATION**

Any costs incurred by the Municipality prior to written notification by the Department to proceed with the work shall not be eligible for reimbursement.

- **NO REIMBURSEMENT IN EXCESS OF APPROVED FUNDING**

At no time shall the Department reimburse the Municipality costs that exceed the total funding per this Agreement and any Supplemental Agreements.

- **UNSUBSTANTIATED COSTS**

The Municipality agrees that it shall bear all costs for which it is unable to substantiate actual costs or any costs that have been deemed unallowable by the Federal Highway Administration and/or the Department's Financial Management Division.

- **WORK PERFORMED BY NCDOT**

All work performed by the Department on this Project, including, but not limited to, reviews, inspections, and Project oversight, shall reduce the maximum award amount of \$3,328,000 available to the Municipality under this Agreement. The Department will bill the Municipality for the non-federal match of any costs that the Department incurs on the Project and for any costs that exceed the total available funding.

- **CONSTRUCTION ADMINISTRATION**

Reimbursement for construction contract administration will be made as governed by Departmental policy that limits reimbursement for construction contract administration to no more than fifteen (15%) percent of the actual construction contract of the Project. These costs will also include any cost overruns and charges to the Project by the Department during the Construction Phase.

- **CONSTRUCTION CONTRACT UNIT PRICES**

Reimbursement for construction contract work will be made on the basis of contract unit prices in the construction contract and any approved change orders.

- **RIGHT OF WAY**

Reimbursement will be limited to the value as approved by the Department. Eligible costs for reimbursement of Right of Way Acquisition include: realty appraisals, surveys, closing costs, and the agreed upon just compensation for the property, at the reimbursement rate as shown in the FUNDING TABLE.

- **FORCE ACCOUNT**

Invoices for force account work shall show a summary of labor, labor additives, equipment, materials and other qualifying costs in conformance with the standards for allowable costs set forth in 2 CFR 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards." Reimbursement shall be based on actual eligible costs incurred with the exception of equipment owned by the Municipality or its Project partners. Reimbursement rates for equipment owned by the Municipality or its Project partners cannot exceed the Department's rates in effect for the time period in which the work is performed.

BILLING THE DEPARTMENT

- **PROCEDURE**

The Municipality may bill the Department for eligible Project costs in accordance with the Department's guidelines and procedures. Proper supporting documentation shall accompany each invoice as may be required by the Department. By submittal of each invoice, the Municipality certifies that it has adhered to all applicable state and federal laws and regulations as set forth in this Agreement.

Along with each invoice, the Municipality is responsible for submitting the FFATA Subrecipient Information Form, which is available at <https://connect.ncdot.gov/municipalities/Funding/Pages/default.aspx>.

- **INTERNAL APPROVALS**

Reimbursement to the Municipality shall be made upon approval of the invoice by the Department's Financial Management Division.

- **TIMELY SUBMITTAL OF INVOICES**

The Municipality may invoice the Department monthly for work accomplished, but no less than once every six (6) months to keep the Project funds active and available. If the

Municipality is unable to invoice the Department, then they must provide an explanation. Failure to submit invoices or explanation may result in de-obligation of funds.

- **FINAL INVOICE**

All invoices associated with the Project must be submitted within six (6) months of the completion of construction and acceptance of the Project to be eligible for reimbursement by the Department. Any invoices submitted after this time will not be eligible for reimbursement.

20. REPORTING REQUIREMENTS AND RECORDS RETENTION

PROJECT EVALUATION REPORTS

The Municipality is responsible for submitting quarterly Project evaluation reports, in accordance with the Department's guidelines and procedures, that detail the progress achieved to date for the Project.

PROJECT RECORDS

The Municipality and its agents shall maintain all books, documents, papers, accounting records, Project records and such other evidence as may be appropriate to substantiate costs incurred under this Agreement. Further, the Municipality shall make such materials available at its office and shall require its agent to make such materials available at its office at all reasonable times during the contract period, and for five (5) years from the date of payment of the final voucher by the Federal Highway Administration, for inspection and audit by the Department's Financial Management Section, the Federal Highway Administration, or any authorized representatives of the Federal Government.

21. OTHER PROVISIONS

REFERENCES

It will be the responsibility of the Municipality to follow the current and/or most recent edition of references, websites, specifications, standards, guidelines, recommendations, regulations and/or general statutes, as stated in this Agreement.

INDEMNIFICATION OF DEPARTMENT

To the extent permitted by applicable law, the Municipality will indemnify and hold harmless the FHWA (if applicable), the Department and the State of North Carolina, their respective officers, directors, principals, employees, agents, successors, and assigns from and against any and all claims for damage and/or liability, including those that may be initiated by third parties, in connection with the Project activities performed pursuant to this Agreement including construction of the Project, except for those claims arising out of the errors, omissions, or negligence of the Department, its respective officers, directors, principals, employees, agents, successors, and assigns.

DEBARMENT POLICY

It is the policy of the Department not to enter into any agreement with parties that have been debarred by any government agency (Federal or State). By execution of this agreement, the Municipality certifies that neither it nor its agents or contractors are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any Federal or State Agency or Department and that it will not enter into agreements with any entity that is debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction.

TITLE VI - CIVIL RIGHTS ACT OF 1964

The Municipality shall comply with Title VI of the Civil Rights Act of 1964, (Title 49 CFR, Subtitle A, Part 21). Title VI prohibits discrimination on the basis of race, color, national origin, disability, gender, and age in all programs or activities of any recipient of Federal assistance.

OTHER AGREEMENTS

The Municipality is solely responsible for all agreements, contracts, and work orders entered into or issued by the Municipality for this Project. The Department is not responsible for any expenses or obligations incurred for the Project except those specifically eligible for the funds and obligations as approved by the Department under the terms of this Agreement.

AVAILABILITY OF FUNDS

All terms and conditions of this Agreement are dependent upon, and, subject to the allocation of funds for the purpose set forth in the Agreement and the Agreement shall automatically terminate if funds cease to be available.

IMPROPER USE OF FUNDS

Where either the Department or the FHWA determines that the funds paid to the Municipality for this Project are not used in accordance with the terms of this Agreement, the Department will bill the Municipality.

TERMINATION OF PROJECT

If the Municipality decides to terminate the Project without the concurrence of the Department, the Municipality shall reimburse the Department one hundred percent (100%) of all costs expended by the Department and associated with the Project.

AUDITS

In accordance with 2 CFR 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," Subpart F – Audit Requirements, and the Federal Single Audit Act Amendments of 1996, the Municipality shall arrange for an annual independent financial and compliance audit of its fiscal operations. The Municipality shall furnish the Department with a copy of the annual independent audit report within thirty (30) days of completion of the report, but not later than nine (9) months after the Municipality's fiscal year ends.

REIMBURSEMENT BY MUNICIPALITY

For all monies due the Department as referenced in this Agreement, reimbursement shall be made by the Municipality to the Department within sixty (60) days of receiving an invoice. A late payment penalty and interest shall be charged on any unpaid balance due in accordance with NCGS 147-86.23.

USE OF POWELL BILL FUNDS

If the other party to this agreement is a Municipality and fails for any reason to reimburse the Department in accordance with the provisions for payment hereinabove provided, NCGS 136-41.3 authorizes the Department to withhold so much of the Municipality's share of funds allocated to Municipality by NCGS 136-41.1, until such time as the Department has received payment in full.

ENTIRE AGREEMENT

This Agreement contains the entire agreement between the parties and there are no understandings or agreements, verbal or otherwise, regarding this Agreement except as expressly set forth herein.

AUTHORIZATION TO EXECUTE

The parties hereby acknowledge that the individual executing the Agreement on their behalf is authorized to execute this Agreement on their behalf and to bind the respective entities to the terms contained herein and that he has read this Agreement, conferred with his attorney, and fully understands its contents.

COUNTERPARTS AND ELECTRONIC SIGNATURES

- This Agreement, and other documents to be delivered pursuant to this Agreement, may be executed in one or more counterparts, each of which will be deemed to be an original copy and all of which, when taken together, will be deemed to constitute one and the same agreement or document and will be effective when counterparts have been signed by each of the Parties. An image of a manual signature on this Agreement, or other documents to be delivered pursuant to this Agreement, will constitute an original signature for all purposes. The delivery of copies of this Agreement or other documents to be delivered pursuant to this Agreement, including executed signature pages where required, by electronic transmission will constitute effective delivery of this Agreement or such other document for all purposes.
- The Parties hereto further acknowledge and agree that this Agreement may be signed and/or transmitted by email or a PDF document or using electronic signature technology (e.g. DocuSign, Adobe Sign, or other electronic signature technology), and that such signed record shall be valid and as effective to bind the Party so signing as a paper copy bearing such Party's handwritten signature. By selecting "I Agree", "I Accept", or other similar item, button, or icon via use of a keypad, mouse, or other device, as part of the electronic signature technology, the Parties consent to be legally bound by the terms and conditions of Agreement and that such act constitutes a signature as if actually signed in writing. The Parties also agree that no certification authority or other third-party verification is necessary to validate its electronic signature and that the lack of such certification or third-party verification will not in any way affect the enforceability of its electronic signature. The Parties acknowledge and agree that delivery of a copy of this Agreement or any other document contemplated hereby through the electronic signature

technology, will have the same effect as physical delivery of the paper document bearing an original written signature.

GIFT BAN

By Executive Order 24, issued by Governor Perdue, and NCGS 133-32, it is unlawful for any vendor or contractor (i.e. architect, bidder, contractor, construction manager, design professional, engineer, landlord, offeror, seller, subcontractor, supplier, or vendor), to make gifts or to give favors to any State employee of the Governor's Cabinet Agencies (i.e. Administration, Commerce, Environmental Quality, Health and Human Services, Information Technology, Military and Veterans Affairs, Natural and Cultural Resources, Public Safety, Revenue, Transportation, and the Office of the Governor).

22. SUNSET PROVISION

All terms and conditions of this Agreement are dependent upon, and subject to, the allocation of funds for the purpose set forth in the Agreement and the Agreement shall automatically terminate if funds cease to be available.

IT IS UNDERSTOOD AND AGREED that the approval of the Project by the Department is subject to the conditions of this Agreement, and that no expenditures of funds on the part of the Department will be made until the terms of this Agreement have been complied with on the part of the Municipality.

IN WITNESS WHEREOF, this Agreement has been executed, in duplicate, the day and year heretofore set out, on the part of the Department and the Municipality by authority duly given.

L.S. ATTEST:

CITY OF HIGH POINT

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

NCGS 133-32 and Executive Order 24 prohibit the offer to, or acceptance by, any State Employee of any gift from anyone with a contract with the State, or from any person seeking to do business with the State. By execution of any response in this procurement, you attest, for your entire organization and its employees or agents, that you are not aware that any such gift has been offered, accepted, or promised by any employees of your organization.

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

(SEAL)

(FINANCE OFFICER)

Federal Tax Identification Number

City of High Point

Remittance Address:

DEPARTMENT OF TRANSPORTATION

BY: _____

(CHIEF ENGINEER)

DATE: _____

APPROVED BY BOARD OF TRANSPORTATION ITEM O: _____(Date)

CITY OF HIGH POINT

AGENDA ITEM



TITLE: Consideration of a Purchase from Clinton Automotive, LLC dba Deacon Jones Ford of Clinton

FROM:
Kevin Rogers
Fleet Services Director

MEETING DATE:
April 16, 2026

PUBLIC HEARING:
No

ADVERTISED DATE/BY:
N/A

ATTACHMENTS:

1. Picture
2. Budget Ordinance Amendment
3. Bid Recommendation Form

PURPOSE: The Fleet Services Department needs to place an order for ten (10) Ford Interceptor SUVs utilizing NC State Contract# STC 2510A . The vehicles are 2026 models and have been identified for consideration by the City Council for approval.

BACKGROUND: The Police Department is currently using similar vehicles that need replacing based on mileage and condition. The new Ford Interceptors are like other vehicles in the city and will meet their needs. The individual price of each vehicle is \$45,129.61 and the total cost for ten (10) vehicles is \$451,296.10. The estimated delivery is less than six (6) months.

BUDGET IMPACT: A budget ordinance amendment appropriating general fund reserves is included with this item.

RECOMMENDED ACTION REQUESTED: City Council is requested to consider a purchase from Clinton Automotive, LLC dba Deacon Jones Ford of Clinton in the amount of \$451,296.10 for ten (10) Ford Interceptor SUVs, approve a budget ordinance amendment, and authorize the appropriate City Officials to execute all necessary documents.



“AN ORDINANCE AMENDING THE 2025-2026 BUDGET ORDINANCE
OF THE CITY OF HIGH POINT, NORTH CAROLINA
TO APPROPRIATE GENERAL FUND RESERVES FOR THE PURCHASE OF TEN FORD
INTERCEPTORS FOR THE HIGH POINT POLICE DEPARTMENT

Be it ordained by the City Council of the City of High Point, North Carolina, as follows:

Section 1. The proposed amendment appropriates \$451,300 in general fund reserves for the purchase of ten Ford Interceptor’s for the High Point Police Department.

Section 2. The 2025-2026 Budget Ordinance of the City of High Point should be amended as follows:

(A) That the following General Fund expenditures be amended as follows:

Transfer to Central Services Fund	\$451,300
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(B) That the following General Fund revenues be amended as follows:

Fund Balance Appropriation	\$451,300
----------------------------	-----------

(C) That the following Central Services Fund expenditures be amended as follows:

Fleet Vehicles – Ford Interceptor (10)	\$451,300
--	-----------

(D) That the following Central Services Fund revenues be amended as follows:

Transfer from General Fund	\$451,300
----------------------------	-----------

Section 3. That all ordinances, or parts of ordinances in conflict with this ordinance are hereby repealed to the extent of such conflict.

Section 4. That this ordinance shall be effective from and after its passage."

Adopted by High Point City Council, this the 20th day of April 2026

Cyril Jefferson, Mayor

ATTEST

Sandra Keeney, City Clerk

BID RECOMMENDATION

DEPARTMENT:

COUNCIL AGENDA DATE:

BID NO.: CONTRACT NO.: DATE OPEN:

DESCRIPTION:

PURPOSE:

COMMENTS:

RECOMMEND AWARD TO: AMOUNT:

JUSTIFICATION:

ACCOUNTING UNIT	ACCOUNT	ACTIVITY	CATEGORY	BUDGETED AMOUNT
TOTAL BUDGETED AMOUNT				

DEPARTMENT HEAD: DATE:

The Purchasing Division concurs with recommendation submitted by the and recommends award to the lowest responsible, responsive bidder in the amount of .

PURCHASING MANAGER: DATE:

FINANCIAL SERVICES DIRECTOR: DATE:

Approved for Submission to Council

CITY MANAGER: DATE:
(For City Council Approval Only)

CITY OF HIGH POINT

AGENDA ITEM



TITLE: Consideration of a Purchase from Batteries of NC, L.L.C.

FROM:
Kevin Rogers
Fleet Services Director

MEETING DATE:
April 16, 2026

PUBLIC HEARING:
No

ADVERTISED DATE/BY:
N/A

ATTACHMENTS:

1. Picture
 2. Budget Ordinance Amendment
 3. Bid Recommendation Form
-

PURPOSE: The Fleet Services Department is requesting to purchase emergency vehicle equipment from Batteries of NC, L.L.C. utilizing NC State Contract # 4616A as well as the Sourcewell Contract # 090122-WHL.

BACKGROUND: Fleet Services has been working for several years with outside vendors to provide the city with emergency vehicle equipment and installation services for patrol units in the police department. Since our department now has staff to perform the installation process, we need to have the parts ordered now for our new units that will be arriving in mid-2026. These parts are for city-owned vehicles and equipment. Utilizing the NC State Contract# 4616A as well as the Sourcewell Contract# 090122-WHL Batteries of NC, L.L.C. is being considered for purchase. The total cost of all equipment is \$102,653.90.

BUDGET IMPACT: A budget ordinance amendment appropriating general fund reserves is included with this item.

RECOMMENDED ACTION REQUESTED: City Council is requested to consider a purchase from Batteries of NC, L.L.C. in the amount of \$102,653.90 for emergency vehicle equipment, approve a budget ordinance amendment, and authorize the appropriate City Official(s) to execute all necessary documents.



"AN ORDINANCE AMENDING THE 2025-2026 BUDGET ORDINANCE
OF THE CITY OF HIGH POINT, NORTH CAROLINA
TO APPROPRIATE GENERAL FUND RESERVES FOR THE PURCHASE OF EMERGENCY
VEHICLE EQUIPMENT FOR THE HIGH POINT POLICE DEPARTMENT

Be it ordained by the City Council of the City of High Point, North Carolina, as follows:

Section 1. The proposed amendment appropriates \$102,660 in general fund reserves for the purchase of emergency vehicle equipment for the High Point Police Department.

Section 2. The 2025-2026 Budget Ordinance of the City of High Point should be amended as follows:

(A) That the following General Fund expenditures be amended as follows:

Transfer to Central Services Fund	\$102,660
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(B) That the following General Fund revenues be amended as follows:

Fund Balance Appropriation	\$102,660
----------------------------	-----------

(C) That the following Central Services Fund expenditures be amended as follows:

Emergency Vehicle Equipment	\$102,660
-----------------------------	-----------

(D) That the following Central Services Fund revenues be amended as follows:

Transfer from General Fund	\$102,660
----------------------------	-----------

Section 3. That all ordinances, or parts of ordinances in conflict with this ordinance are hereby repealed to the extent of such conflict.

Section 4. That this ordinance shall be effective from and after its passage."

Adopted by High Point City Council, this the 20th day of April 2026

Cyril Jefferson, Mayor

ATTEST

Sandra Keeney, City Clerk

BID RECOMMENDATION

DEPARTMENT:

COUNCIL AGENDA DATE:

BID NO.: CONTRACT NO.: DATE OPEN:

DESCRIPTION:

PURPOSE:

COMMENTS:

RECOMMEND AWARD TO: AMOUNT:

JUSTIFICATION:

ACCOUNTING UNIT	ACCOUNT	ACTIVITY	CATEGORY	BUDGETED AMOUNT
TOTAL BUDGETED AMOUNT				

DEPARTMENT HEAD: DATE:

The Purchasing Division concurs with recommendation submitted by the and recommends award to the lowest responsible, responsive bidder in the amount of .

PURCHASING MANAGER: DATE:

FINANCIAL SERVICES DIRECTOR: DATE:

Approved for Submission to Council

CITY MANAGER: DATE:
(For City Council Approval Only)

CITY OF HIGH POINT

AGENDA ITEM



TITLE: Consideration of Purchases from Multiple Vendors for Equipment to Upgrade the Commerce Substation

FROM:
Tyler Berrier
Electric Utilities Director

MEETING DATE:
April 16, 2026

PUBLIC HEARING:
No

ADVERTISED DATE/BY:
N/A

- ATTACHMENTS:**
1. Bid Recommendation Letter
 2. Bid Tabulation
-

PURPOSE: To purchase materials to perform maintenance to the Commerce Substation to upgrade the existing substation.

BACKGROUND: The Electric Department is procuring materials to be used on the Commerce Substation project (project is in the Electric CIP). The Purchasing department solicited bids for Metalclad Switchgear, 121 kV Breakers, Substation Structure, Power Transformers, Relay/Control Panels, Circuit Switchers, 15kV Breakers, Voltage Regulators and Fencing to be used at our Deep River Substation. These are all standard materials used regularly by the City of High Point Electric Utilities department.

On April 1, 2026, the City received bids for materials to perform maintenance to Commerce Substation. The Purchasing department received 24 total bids for the schedules listed below:

- Schedule I - Metalclad Switchgear - WESCO Distribution, Inc. - \$1,574,908.00**
- Schedule II - 121kV Breakers - Siemens Energy, Inc. - \$271,466.00**
- Schedule III - Substation Structure - Substation Enterprises, Inc. - \$569,426.00**
- Schedule IV - Power Transformer - Virginia Transformer Corp. - \$1,934,933.00**
- Schedule V - Relay/Control Panels – Lake Shore Electric, LLC - \$252,437.00**
- Schedule VI - 115kV Circuit Switchers – WESCO Distribution, Inc. - \$266,972.00**
- Schedule VII - 15kV Circuit Breakers – Siemens Industry, Inc. - \$98,841.00**
- Schedule VIII - Voltage Regulators – TSEA USA, LLC- \$421,512.00**
- Schedule IX - Fences and Gates – Border States Industries, Inc. - \$407,350.00**

BUDGET IMPACT: Funds are available in the FY 2025-2026 Budget.

RECOMMENDED ACTION REQUESTED: City Council is requested to consider purchases from multiple vendors for equipment to upgrade the Commerce Substation and authorize the appropriate City Official(s) to execute all necessary documents.



Southeastern Consulting Engineers, Inc.

April 8, 2026

Mr. Tyler Berrier, PE
City of High Point
P.O. Box 230
High Point, North Carolina 27261

Ref.: Substation Equipment Bid Recommendation
Bid # 21-040126

Dear Tyler:

The City received sealed proposals on April 1, 2026, from thirteen suppliers solicited for providing substation equipment. Each bid was reviewed for compliance with the technical specifications, purchase price, and delivery. Based on the preceding factors the following vendors submitted the lowest responsive and compliant bid:

Schedule I – Metalclad Switchgear

WESCO Distribution, Inc.
225 West Station Square Drive, Suite 700
Pittsburgh, PA 15219
Manufacturer: Powercon Corporation, Severn MD
Quote # Q-9584
Delivery: Q3 – 2027

Description	Quantity	Unit Price	Total Price
Metalclad Switchgear	Lump Sum	\$1,574,908.00	\$1,574,908.00

Schedule II – 121 kV Circuit Breakers

Siemens Energy, Inc.
444 Highway 49 South
Richland, MS 39218
Quote # SF262526380
Delivery 100 Weeks

Description	Quantity	Unit Price	Total Price
121 kV Circuit Breakers	2	\$135,733.00*	\$271,466.00

*Includes \$7,533 tariff per breaker

Schedule III – Substation Structure

Substation Enterprises, Inc.
 145 Commercial Court
 PO Box 2010
 Alabaster, AL 35007
 Project #: FK-4887
 Delivery: 38 -40 weeks

Description	Quantity	Unit Price	Total Price
Substation Structure and Appurtenances	Lump Sum	\$569,426.00	\$569,426.00

Schedule IV – Power Transformer

Virginia Transformer Corporation
 220 Glade View Drive NE
 Roanoke, VA 24012
 Quote # G261001A
 Delivery 55-60 Weeks

Description	Quantity	Price
Power Transformer Base Price	1	\$1,801,500.00
Estimated Freight	1	20,000.00
On site Assembly, Testing, Commissioning including SFRA	1	113,433.00
Total Sch. IV		\$1,934,933.00

Schedule V – Relay Panels

Lake Shore Electric
 5 Hemisphere Way
 Bedford, OH 44146
 Quote # 22054
 Delivery 16 Weeks

Description	Quantity	Total Price
Westend 100 kV Bus Panel	1	\$55,042.00
Westend 100 kV Line Panel	1	51,736.00
Eastchester 100 kV Panel	1	69,803.00
Filter 100 kV Line Panel	1	\$75,856.00
Total Sch. V		\$252,437.00

Schedule VI – 115 kV Circuit Switchers

WESCO Distribution, Inc.
 225 West Station Square Drive, Suite 700
 Pittsburgh, PA 15219
 Manufacturer: S&C Electric Company
 Quote # Q-179389-2
 Delivery: 91-95 weeks

Description	Quantity	Unit Price	Total Price
598738-BE8H1NRTT2VW1Y	2	\$133,486.00	\$266,972.00

Schedule VII – 15 kV Circuit Breakers

Siemens Industry, Inc.
 7000 Siemens Road
 Wendell, NC 27591
 Quote # 0001981
 Delivery 28 Weeks

Description	Quantity	Unit Price	Total Price
2000 A Main	3	\$32,947.00	\$98,841.00

- Includes purchasing a spare breaker

Schedule VIII – Voltage Regulators

TSEA USA, LLC
 757 North Eldridge Parkway, Suite 800
 Houston, TX 77079
 Delivery 23 Weeks

Description	Quantity	Unit Price	Total Price
Voltage Regulators	12	\$33,926	\$407,112.00
Spare Controllers	3	4,800	14,400
Total Sch. VIII			\$421,512.00

Schedule IX– Fences and Gates

Border States
422 Fairforest Way
Greenville, SC 29607
Manufacturer: Valmont Composite Structures
Project #: HM03252026COMMERC-1
Delivery: 16-20 weeks

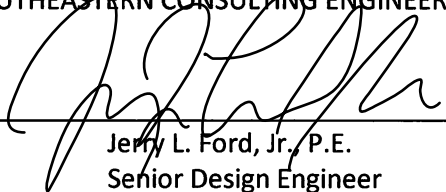
Description	Quantity	Total Price
Non-Conductive Fence and Gates	Lump Sum	\$407,350.00*
*Includes \$7,500 Engineering Fee for foundation design		

The total cost for the nine recommended schedules is \$5,797,845.00. We recommend that the City accept the proposals and issue a purchase order to the above Vendors. If you have any questions, please do not hesitate to contact us.

Very truly yours,

SOUTHEASTERN CONSULTING ENGINEERS, INC.

By _____



Jerry L. Ford, Jr., P.E.
Senior Design Engineer

JLF/lc

cc: Mr. Stephen Schaefer
Mr. Philip Hiatt, PE

BID TABULATION
Commerce Substation
Equipment and Materials

City of High Point
High Point, North Carolina

Date: April 1, 2026
Time: 2:30 PM, EST

<u>Bidder</u>		<u>Myers Controlled Power, LLC</u>	<u>nVent EUS</u>	<u>WESCO</u>	<u>Lake Shore Electric</u>	<u>Siemens</u>
<u>Schedule I- Metalclad Switchgear</u>						
	<u>Qty.</u>					
Metalclad Switchger Building	1	\$ 1,881,843.00	\$ 1,766,000.00	\$ 1,574,900.00	\$ 1,714,526.00	\$ 2,229,273.00
Delivery:		<u>74 Weeks</u>	<u>104-108 Weeks</u>	<u>Q3 2027</u>	<u>40 - 60 Weeks</u>	<u>57 Weeks</u>
Manufacturer:		<u>Myers</u>		<u>PowerConn</u>	<u>Lake Shore</u>	<u>Siemens</u>
 <u>Additional Items and Alternates</u>						
Additional installation/commissioning (3 Days included in base price)	1Day	\$ _____	\$ _____	\$ _____	\$ 3,467.00	\$ 69,992.00
 <u>Schedule II - 121 kV Circuit Breakers</u>						
	<u>Qty.</u>					
121 kV Circuit Breaker	2	\$ 271,466.00	\$ _____	\$ _____	\$ _____	\$ _____
Delivery:		<u>100 Weeks</u>				
Manufacturer:		<u>Siemens</u>				
 <u>Schedule III - Substation Structure</u>						
	<u>Qty.</u>					
Substation Structure	L.S.	\$ 585,400.00	\$ 574,005.88	\$ 515,777.00	\$ _____	\$ _____
Voltage Transformers with Stands, 115 kV	3	\$ 44,500.00	\$ Included	\$ 53,649.00	\$ _____	\$ _____
Total, Schedule III		\$ 629,900.00	\$ 574,005.88	\$ 569,426.00	\$ _____	\$ _____
Delivery:		<u>74-76 Weeks</u>		<u>38-40 Weeks</u>		
Manufacturer:						

BID TABULATION (Continued)

Commerce Substation - Equipment and Material

City of High Point
High Point, North Carolina

Date: April 1, 2026
 Time: 2:30 PM, EST

Bidder		<u>Hitachi</u>	<u>VTC</u>	<u>WESCO</u>	<u> </u>	<u> </u>
<u>Schedule IV - Power Transformer</u>						
	<u>Qty.</u>					
Power Transformer	1	\$ 2,382,210.00	\$ 1,801,500.00	\$ 1,954,535.00	\$ <u> </u>	\$ <u> </u>
Offloading	1	\$ 45,300.00	\$ <u>Not Accepted</u>	\$ 41,599.00	\$ <u> </u>	\$ <u> </u>
Onsite Assembly, Testing, & Commissioning	1	\$ 141,900.00	\$ 113,433.00	\$ 125,991.00	\$ <u> </u>	\$ <u> </u>
Shipping		\$ 31,200.00	\$ 20,000.00		\$ <u> </u>	\$ <u> </u>
Total, Schedule IV		\$ <u>2,606,610.00</u>	\$ <u>1,934,933.00</u>	\$ <u>2,122,125.00</u>	\$ <u> </u>	\$ <u> </u>
Delivery:		<u>35 Months</u>	<u>55-60 Weeks</u>	<u>Q1 2029</u>	<u> </u>	<u> </u>
Manufacturer:		<u>Hitachi</u>	<u>VTC</u>	<u>Waukesha</u>	<u> </u>	<u> </u>

Bidder		<u> </u>	<u> </u>	<u>WESCO</u>	<u>Lake Shore</u>	<u> </u>
<u>Schedule V- Relay Panel</u>						
	<u>Qty.</u>					
Westend 100 KV Bus Panel	1	\$ <u> </u>	\$ <u> </u>	\$ 67,632.00	\$ 55,042.00	\$ <u> </u>
Westend 100 KV Line Panel	1	\$ <u> </u>	\$ <u> </u>	\$ 63,270.00	\$ 51,736.00	\$ <u> </u>
Eastchester 100 KV Panel	1	\$ <u> </u>	\$ <u> </u>	\$ 80,157.00	\$ 69,803.00	\$ <u> </u>
Eastchester 100 KV Line Panel	1	\$ <u> </u>	\$ <u> </u>	\$ 89,037.00	\$ 75,856.00	\$ <u> </u>
Total, Schedule V		\$ <u> </u>	\$ <u> </u>	\$ <u>296,422.00</u>	\$ <u>252,437.00</u>	\$ <u> </u>
Delivery:		<u> </u>	<u> </u>	<u>28 Weeks</u>	<u>16 Weeks</u>	<u> </u>
Manufacturer:		<u> </u>	<u> </u>	<u>EP²</u>	<u>Lake Shore</u>	<u> </u>

Bidder		<u> </u>	<u> </u>	<u>WESCO</u>	<u> </u>	<u> </u>
<u>Schedule VI - Circuit</u>						
<u>Switchers</u>						
	<u>Qty.</u>					
Circuit Switchers	2	\$ <u> </u>	\$ <u> </u>	\$ 266,972.00*	\$ <u> </u>	\$ <u> </u>
Delivery:		<u> </u>	<u> </u>	<u>Q1 2028</u>	<u> </u>	<u> </u>
Manufacturer:		<u> </u>	<u> </u>	<u>S&C Electric</u>	<u> </u>	<u> </u>
				*Less \$7,990.00 for field service		

BID TABULATION (Continued)

Commerce Substation - Equipment and Material

City of High Point
High Point, North Carolina

Date: April 1, 2026
 Time: 2:30 PM, EST

<u>Bidder</u>		<u>Myers</u> <u>Controlled Power</u>	<u>National</u> <u>Transformer Sales</u>	<u>ABB</u>	<u>_____</u>	<u>_____</u>
<u>Schedule VII - 15KV Vacuum</u>						
<u>Circuit Breakers</u>						
	<u>Qty.</u>					
Vacuum Circuit Breakers 2000A	2	\$ 88,206.00	\$ 65,894.00	\$ 84,981.42	\$ _____	\$ _____
Delivery:		<u>_____</u>	<u>28 Weeks</u>	<u>27 Weeks</u>	<u>_____</u>	<u>_____</u>
Manufacturer:		<u>_____</u>	<u>Siemens</u>	<u>ABB</u>	<u>_____</u>	<u>_____</u>

<u>Bidder</u>		<u>NTS</u>	<u>Border States</u>	<u>Atlantic</u> <u>Power Sales</u>	<u>WESCO</u>	<u>_____</u>
<u>Schedule VIII - Voltage Regulators</u>						
	<u>Qty.</u>					
Voltage Regulators	12	\$ 488,736.00	\$ 593,820.00	\$ 421,512.00 *	\$ 604,956.00*	\$ _____
Delivery:		<u>34-38 Weeks</u>	<u>36-38 Weeks</u>	<u>160 Days</u>	<u>Q1 2027</u>	<u>_____</u>
Manufacturer:		<u>Siemens</u>	<u>Eaton</u>	<u>TSEA</u>	<u>GE Prolec</u>	<u>_____</u>
				*Includes \$14,400 for spare relays	* Includes \$19,260.00 for bases	

<u>Bidder</u>		<u>_____</u>	<u>Border States</u>	<u>_____</u>	<u>WESCO</u>	<u>_____</u>
<u>Schedule IX - Fences and Gates</u>						
	<u>Qty.</u>					
Non-conductive SafeFence System	L.S.	\$ _____	\$ 407,350.00*	\$ _____	\$ 415,439.00	\$ _____
Delivery:		<u>_____</u>	<u>16-20 Weeks</u>	<u>_____</u>	<u>Q1 2027</u>	<u>_____</u>
Manufacturer:		<u>_____</u>	<u>Shakespeare</u>	<u>_____</u>	<u>Varquish</u>	<u>_____</u>
			*Includes \$7,500.00 Engineering Fee			

CITY OF HIGH POINT

AGENDA ITEM



TITLE: Consideration of an Ordinance Approving the Amended and Restated Project Power Sales Agreement and Amended and Restated Supplemental Power Sales Agreement

FROM:
Tyler Berrier
Electric Utilities Director

MEETING DATE:
April 16, 2026

PUBLIC HEARING:
No

ADVERTISED DATE/BY:
N/A

ATTACHMENTS:

1. Ordinance
2. Amended and Restated Project Power Sales Agreement
3. Amended and Restated Supplemental Power Sales Agreement

PURPOSE: The City of High Point (the City”) and North Carolina Municipal Power Agency Number 1 (“NCMPA1”) are parties to those certain Project Power Sales Agreement (“PPSA”) and Supplemental Project Power Sales Agreement (“SPSA”), each first executed in 1978, and as amended from time to time. NCMPA1 has requested the City consider an ordinance to approve the amendment and restatement of both the PPSA and SPSA.

BACKGROUND: The Board of Commissioners of NCMPA1 and the Board of Directors of ElectriCities of North Carolina Inc. have concluded that it is in the best interests of the NCMPA1 to enter into the (1) Amended and Restated Project Power Sales Agreement (“Amended and Restated PPSA”), which would commence on January 1, 2033, and expire on December 5, 2043 (unless the last unit at Catawba Nuclear Station is retired before December 5, 2043) and the (2) Amended and Restated Supplemental Power Sales Agreement (“Amended and Restated SPSA”), which would commence on May 1, 2028, and expire on December 5, 2043.

To effectuate this transaction, NCMPA1 has requested the City, and each of the other eighteen municipalities that participate in NCMPA1, to adopt an ordinance to approve and execute the Amended and Restated PPSA and the Amended and Restated SPSA. The amendments and restatements, among other things, update and revise the language of each contract, and extend the length of the terms to expire in 2043, at the same time as the current U.S. Nuclear Regulatory Commission license for Catawba Nuclear Station.

BUDGET IMPACT: N/A

RECOMMENDED ACTION REQUESTED: City Council is requested to consider an ordinance approving the Amended and Restated PPSA and the Amended and Restated SPSA and authorize the appropriate City official(s) to execute all necessary documents.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HIGH POINT, NORTH CAROLINA, DETERMINING THAT IT IS IN THE BEST INTERESTS OF THE CITY OF HIGH POINT TO APPROVE AND AUTHORIZE THE EXECUTION AND DELIVERY OF, AMONG OTHER DOCUMENTS, AN AMENDED AND RESTATED PROJECT POWER SALES AGREEMENT WITH NORTH CAROLINA MUNICIPAL POWER AGENCY NUMBER 1 AND AN AMENDED AND RESTATED SUPPLEMENTAL POWER SALES AGREEMENT WITH NORTH CAROLINA MUNICIPAL POWER AGENCY NUMBER 1

WHEREAS, the City of High Point (the “**Municipality**”) and North Carolina Municipal Power Agency Number 1 (“**Power Agency**”) entered into a Project Power Sales Agreement, Catawba Nuclear Project (the “**Power Sales Agreement**”), dated as of the first day of May, 1978, pursuant to which Power Agency provides, or causes to be provided, the Municipality with power and energy from the Catawba Project; and

WHEREAS, the Board of Directors of ElectriCities of North Carolina, Inc., on January 23, 2026, adopted (i) Resolution BDR-1-26 (the “**Resolution**”), which, among other things, (i) authorizes Power Agency to execute and deliver to each Participant an Amended and Restated Project Power Sales Agreement (“**Amended and Restated PPSA**”) and (ii) authorizes Power Agency to execute and deliver to each Participant an Amended and Restated Supplemental Power Sales Agreement (“**Amended and Restated SPSA**”) and to take such actions as are necessary, advisable or convenient to obtain the consent of each Participant to, and the approval of each Participant of, the consummation of the transactions contemplated by the Amended and Restated PPSA and Amended and Restated SPSA; and

WHEREAS, Power Agency has caused GDS Associates, Inc., Power Agency’s Consulting Engineer, to prepare an economic analysis of the projected impact of the transactions contemplated by the Amended and Restated PPSA and Amended and Restated SPSA on Power Agency’s

wholesale power costs and proposed full requirements wholesale rates (the “**Economic Analysis**”); and

WHEREAS, Power Agency has caused to be furnished to the Municipality each of the following: (i) the Amended and Restated PPSA, (ii) Amended and Restated SPSA, (iii) Resolution BDR-1-26, (iv) an executed Amended and Restated PPSA, dated as of January 23, 2026, (v) an executed Amended and Restated SPSA, dated as of January 23, 2026, and (vi) the Economic Analysis; and

WHEREAS, the City Council of the Municipality (the “**Governing Body**”) has taken into consideration the benefits which might be achieved by (i) approving, executing and delivering the Amended and Restated PPSA and (ii) approving, executing and delivering the Amended and Restated SPSA.

NOW, THEREFORE, BE IT ORDAINED, by the City Council of the City of High Point:

1. After due consideration of the contents of each of the preambles set forth above and to each of the documents referred to in such preambles, the Governing Body hereby finds and determines that it is in the best interests of the Municipality to enter into the Amended and Restated PPSA and the Amended and Restated SPSA.

2. The Governing Body hereby authorizes and directs that the Amended and Restated PPSA and the Amended and Restated SPSA be executed for and on behalf of the Municipality by the Mayor and Clerk, sealed with the seal of the Municipality and delivered to the Power Agency in the form and substance of the Amended and Restated PPSA and the Amended and Restated SPSA presented at this meeting.

3. The Governing Body hereby directs the Clerk to furnish or cause to be furnished to Power Agency a certified copy of this ordinance together with the executed Amended and Restated PPSA and the executed Amended and Restated SPSA.

4. The Governing Body hereby directs the Clerk to file with the minutes of this meeting (i) Resolution BDR-1-26, (ii) the proposed Amended and Restated PPSA, (iii) the proposed Amended and Restated SPSA, and (iv) the Economic Analysis as presented and available at this meeting.

5. This Ordinance shall become effective upon its adoption.

ADOPTED this _____ day of _____, 2026.

Cyril Jefferson, Mayor

ATTEST:

Sandra Keeney, City Clerk

(SEAL)

NORTH CAROLINA MUNICIPAL POWER AGENCY NUMBER 1
AMENDED AND RESTATED PROJECT POWER SALES AGREEMENT
CATAWBA NUCLEAR PROJECT

THIS AGREEMENT is dated as of January 23, 2026, by North Carolina Municipal Power Agency Number 1, a joint agency of the State of North Carolina (“Power Agency”), and the City of High Point, a municipality of the State of North Carolina (the “Participant”). Capitalized terms not defined in Section 1 or otherwise herein shall have the meanings assigned thereto in the Project Agreements (hereinafter defined).

WHEREAS, Power Agency has heretofore been duly organized as a public body and a body corporate and politic under the laws of the State of North Carolina (G.S. Chapter 159B) and, among other things, is authorized to study, plan, finance, construct, reconstruct, acquire, improve, enlarge, extend, better, own, operate, and maintain systems or facilities or any interests therein for the generation, transmission and transformation, or any of them, of electric power and energy, jointly with other public or private entities engaged in the generation, transmission, or distribution of electric power and energy for resale within the State of North Carolina or any state contiguous thereto, is authorized to sell for resale electric power and energy and is authorized to issue its bonds, subject to the approval of the Local Government Commission of the State of North Carolina, for the purpose of providing funds for any of its corporate purposes; and

WHEREAS, the Participant is a city or town created under the laws of the State of North Carolina, owning a system or facilities for the generation, transmission, or distribution of electric power and energy for public and private use, and is authorized by said laws to contract to buy from Power Agency some or all of the power and energy required for its present or future requirements; and

WHEREAS, Power Agency owns and manages the maintenance and operations of a 75% undivided ownership interest in Unit 2 and a 37.5% undivided ownership interest in the Support Facilities of the Catawba Nuclear Station for the supply of power and energy to the Participant and all other Participants contracting with Power Agency pursuant to Project Power Sales Agreements substantially identical to this Agreement and providing in the aggregate for the purchase by the Participants of 100% of the Participants' Shares of Project Output, all pursuant to Article V, Section 10, of the Constitution of North Carolina and Chapter 159B of the General Statutes of North Carolina ("Chapter 159B"); and

WHEREAS, Power Agency has determined that the Project is required to provide for a portion of the projected needs for power and energy of the Participants in accordance with Chapter 159B; and

WHEREAS, Power Agency, in determining the future power requirements of the Participants has taken into account the factors included in Chapter 159B; and

WHEREAS, Power Agency has entered into the Project Agreements with Duke with respect to the purchase, construction, operation, and fueling of the Project and interconnection of the Project with Duke's transmission system, including backstand and reliability exchange provisions; and

WHEREAS, Power Agency and the Participant are parties to that certain Project Power Sales Agreement, dated May 1, 1978, and subsequently amended October 31, 1984, April 15, 2005, and July 28, 2023, that provides for the sale of Project Output through December 31, 2032; and

WHEREAS, this Agreement amends and restates that certain Project Power Sales Agreement, dated May 1, 1978, by and between the Power Agency and Participant to effect sales

of Project Output beginning on January 1, 2033 and to amend and restate the obligations therein as of January 1, 2033.

NOW, THEREFORE, the parties hereto mutually agree as follows:

SECTION 1. Definitions. The singular of any term defined in this Agreement shall encompass the plural, and the plural the singular, unless the context indicates otherwise.

(a) "Annual Budget" means the budget adopted by Power Agency pursuant to Section 5(a) which itemizes the estimated Monthly Project Power Costs during a Contract Year or, in the case of an amended Annual Budget, during the remainder of a Contract Year.

(b) "Billing Statement" means the written statement prepared monthly by Power Agency and delivered to the Participant pursuant to Section 5(b) which shows the amounts to be paid for such month to Power Agency by the Participant as the Participant's Share of the Monthly Project Power Costs.

(c) "Bond Resolution" means Resolution No. R-16-78 adopted by the Board of Commissioners of the Power Agency on November 16, 1978, as amended and as the same may be further amended or supplemented, pursuant to which the Bonds are issued as well as any new bond resolution for the Project that the Power Agency may adopt in the future.

(d) "Bonds" means bonds issued from time to time pursuant to and under authority of the Bond Resolution (i) to pay Costs of Acquisition and Construction and (ii) for the purposes authorized by Section 14.

(e) "Catawba Nuclear Station" means the nuclear fueled generation facility consisting of two units, Unit 1 and Unit 2, and Support Facilities located on Lake Wylie in York County, South Carolina, as more particularly described in the Sales Agreement and defined therein as the "Catawba Nuclear Station".

(f) “Consulting Engineer” means the consulting engineer or engineering firm or corporation appointed pursuant to Section 15 hereof.

(g) “Contract Year” means the 12-month period commencing 12:01 A.M. local time on January 1 of each year during the term of this Agreement and ending midnight local time on the December 31 next following (or such other 12-month period as Power Agency shall determine); provided, however, that the first Contract Year shall commence at 12:01 A.M. local time on January 1, 2033 and the last Contract Year shall end at midnight local time on the date of expiration or prior termination of this Agreement as provided in Section 2.

(h) “Costs of Acquisition and Construction” means, to the extent not included in Monthly Project Power Costs, all costs of studying, planning, engineering, acquiring, constructing, financing, carrying out, and placing in operation the Project, and giving effect to the arrangements provided for under the Project Agreements after taking into account credits with respect thereto), whether heretofore or hereafter paid or incurred by Power Agency, and shall include, but shall not be limited to, funds required for:

(1) all costs required to be borrowed by Power Agency under the Sales Agreement and, where applicable, the Operating Agreement, all as affected by the exchange payment provisions of Article 14 of the Interconnection Agreement;

(2) working capital in such amounts as may be reasonably deemed necessary by Power Agency;

(3) the deposit or deposits from the proceeds of Bonds in any fund or account established pursuant to the Bond Resolution to meet debt service reserve requirements for Bonds;

(4) the deposit or deposits from the proceeds of Bonds in any fund, or accounts established pursuant to the Bond Resolution as reserves for renewals, replacements, and contingencies, and for retirement from service, decommissioning, or termination;

(5) all federal, state, and local taxes and payments in lieu of taxes legally required to be paid;

(6) the payment of the principal of and premium, if any, and interest on notes or other evidences of indebtedness issued in anticipation of the issuance of Bonds for the payment of the Costs of Acquisition and Construction;

(7) the costs and expenses incurred in connection with the issuance and sale of Bonds, including bond discounts and fees and expenses of trustees and paying agents;

(8) reimbursements of amounts advanced with respect to the Project by the Participants;

(9) all costs and expenses relating to injury and damage claims arising out of the acquisition and construction of the Project, including deferred premiums and the cost of maintaining any guarantee of payment thereof required pursuant to the Atomic Energy Act of 1954, as amended from time to time, or any successor statute;

(10) preliminary survey, investigation, and development costs; engineering fees; contractors' fees; costs of obtaining permits, licenses, and approvals; costs of labor, materials, equipment, lands, rights of way, franchises, easements, and other interests in land, repairs, betterments, utility services, and supplies; payments to other public agencies; training and testing costs; insurance premiums; legal and financing costs; and administrative and general costs; and

(11) all costs incurred or associated with the salvage, discontinuance, decommissioning, and disposition or sale of properties required to be paid by Power Agency in accordance with the Project Agreements.

(i) “Duke” means Duke Energy Carolinas, LLC, a corporation organized and existing under the laws of the State of North Carolina, or any successors and assigns.

(j) “Electric System” means all properties and assets, real and personal and tangible and intangible, of the Participant now or hereafter existing, used or pertaining to the generation, transmission, transformation, distribution, and sale of electric power and energy, including all additions, extensions, expansions, improvements, and betterments thereto, however, that to the extent the Participant is not the sole owner of an asset or property, only the Participant’s ownership interest in such asset or property shall be considered to be, part of its Electric System.

(k) “Interconnection Agreement” means the agreement dated as of March 6, 1978, and amended from time to time, between Power Agency and Duke known as the Catawba Nuclear Station Interconnection Agreement providing for interconnection between the Duke transmission system and the Catawba Nuclear Station, exchange of power between Unit 1 and Unit 2 of the Catawba Nuclear Station and between the Catawba Nuclear Station units and the McGuire Nuclear Station units owned by Duke, backstand provisions, retained capacity from the Project, purchased capacity and energy and surplus energy sales from the Project, the purchase of supplemental capacity and energy, transmission service and other matters, as the same may be modified, amended, or supplemented from time to time.

(l) “Monthly Project Power Costs” means, to the extent not included in the Costs of Acquisition and Construction or payable under the Supplemental Power Sales Agreements, all of Power Agency’s costs that are paid or incurred by Power Agency during each month or each

Contract Year resulting from the ownership, operation, maintenance, termination, retirement from service, and decommissioning of, and necessary repairs, renewals, replacements, additions, improvements, betterments, and modifications to, the Project and giving effect to the arrangements provided for under the Project Agreements (after taking into account credits with respect thereto), and the providing of reserves for such purposes, including, but not limited to, the following items of cost:

(1) the amount which may be required by Power Agency during such month to pay costs pursuant to the Operating Agreement, as affected by the exchange payment provisions of Article 14 of the Interconnection Agreement, plus the payments required for the McGuire Reliability Exchange pursuant to Article 5 and Section 8.2, or Article 11, all of the Interconnection Agreement, plus the payments for Replacement Energy (as defined in the Interconnection Agreement) pursuant to Section 8.1(c) of the Interconnection Agreement, less revenues received from sales of Project Output to other than the Participants, including, but not limited to, payments received from Central Electric Power Cooperative, Inc. pursuant to the Power Purchase Agreement dated as of June 5, 2023, and payments received from Duke for Purchased Capacity, Purchased Energy and Surplus Energy pursuant to the Interconnection Agreement and for Duke's Reliability Exchange Entitlement from the Catawba Nuclear Station pursuant to the McGuire Reliability Exchange as provided in Section 10.2(b) of the Interconnection Agreement;

(2) the amount (calculated without reference to any acceleration for default under the Bond Resolution) which Power Agency is required under the Bond Resolution to pay or deposit during such month from the Revenue Fund into the Bond Fund established by the Bond Resolution for the payment of the principal of and premium, if any, and interest

on the Bonds and for reserves with respect thereto (as the terms “Revenue Fund” and “Bond Fund” or substantially equivalent terms are defined in the Bond Resolution);

(3) the amount required under the Bond Resolution to be paid or deposited during such month into any fund or account established by the Bond Resolution, other than funds and accounts referred to in clause (2) above;

(4) (a) to the extent funds are not otherwise available, the payment of the principal of and premium, if any, and interest on notes or other evidences of indebtedness issued in anticipation of the issuance of Bonds for the payment of the Costs of Acquisition and Construction or for the purposes specified in Section 14;

(4) (b) the payment of the principal of and premium, if any, and interest on Subordinated Debt;

(4) (c) all costs and expenses relating to the issuance, security, and payment of (i) notes or other evidences of indebtedness issued in anticipation of the issuance of Bonds for payment of the Costs of Acquisition and Construction and (ii) Subordinated Debt, in each case including without limitation costs and expenses associated with the insurance contracts, agreements for lines of credit, letters of credits, commitments to purchase such notes or other evidences of indebtedness or Subordinated Debt, depositaries for safekeeping and agents for delivery and payment;

(5) all costs incurred or associated with the salvage, discontinuance, decommissioning, and disposition or sale of properties required to be paid by Power Agency in accordance with the Project Agreements, including, but not limited to, all of Power Agency’s accrued costs and liabilities resulting from Power Agency’s ownership,

acquisition, construction, operation (including cost of fuel), maintenance, and renewals and replacements;

(6) all costs and expenses relating to injury and damage claims required to be paid by Power Agency pursuant to the Project Agreements, including deferred premiums and the cost of maintaining any guarantee of payment thereof required pursuant to the Atomic Energy Act of 1954, as amended from time to time, or any successor statute; provided, however, that in no event shall Monthly Project Power Costs include any public liability of Power Agency for a nuclear incident in excess of that provided under the Atomic Energy Act of 1954, as amended from time to time, or any successor statute; and

(7) any other costs incurred by Power Agency during such month (including, but not limited to, operation, maintenance, and repair costs and working capital and reserves deemed necessary therefor by Power Agency, administrative and general expenses, taxes, insurance, and overhead) not included in the costs herein before specified.

(m) "Operating Agreement" means the agreement dated as of March 6, 1978, between Power Agency and Duke known as the Catawba Nuclear Station Operating and Fuel Agreement, providing for the operation, maintenance, and fueling of the Catawba Nuclear Station, the making of renewals, capital additions, and replacements therefor and the decommissioning thereof, as the same may be modified, amended, or supplemented from time to time.

(n) "Participants" means those entities specified in Exhibit A hereto.

(o) "Participant's Share" is as defined in and calculated pursuant to Exhibit B attached hereto, which may be adjusted as provided in Sections 6 and 12 of this Agreement.

(p) "Power Agency" means North Carolina Municipal Power Agency Number 1, a joint agency of the State of North Carolina.

(q) “Project” means Power Agency’s 75% undivided ownership interest in Unit 2 of the Catawba Nuclear Station and 37.5% undivided ownership interest in the Support Facilities of the Catawba Nuclear Station.

(r) “Project Agreements” means, collectively, the Sales Agreement, the Operating Agreement, and the Interconnection Agreement.

(s) “Project Output” means the amounts of electric power and energy, if any, to which Power Agency is entitled at any particular time pursuant to the Interconnection Agreement.

(t) “Project Power Sales Agreements” means this Agreement and all other agreements substantially identical to this Agreement entered into by Power Agency and the Participants.

(u) “Reliability Exchanges” means those provisions of the Interconnection Agreement which provide for the exchange of capability and output from the Project for capability and output from Unit 1 of the Catawba Nuclear Station and the exchange of capability and output from the Catawba Nuclear Station units for capability and output from the McGuire Nuclear Station owned by Duke.

(v) “Revenues” means all income, rents, rates, fees, charges, and other moneys derived by the Participant from the ownership or operation of its Electric System, including, without limiting the generality of the foregoing, (i) all income, rents, rates, fees, charges, or other moneys derived from the sale, furnishing, and supplying of the electric power and energy and other services, facilities, and commodities sold, furnished, or supplied through the facilities of the Electric System; (ii) the earnings on and income derived from the investment of such income, rents, rates, fees, charges, or other moneys to the extent that the use of such earnings and income is limited by or pursuant to law to the Electric System; and (iii) the proceeds derived by the Participant directly or

indirectly from the sale, lease, or other disposition of a part of the Electric System as permitted by clauses (1) and (2) of paragraph (d) of Section 6, but the term “Revenues” shall not include customers’ deposits or any other deposits subject to refund until such deposits have become the property of the Participant.

(w) “Sales Agreement” means the agreement, dated as of March 6, 1978, between Power Agency and Duke known as the Catawba Nuclear Station Purchase, Construction, and Ownership Agreement, providing for the construction, initial fueling, and placing into commercial operation of the Catawba Nuclear Station and for the sale to Power Agency of the Project, as the same may be modified, amended, or supplemented from time to time.

(x) “Support Facilities” means facilities at the Catawba Nuclear Station which are not a part of or identified with Unit 1 or Unit 2 thereof, as more particularly described in the Sales Agreement and defined therein as the “Support Facilities”.

(y) “Usual Utility Practice” at a particular time means any of the practices, methods, and acts which, in the exercise of reasonable judgment in the light of the facts (including but not limited to the practices, methods, and acts engaged in or approved by a significant portion of the electrical utility industry prior thereto) known at the time the decision was made, would have been expected to accomplish the desired result at a reasonable cost consistent with reliability and safety. Usual Utility Practice is not intended to be limited to the optimum practice, method, or act, to the exclusion of all others, but rather to be a number of possible practices, methods, or acts. In evaluating whether any matter conforms to Usual Utility Practice as used in this Agreement, the parties hereto shall take into account (i) the fact that Power Agency and each Participant is a public body and a body corporate and politic organized under the laws of the State of North Carolina, with the statutory duties and responsibilities thereof; (ii) the objectives to integrate the Project Output

with the other resources of the Participants, including such resources and electric capacity and energy purchased under contract, to achieve optimum utilization of the resources and achieve efficient and economical operation of each system; and (iii) the Project Agreements.

(z) “Subordinated Debt” means any bonds, notes, certificates, warrants, or other evidences of indebtedness issued for the payment of the Costs of Acquisition and Construction, or for the purposes specified in Section 14 hereof, or for any other purpose in connection with the Project (including without limitation an administrative building or office, including land therefor, together with any administrative equipment and facilities, for use in whole or in part by Power Agency) as authorized by the resolution authorizing the issuance of any such Subordinated Debt, which are payable as to principal and interest from the Revenues subject and subordinate to the deposits and credits required to be made pursuant to the Bond Resolution from the Revenues and Revenue Fund into the Operating Fund, the Bond Fund, the Reserve and Contingency Fund, and the Decommissioning Fund (as the terms “Revenue Fund,” “Operating Fund,” “Bond Fund,” “Reserve and Contingency Fund,” and “Decommissioning Fund” are defined in the Bond Resolution).

SECTION 2. Term of Agreement. This Agreement shall become effective on January 1, 2033, and its effectiveness is conditioned upon the execution and delivery of Project Power Sale Agreements by Power Agency and all Participants in a form materially identical to this Agreement¹. This Agreement shall expire on the earlier of (i) December 5, 2043, or (ii) the date upon which the last unit at the Catawba Nuclear Station, whether Unit 1 or Unit 2, is retired. Neither termination nor expiration of this Agreement shall affect any accrued liability or obligation hereunder, including, but not limited to, cost of decommissioning.

SECTION 3. Financing, Acquisition, Construction, Operation and Maintenance. Power Agency, in good faith and in accordance with the provisions of the Project Agreements, shall use its best efforts in accordance with Usual Utility Practice: (i) to undertake, or cause to be undertaken, the study, planning, engineering, design, financing, construction, acquisition, operation, and maintenance of the Project; (ii) to obtain, or cause to be obtained, Federal, state, and local permits, licenses, and other rights and regulatory approvals necessary for the financing, construction, acquisition, operation, and maintenance of the Project; and (iii) to issue and sell Bonds, or notes or other evidences of indebtedness issued in anticipation of the issuance of Bonds, or Subordinated Debt; to finance the Costs of Acquisition and Construction; and to finance the costs referred to in Section 14 hereof, not otherwise provided for, as permitted by the terms of the Bond Resolution provided that, in each such case, Bonds, such notes or other evidences of indebtedness, or Subordinated Debt may then be legally issued and sold.

SECTION 4. Sale and Purchase of Participant's Share. During each Contract Year, Power Agency hereby sells, and Participant hereby purchases, its Participant's Share of Project Output. At any particular time during the term of this Agreement, the amounts of Project Output to which the Power Agency is entitled shall be calculated by giving effect to any sales thereof by Power Agency pursuant to power purchase agreements approved by all of the Participants.

The Participant covenants and agrees that it will not use or permit to be used any Project Output acquired hereunder in any manner or for any purpose which would cause any Bond which at the time of issuance thereof was not subject to treatment as an "industrial development bond," as defined in subsection (b)(2) of Section 103 of the Internal Revenue Code of 1954, as amended, of the United States of America as then in effect ("1954 Code"), to be subject to treatment under subsection (b)(1) of said Section 103 as an obligation not described in subsection (a)(1) of said

Section 103, or (2) a "private activity bond," as defined in section 141 of the Internal Revenue Code of 1986, as amended, of the United States of America as then in effect (the "1986 Code"), to be subject to treatment under subsection (b)(1) of Section 103 of the 1986 Code as an obligation not described in subsection (a) of Section 103 of the 1986 Code. The Participant, prior to entering into any contract whereby a non-exempt person as defined under Section 103(b)(2) of the 1954 Code or a person other than a governmental unit agrees to take, or to take or pay for or that would otherwise result in private business use under Section 141 of the 1986 Code, Project Output, shall notify Power Agency of its intent to enter into such a contract which notice shall describe such contract in reasonable detail. As soon after receipt of such notice as is practicable, Power Agency shall advise the Participant in writing as to whether in its opinion the entering into of such contract would result in the violation of the foregoing covenant, and the Participant agrees that if Power Agency so advises the Participant that such a violation would result, it shall not enter into such contract.

It is expressly understood and agreed that Power Agency does not hereby contract to furnish the Participant electric power for pumping water for extinguishing fires.

SECTION 5. Annual Budget and Billing Statements; Payments by the Participant.

(a) Prior to each Contract Year, Power Agency shall send to the Participant via either U.S. mail or electronic means a proposed Annual Budget for the Contract Year and shall adopt and send to the Participant, in the same manner that it sent the proposed Annual Budget for the Contract Year, an Annual Budget for the Contract Year. During each Contract Year, Power Agency shall review at least quarterly, and at such other times as Power Agency deems desirable, the Annual Budget for the Contract Year. In the event such review indicates that the Annual Budget does not or will not substantially correspond with actual receipts and expenditures, or if at any time

during such Contract Year there are or are expected to be extraordinary receipts, credits, or costs substantially affecting the Monthly Project Power Costs, Power Agency shall adopt and send to the Participant, via either U.S. mail or electronic means, an amended Annual Budget which shall supersede the Annual Budget or amended Annual Budget theretofore provided as the basis for the determination of Monthly Project Power Costs for the remainder of such Contract Year.

(b) Beginning with the first full month of the first Contract Year and every month of a Contract Year thereafter, not later than the tenth day of such month, Power Agency shall prepare, date, and on such date send to the Participant, via electronic means, a Billing Statement showing (i) the amount payable by the Participant as the Participant's Share of the Monthly Project Power Costs for the preceding month; (ii) the amount, if any, to be credited against Monthly Project Power Costs pursuant to paragraph (g) of this Section; and (iii) any other amounts payable by or credited to the Participant pursuant to this Agreement and not payable or credited pursuant to clauses (i) and (ii) of this paragraph.

(c) The amounts shown in the Billing Statement are to be paid by electronic means to Power Agency by the Participant and shall be due and payable ten (10) days after the date of the Billing Statement, and any amounts due and not paid by the Participant within fifteen (15) days after the date of the Billing Statement shall bear interest from the due date until paid, at the rate of one percent (1%) per month.

(d) In each Contract Year, the Participant shall pay to Power Agency, for the Participant's Share of Project Output, the Participant's Share of the Monthly Project Power Costs for such Contract Year. Such payments shall be made to Power Agency under this Agreement whether or not the Project is operable, operating, or retired and notwithstanding the suspension, interruption, interference, reduction, or curtailment of the Project Output or the power and energy

contracted for in whole or in part, for any reason whatsoever. Such payments shall not be subject to any reduction, whether by offset or otherwise, and shall not be conditioned upon the performance by the Power Agency or any other Participant under this or any other agreement or instrument, the remedy for any non-performance being limited to mandamus, specific performance, or other legal or equitable remedy.

(e) In the event of any dispute as to any portion of any Billing Statement, the Participant shall nevertheless pay the full amount of the disputed charges when due and shall give written notice of the dispute to Power Agency not later than sixty (60) days after payment is due. Such notice shall identify the disputed bill, state the amount in dispute, and set forth a full statement of the grounds on which such dispute is based. No adjustment shall be considered or made for disputed charges unless notice is given as aforesaid. Power Agency shall give consideration to such dispute and shall advise the Participant with regard to its position relative thereto within thirty (30) days following receipt of such written notice. Upon final determination (whether by agreement, arbitration, adjudication, or otherwise) of the correct amount, there shall be made an appropriate adjustment to the Billing Statement next submitted to the Participant after such determination.

(f) On or before the first day of May following each Contract Year, Power Agency shall prepare and deliver to the Participant a detailed statement of the aggregate Monthly Project Power Costs and the Participant's Share thereof and any adjustment of or credit to the Participant's Share thereof pursuant to paragraph (g) of this Section 5 or under the Bond Resolution and other amounts payable by or credited to the Participant pursuant hereto for all of the months of such Contract Year. Such statement shall also identify adjustments of the aggregate Monthly Project Power Costs, if any, for any prior Contract Year and the Participant's Share thereof and any adjustment of or credit to the Participant's Share thereof pursuant to paragraph (g) of this Section 5,

based on the annual audit of accounts provided for in Section 8 hereof. If, on the basis of the statement submitted as provided in this paragraph (f), the actual aggregate Monthly Project Power Costs and the Participant's Share thereof and any adjustment of or credit to the Participant's Share thereof pursuant to paragraph (g) of this Section 5 or under the Bond Resolution and other amounts payable for any Contract Year exceed the estimate thereof on the basis of which the Participant has been billed, Power Agency shall add any such amounts to the Participant's next Billing Statement pursuant to this Section. If, on the basis of the statement submitted pursuant to this paragraph (f), the actual aggregate Monthly Project Power Costs and the Participant's Share thereof and any adjustment of or credit to the Participant's Share thereof pursuant to paragraph (g) of this Section 5 or under the Bond Resolution and other amounts payable for any Contract Year are less than the estimate therefor on the basis of which the Participant has been billed, Power Agency shall credit such excess against the Participant's next Billing Statement pursuant to this Section 5.

(g) To the extent not credited or to be credited against the Costs of Acquisition and Construction and to the extent not reflected as an offset to any charge made by Duke to Power Agency for costs included in Monthly Project Power Costs, all receipts; revenues; and other moneys received by or credited to Power Agency under the Project Agreements and from insurance proceeds, condemnation awards, damages in connection with the Project collected from contractors, subcontractors, or others; and proceeds from the sale or other disposition of assets (including surplus property), all related to the Project, shall, unless the Bond Resolution or the Project Agreements make contrary provision, be credited against the Monthly Project Power Costs.

(h) At the earliest reasonable time after decommissioning of the Catawba Nuclear Station, Power Agency shall prepare, date, and on such date send to the Participant via electronic means a final accounting statement showing the remaining obligations and liabilities for

which Power Agency is responsible under the Bond Resolution and the Project Agreements and the costs to Power Agency of discharging and satisfying the same. The final accounting statement shall credit to the Participants, and deduct from any amount otherwise chargeable to them, the fair market value of any assets related to the Project then retained by Power Agency. If the final accounting statement shows that such obligations and liabilities exceed such credits after application by Power Agency of all other funds available for such purpose, the Participant shall pay Power Agency a sum determined by multiplying the amount shown to be due in such accounting statement by the Participant's Share. If the final accounting statement shows that such obligations and liabilities are less than such credits after application by Power Agency of all other funds available for such purpose, Power Agency shall pay the Participant a sum determined by multiplying the amount of the excess credit by the Participant's Share. The final accounting statement shall be sent via electronic means, and amounts due thereunder shall be paid in the same manner and under the same terms and conditions as is provided herein with respect to Billing Statements or as otherwise agreed by the Participant and Power Agency. The Parties' obligations under this Section 5(h) shall survive the expiration or earlier termination of this Agreement.

SECTION 6. Source payments by the Participants; Certain Obligations of Participants.

(a) The obligations of the Participant to make the payments under Section 5 shall be an operating expense of its Electric System. The Participant shall not be required to make any payments to Power Agency under this Agreement except from its Revenues.

(b) The Participant covenants and agrees that it will fix, charge, and collect rents, rates, fees, and charges for electric power and energy and other services, facilities, and commodities sold, furnished, or supplied through the facilities of its Electric System sufficient to provide Revenues adequate to meet its obligations under this Agreement, and to pay any and all

other amounts payable from or constituting a charge and lien upon such Revenues, including amounts sufficient to pay the principal of and interest on all general obligation bonds heretofore or hereafter issued by the Participant to finance its Electric System.

(c) The Participant covenants and agrees that in accordance with Usual Utility Practice it (i) shall at all times operate the properties of its Electric System and the business in connection therewith in an efficient manner and at reasonable cost; (ii) shall maintain its Electric System in good repair, working order, and condition; and (iii) shall from time to time make all necessary and proper repairs, renewals, replacements, additions, betterments, and furnishings to its Electric System so that at all times the business carried on in connection therewith shall be properly and advantageously conducted.

(d) The Participant further covenants and agrees that it shall not abandon, sell, mortgage, lease, or otherwise dispose of or encumber its Electric System or any part thereof except as permitted by the following provisions of this paragraph (d):

(1) The Participant may, in the ordinary course of the business of operating and maintaining its Electric System, abandon, scrap, trade-in, sell, or otherwise dispose of any property or equipment if the Participant determines that such property or equipment is surplus, obsolete, or otherwise not required for the operation and maintenance of its Electric System.

(2) The Participant may abandon, sell, lease, mortgage, or otherwise dispose of or encumber any property and equipment if the Participant determines, with the written concurrence of Power Agency, that, taking into account past and current operating results of its Electric System and any replacements or intended replacements for such property and equipment to be disposed of, the proposed action will not have a material adverse effect

on its Revenues or on the operations of its Electric System, or materially increase the operating and maintenance expenses of its Electric System.

(3) The Participant may abandon, sell, mortgage, lease, or otherwise dispose of or encumber its Electric System but only if (i) the Participant has assigned and transferred this Agreement and all interests herein (including Project Output) to one or more other Participants who have assumed all of the transferor Participant's duties and obligations hereunder, in which case the transferor Participant shall be relieved from all such duties and obligations and (ii) the transferee Participant has assumed the obligation of serving the load of the transferor Participant; provided, however, that no such assignment or transfer shall be made at any time if the same would cause the aggregate Participants' Shares assigned or transferred pursuant to the provisions of clause (i) above to exceed twenty-five percent (25%) of Project Output. Any disposition or encumbrance permitted by this clause (3) shall be subject to the assignment provisions of Section 22.

(4) The Participant may merge or consolidate its Electric System with, or such Electric System may be merged or consolidated into, the Electric Systems of one or more other Participants.

(5) The Participant may merge or consolidate with, or be merged or consolidated into, one or more units of local government which shall have assumed all of the Participant's duties and obligations hereunder, in which event the transferor participant shall be relieved from all such duties and obligations, but only if the Local Government Commission of the State of North Carolina shall have determined that after such merger or consolidation the survivor unit of local government will have the ability to meet the obligations of such Participant hereunder.

(6) In the event of a disposition or encumbrance permitted by clause (3) or a merger or consolidation permitted by clauses (4) and (5) of this paragraph (d), the Participant shall provide to Power Agency a counsel's opinion satisfactory in form and substance to counsel to Power Agency that, (i) in the event of such a disposition or encumbrance, the transferee Participant has assumed and become liable for the duties and obligations of the transferor Participant to the extent of the transferor Participant's Share obtained and has agreed to assume the obligations of paragraphs (b) and (c) of this Section or (ii) in the event of such a merger or consolidation, that following such merger or consolidation, the Electric System or unit of local government (if not the Participant), as the case may be, surviving such merger or consolidation shall remain or shall have become subject to this Agreement and liable for the duties and obligations of the Participant hereunder to the same extent that such Electric System or Participant had been so subject prior to such merger or consolidation and has agreed to assume the obligations of paragraphs (b) and (c) of this Section.

(e) The Participant shall not issue bonds, notes, or other evidences of indebtedness, or enter into an agreement to take or to take or pay for power and energy from a project, payable from its Revenues on a parity with or superior to the payment of operating expenses of its Electric System (including Monthly Project Power Costs hereunder) unless an independent consulting engineer or engineering firm or corporation having a national and favorable reputation for special skill, knowledge, and experience in analyzing the operations of electric utility systems shall render and file with Power Agency a written opinion that the facilities for the financing of which the bonds, notes, or other evidences of indebtedness are being issued or with respect to which such agreement is being entered into are (or were when the Participant committed itself to them by

contract or financing) reasonably expected to properly and advantageously contribute to the conduct of the business of its Electric System in an efficient and economical manner consistent with Usual Utility Practice.

(f) The Participant shall take no action the effect of which would be to prevent, hinder, or delay Power Agency from the timely fulfillment of its obligations under this Agreement, the Project Agreements, the Bond Resolution, the Bonds, other securities or evidences of indebtedness issued to provide the amounts due and payable by Power Agency under the Sales Agreement, any agreements between Power Agency and Duke or between Power Agency and any Participant relating to Distribution Delivery Stations (as defined in the Interconnection Agreement), or any other agreement between Power Agency and any Participant.

SECTION 7. Dispatch; Metering; Deliveries. The Project Output will be dispatched, metered, and delivered in accordance with the Interconnection Agreement at the point in the Catawba Nuclear Station switchyard where the Project interconnects with the facilities of Duke as specified and defined in the Interconnection Agreement.

SECTION 8. Records; Accounts; Reports; Audits. Power Agency shall keep accurate records, accounts, and information supporting costs and related allocations associated with the Project and Project Output, direct and indirect, separate and distinct from its other records and accounts. Such records and accounts shall be audited annually by a firm of certified public accountants, experienced in electric utility accounting and of national reputation, to be employed by Power Agency. Such records and accounts and such annual audit, including all written comments and recommendations of such accountants, shall be made available for inspection by the Participant at any reasonable time at the principal office of Power Agency.

The Participant shall keep accurate records and accounts for its Electric System, separate and distinct from its other records and accounts. Such records and accounts shall be audited annually by a firm of certified public accountants or by an accountant certified by the Local Government Commission of the State of North Carolina as qualified to audit local government accounts, which audit may be part of the annual audit of the accounts of the Participant. Such records and accounts shall be made available for inspection by Power Agency at any reasonable time, and a copy of such annual audit, including all written comments and recommendations of such accountants, shall be made available to Power Agency not later than one hundred twenty (120) days after the close of the Participant's fiscal year.

Power Agency shall, following the close of each fiscal year, submit an annual report of its activities for the preceding year to the Participant summarizing the Power Agency's activities and financial statement.

SECTION 9. Information to be Made Available.

(a) Subject to the provisions of the Project Agreements and the By-Laws of Power Agency, there shall be available for inspection at any reasonable time by the Participant the following:

- (1) drawings, plans, specifications and terms of contracts relating to the operation of the Project;
- (2) agreements and data relating to the financing of the Project;
- (3) operating and financial records and reports relating to the Project; and
- (4) policies of insurance carried pursuant to Section 10 hereof.

(b) Subject to the provisions of the Project Agreements, the Participant's representatives shall at all times be given reasonable access to the Project.

(c) The Participant shall, upon request, make available to Power Agency all such information, certificates, engineering reports, feasibility reports, financial statements, opinions of counsel, and other documents as shall be reasonably necessary in connection with the financing of the Project, and the costs of producing or obtaining the same shall be a part of the Costs of Acquisition and Construction.

SECTION 10. Insurance. Subject to the provisions of the Project Agreements and the Bond Resolution, Power Agency shall maintain, or cause to be maintained, in force, as part of the Costs of Acquisition and Construction or Monthly Project Power Costs, insurance with responsible insurers with policies payable to Power Agency, against risk of direct physical loss, damage, or destruction of the Project at least to the extent that similar insurance is usually carried by utilities operating electric generation, and related facilities of the nature of the electric generation and related facilities of the Project, including liability insurance and employees' liability, all to the extent available at reasonable cost but in no case less than will satisfy all applicable regulatory requirements and conform to Usual Utility Practice.

SECTION 11. Sale of Excess Participant's Share. Subject to the Project Agreements, in the event that the Participant shall determine that all or any part of the Participant's Share of Project Output is in excess of the requirements of the Participant, the Participant shall notify Power Agency of such determination, and Power Agency shall use its best efforts to sell and transfer for any period of time all or part of such excess. The other Participants shall have the first right to accept each such disposal pro rata among those exercising such right. If all or any portion of such excess of the Participant's Share of Project Output is sold pursuant to this Section, the Participant's Share shall not be reduced and the Participant shall remain liable to Power Agency to pay the full amount of its Participant's Share of Monthly Project Power Costs as if such sale had not been made; provided,

however, that such liability shall be discharged to the extent that Power Agency shall receive payment for such excess Project Output from the purchaser or purchasers thereof.

SECTION 12. Obligations in the Event of Default.

(a) Upon failure of the Participant to make any payment in full when due under this Agreement or to perform any other obligation herein, Power Agency shall make demand upon the Participant, and if said failure is not cured within fifteen (15) days from the date of such demand, it shall constitute a default at the expiration of such period. Notice of such demand shall be provided to the other Participants by Power Agency.

(b) If the Participant shall fail to pay any amounts due to Power Agency under this Agreement or to perform any other obligation hereunder which failure constitutes a default under this Agreement, Power Agency may and if such default shall have caused an “Event of Default” (as defined in the Operating Agreement) with respect to Power Agency to have occurred and be continuing for a period of one (1) year, at the request of Duke, shall terminate the provisions of this Agreement insofar as the same entitle the Participant to its Participant’s Share of Project Output. Except for such termination, the obligations of the Participant under this Agreement shall continue in full force and effect. For purposes of applying the other provisions of this Section, such a termination shall be considered to be a default under this Agreement.

(c) Upon the failure of the Participant to make any payment which failure constitutes a default under this Agreement, or upon termination as provided in paragraph (b) of this Section, Power Agency shall use its best efforts to sell and transfer all or a portion of such Participant’s Share of Project Output for all or a portion of the remainder of the term of this Agreement. The other Participants shall have the first right to accept each such disposal pro rata among those exercising such right. If all or any portion of the Participant’s Share of Project Output

is transferred pursuant to this paragraph, the Participant's Share shall not be reduced, and the Participant shall remain liable to Power Agency to pay the full amount of its Participant's Share of Monthly Project Power Costs as if such sale had not been made, except that such liability shall be discharged to the extent that Power Agency shall receive payment from the purchaser or purchasers thereof.

(d) Upon the failure of any Participant(s) to make any payment which failure constitutes a default under this Agreement, or upon termination as provided in paragraph (b) of this Section, and except as transfers are made pursuant to paragraph (c) of this Section, the Participant's Share of each nondefaulting Participant shall be automatically increased for the remaining term of this Agreement pro rata based on allocated demands with that of the other nondefaulting Participant(s) and the defaulting Participant's(s') Share(s) shall be reduced correspondingly; provided, however, that no such reduction shall reduce the defaulting Participant's(s') obligations under paragraph (e) of this Section, and provided further, however, that the sum of such increases for any nondefaulting Participant pursuant to this paragraph shall not exceed, without consent of the nondefaulting Participant, an accumulated maximum of 25% of the nondefaulting Participant's Share prior to any such increases.

(e) If the Participant shall fail or refuse to pay any amounts due to Power Agency hereunder, the fact that other Participants have assumed the obligation to make such payments shall not relieve the defaulting Participant of its liability for such payments, and any Participants assuming such obligation, either individually or as a member of a group, shall have a right of recovery from the defaulting Participant. Power Agency or any Participants as their interests may appear, jointly or severally, may commence such suits, actions, or proceedings, at law

or in equity, including suits for specific performance, as may be necessary or appropriate to enforce the obligations of this Agreement against the defaulting Participant.

(f) In the event of any default by Power Agency under any covenant, agreement, or obligation of this Agreement, the Participant may, upon fifteen (15) days written notice to Power Agency, bring any suit, action, or proceeding, in law or in equity, including mandamus, injunction, and action for specific performance, as may be necessary or appropriate to enforce any covenant, agreement, or obligation of this Agreement against Power Agency.

(g) No remedy conferred upon or reserved to the parties hereto is intended to be exclusive of any other remedy or remedies available hereunder or now or hereafter existing at law, in equity, by statute or otherwise, but each and every such remedy shall be cumulative and shall be in addition to every other such remedy. The pursuit by either party of any specific remedy shall not be deemed to be an election of that remedy to the exclusion of any other or others, whether provided hereunder or by law, equity, or statute.

SECTION 13. Rights of Duke Hereunder. In addition to the rights described in paragraph (b) of Section 12, Duke shall have the right, as a third party beneficiary, to maintain suit to enforce this Agreement whenever any "Event of Default" by Power Agency as defined in the Operating Agreement shall have occurred and shall not have been fully cured and in such enforcement Duke shall have the same rights as Power Agency to enforce this Agreement. It is recognized that the exercise of any of such rights by Duke shall not affect any rights of Duke against Power Agency whether arising under the Project Agreements, at law, in equity, provided by statute, or otherwise.

SECTION 14. Issuance of Obligations for Renewals, Etc., for Refunding and for Other Purposes. In addition to the issuance of Bonds, notes, or other evidences of indebtedness issued in anticipation of the issuance of Bonds, and Subordinated Debt to pay the Costs of Acquisition and

Construction as provided in Section 3 hereof, Power Agency may issue Bonds in accordance with the provisions of the Bond Resolution, or may issue such notes or other evidences of indebtedness or Subordinated Debt, at any time and from time to time in the event funds are required to provide for:

(1) renewals, extraordinary repairs, replacements, modifications, capital additions, and betterments for the Project (a) which are required by any governmental agency or authority with authority to issue or make and enforce an order or decision requiring the same or (b) which in the opinion of the Consulting Engineer are necessary or desirable to achieve design capability; to improve operating reliability; to reduce unit power costs; or for safety, public health, or environmental purposes;

(2) acquisition of fuel for the Project, including land, rights, leases, options, working capital, equipment, structures, facilities, advances, or prepayments and reserves therefor;

(3) retirement from service, decommissioning, or termination of the Project;

(4) renewals, extraordinary repairs, replacements, modifications, capital additions and betterments, acquisition of fuel, retirement from service, decommissioning, or termination for which Power Agency is responsible under the Project Agreements including, but not limited to, any costs incurred under the exchange payment provisions of Article 14 of the Interconnection Agreement; provided, however, that Power Agency shall not voluntarily consent to any such renewal, extraordinary repair, replacement, modification, capital addition, or betterment (a) unless the same are required by any governmental agency or authority with authority to issue or make and enforce an order or decision requiring the same or (b) unless in the opinion of the Consulting Engineer the

same are necessary or desirable to achieve design capability; to improve operating reliability; to reduce unit power costs; or for safety, public health, or environmental purposes;

(5) refunding of Bonds or refunding any such notes or other evidences of indebtedness or refunding any Subordinated Debt, provided that no such Bonds or notes or other evidences of indebtedness shall be issued to refund Subordinated Debt unless and to the extent such Subordinated Debt shall have been issued to pay Costs of Acquisition and Construction or for one or more of the purposes specified in clauses (1) through (6) of this Section;

(6) the deposit or deposits required to be made under the Bond Resolution from the proceeds of Bonds into any fund or account established pursuant to the Bond Resolution; and

(7) in the case of Subordinated Debt, for any other purpose in connection with the Project.

Bonds shall be issued for the purposes specified in clauses (1) through (4) of this Section only to the extent that Power Agency is not reimbursed for the payment of the costs set forth in such clauses from the proceeds of insurance or funds for such payment are not available, as determined by Power Agency, to Power Agency from any fund or account established under the Bond Resolution. The determination of availability shall be in the sole discretion of Power Agency, shall be conclusive, and may take into account such factors as more beneficial uses and the desirability of establishing or maintaining reserves.

SECTION 15. Consulting Engineer. Power Agency will retain on a continuous basis, as Consulting Engineer, an independent consulting engineer or engineering firm or corporation

having a national and favorable reputation for special skill; knowledge; and experience in analyzing the operations of electric utility systems, preparing rate analyses, forecasting the loads and revenues of electric utility systems and in the marketing of power and energy therefrom (which Consulting Engineer shall be the consulting engineer appointed and retained by Power Agency under the Bond Resolution) to advise Power Agency upon request and render opinions to Power Agency upon request on matters relating to electric power generation, transmission, power supply, electric utility operations, rates and charges, electric utility economics and financing, and budgets. Power Agency shall cause the Consulting Engineer to prepare within one hundred sixty (160) days following the close of each Contract Year an annual engineering report with respect to the Project and Project Output as affected by the Project Agreements for the immediately preceding Contract Year, which report shall contain a copy of the annual audit and shall include:

- (1) a report on the operations of Power Agency;
- (2) a report on the management of the Project;
- (3) a report on the sufficiency of rates and charges for services;
- (4) a report on requirements for future bulk power supply; and
- (5) conclusions as to changes in operation and the making of repairs, renewals, replacements, extensions, betterments, and improvements.

(a) If, in the performance of its duties, the Consulting Engineer becomes aware of the fact that Power Agency in any material way shall have failed to perform or comply with the covenants and agreements contained in the Bond Resolution, or Power Agency or any other party in any material way shall have failed to perform or comply with such party's covenants and agreements contained in the Project Agreements or the Project Power Sales Agreements such report shall specify the details of such failure. In the making of such report, the Consulting

Engineer may rely, unless the Consulting Engineer has reason to believe that any of the reports or findings is not accurate, upon the audit report of the independent certified public accountants to Power Agency, reports of Duke with respect to the Project and the Catawba Nuclear Station, and the reports and findings of qualified independent consultants to Power Agency having special skill, knowledge, and experience with respect to the matters relied upon.

(b) Power Agency shall cause a copy of said engineering report to be made available to each Participant and to the Local Government Commission of the State of North Carolina.

SECTION 16. Modification and Uniformity of Agreements.

(a) This Agreement shall not be subject to termination by any party under any circumstances, whether based upon the default of any other party under this Agreement, or any other instrument, or otherwise, except as specifically provided in this Agreement.

(b) This Agreement shall not be amended, modified or otherwise changed, or rescinded by agreement of the parties (i) in any manner that will have a material adverse effect on the security afforded by the provisions of this Agreement for the payment of the principal of and premium, if any, and interest on the Bonds as they respectively become payable, so long as any of the Bonds are outstanding and unpaid or funds are not set aside for the payment or retirement thereof in accordance with the Bond Resolution; (ii) in any manner that would limit or reduce the obligation of the Participant to make payments pursuant to paragraph (d) of Section 5 hereof; or (iii) with respect to the following provisions of this Agreement without the prior written consent of Duke: paragraphs (b) and (f) of Section 6, paragraph (b) of Section 12, Section 13, clause (iii) of paragraph (b) of this Section 16, and paragraph (a) of Section 17.

(c) If any other Project Power Sales Agreement is amended or replaced so that it contains terms and conditions different from those contained in this Agreement, Power Agency shall notify the Participant and upon timely request by the Participant shall amend this Agreement to include similar terms and conditions.

SECTION 17. Continuance and Enforcement of Agreement.

(a) Except as provided in paragraph (b) of Section 12, Power Agency shall continue this Agreement in full force and effect and shall enforce this Agreement in accordance with its terms to the extent permitted by law.

(b) Any waiver at any time by either party to this Agreement of its rights with respect to any default of the other party hereto, or with respect to any other matter arising in connection with this Agreement, shall not be considered a waiver with respect to any subsequent default, right, or matter. Further, the failure of a party to enforce at any time any of the provisions of this Agreement or to require at any time performance by the other party of any of the provisions hereof shall not be considered to be a waiver of such provisions, nor in any way affect the validity of this Agreement or any part hereof, or the right of such party thereafter to enforce each and every such provision.

SECTION 18. Relationship to Other Instruments.

(a) It is recognized by the parties hereto that Power Agency in the ownership, construction, acquisition, and operation of the Project must comply with the requirements of the Project Agreements; the Bond Resolution; and all licenses, permits and regulatory approvals necessary for such ownership, construction, acquisition, and operation, and it is therefore agreed that this Agreement is made subject to the terms and provisions of the Project Agreements; the Bond Resolution; and all such licenses, permits, and regulatory approvals.

(b) Notwithstanding any provision in this Agreement to the contrary, nothing contained herein shall prohibit or prevent, or be deemed or construed to prohibit or prevent, Power Agency from amending or supplementing the Project Agreements without the consent of the Participant; provided, however, that any such amendment or supplement to the Project Agreements (i) shall have been found by the Board of Commissioners of Power Agency to be in the economic interests of Power Agency and each Participant affected thereby, (ii) shall not in any manner have a material adverse effect on the security for the payment of the Bonds, and (iii) shall have been made available to the Participant prior to adoption by the Board of Commissioners.

SECTION 19. Notices and Computations of Time. Any notice or demand given by the Participant to Power Agency under this Agreement shall be deemed properly given if mailed postage prepaid and addressed to the Chief Executive Officer of Power Agency at its principal office designated in writing as filed with the Participant by Power Agency. Any notice or demand given or rendered by Power Agency to the Participant under this Agreement shall be deemed properly given or rendered if mailed-postage prepaid and addressed to the person and at the address as designated in writing filed with the Power Agency by the Participant. Any other communication, including any budget or statement, given or rendered by Power Agency to the Participant under this Agreement shall be deemed properly given if provided electronically at the e-mail address designated in writing filed with Power Agency by the Participant. The designations of the name, address, and e-mail address to which any such communication is directed may be changed at any time and from time to time by either party giving notice electronically by email to the Chief Executive Officer of Power Agency or as above provided.

In computing any period of time prescribed or allowed under this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included. The

last day of the period so computed is to be included, unless it is a Saturday, a Sunday, or a legal holiday in North Carolina, in which event the period runs until the end of the next day which is not a Saturday, a Sunday, or a legal holiday in North Carolina.

SECTION 20. Applicable Law; Construction. This Agreement is made under and shall be governed by the law of the State of North Carolina. Headings herein are for convenience only and shall not influence the construction hereof.

SECTION 21. Severability. If any section, paragraph, clause, or provision of this Agreement shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Agreement shall be unaffected by such adjudication and all of the remaining provisions of this Agreement shall remain in full force and effect as though such section, paragraph, clause, or provision or any part thereof so adjudicated to be invalid had not been included herein. In the event of any such invalidity, the parties hereto shall promptly negotiate in good faith valid new provisions to restore the agreement to its original intent and effect.

SECTION 22. Assignment of Agreement. This Agreement shall inure to the benefit of, and shall be binding upon, the respective successors and assigns of the parties to this Agreement; provided, however, that neither this Agreement nor any interest herein (including Project Output) shall be assigned, transferred, or sold by the Participant without the written consent of Power Agency, except as expressly permitted by Section 12 hereof. Except as expressly provided in Section 6 hereof, no such assignment, transfer, or sale shall relieve the Participant of any obligation hereunder.

SECTION 23. Entire Agreement. This Agreement shall constitute the entire understanding among the parties hereto, superseding any and all previous understandings, oral or written, pertaining to the subject matter contained herein. No party hereto has relied, or will rely,

upon any oral or written representation or oral or written information made or given to such party by any representative of the other party or anyone on its behalf.

SECTION 24. Preaudit Certification. Execution of this Agreement by the finance officer of the Participant shall constitute a certification of such finance officer that, to the extent this Agreement requires the Participant to satisfy a financial obligation during the Participant's fiscal year in which the Effective Date occurs, this Agreement has been preaudited in the manner required by the North Carolina Local Government Budget and Fiscal Control Act.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement all by authority of their respective governing bodies duly given.

Executed this ____ day of _____, 2026.

CITY OF HIGH POINT

By: _____
Cyril Jefferson, Mayor

Attest:

This instrument has been preaudited in the manner required by the North Carolina Local Government Budget and Fiscal Control Act.


Sandra Keeney, City Clerk

Bobby Fitzjohn, City Finance Officer

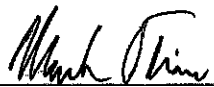
(SEAL)

Executed this 30th day of January, 2026.

**NORTH CAROLINA MUNICIPAL
POWER AGENCY NUMBER 1**

By:  _____
Chief Executive Officer

Attest:



Secretary-Treasurer

(SEAL)



[Signature Page of Amended and Restated Project Power Sales Agreement]

EXHIBIT A
PARTICIPANTS

City of Albemarle
Town of Bostic
City of Cherryville
Town of Cornelius
Town of Drexel
City of Gastonia
Town of Granite Falls
City of High Point
Town of Huntersville
Town of Landis
City of Lexington
City of Lincolnton
Town of Maiden
City of Monroe
City of Morganton
City of Newton
Town of Pineville
City of Shelby
City of Statesville

EXHIBIT B

CALCULATION OF THE PARTICIPANT'S SHARE

Power Agency shall calculate the Participant's Share annually to reflect the Participant's Load Ratio Share based on the 5-year (60-month) period ending July 1 of the prior year. For purposes of calculating the Load Ratio Share, the following definitions will apply:

"Load Ratio Share" means, with respect to the Participant, a 50/50 weighting of the following two percentages:

- (1) the percentage that is equal to the sum of the Participant's Monthly Non-Coincident Peak Demand during the previous five (5) years divided by the sum of all Participants' Monthly Non-Coincident Peak Demands during the same five (5) years; and
- (2) the percentage that is equal to the sum of the Participant's Monthly Energy during the previous five (5) years divided by the sum of all Participants' Monthly Energy during the same five (5) years.

For purposes of these percentages, demand and energy values shall be adjusted in accordance with Power Agency's Policy Regarding Generation on Participant Distribution Systems, dated April 21, 2023, as may be amended from time to time, and reduced by allocations received by the Participant from the Southeastern Power Administration.

"Monthly Non-Coincident Peak Demand" means, for any month, the Participant's highest integrated clock hour demands (in kW) recorded during such month. If a Participant's demands are not metered at transmission voltage, metered values shall be compensated (using the compensation procedure established in the Restated Interconnection Agreement (dated as of June 21, 1982, as amended, between Power Agency and Duke Power Company)) to reflect delivery at transmission voltage for the purpose of determining Monthly Non-Coincident Peak Demand.

"Monthly Energy" means, for any month, the Participant's total kWh of energy delivered to the Participant by Power Agency during the month as adjusted by the DG policy. If the Participant's energy requirements are metered at transmission voltage, Monthly Energy shall be based upon metered values. If a Participant's energy requirements are not metered at transmission voltage, metered values shall be compensated (using the compensation procedure established in the Restated Interconnection Agreement (dated as of June 21, 1982, as amended, between Power Agency and Duke Power Company)) to reflect delivery at transmission voltage for the purpose of determining Monthly Energy.

NORTH CAROLINA MUNICIPAL POWER AGENCY NUMBER 1
AMENDED AND RESTATED SUPPLEMENTAL POWER SALES AGREEMENT

THIS AGREEMENT is dated as of January 23, 2026, by North Carolina Municipal Power Agency Number 1, a joint agency of the State of North Carolina (“Power Agency”), and the City of High Point, a municipality of the State of North Carolina which has executed this Agreement (the “Participant”). Capitalized terms not defined in Section 1 or otherwise herein shall have the meanings assigned thereto in the Project Power Sales Agreements and the Project Agreements (each as hereinafter defined).

WHEREAS, Power Agency has heretofore been duly organized as a public body and a body corporate and politic under the laws of the State of North Carolina (G.S. Chapter 159B) and, among other things, is authorized to sell for resale electric power and energy; and

WHEREAS, the Participant is a city or town created under the laws of the State of North Carolina, owning a system or facilities for the generation, transmission, or distribution of electric power and energy for public and private use, and is authorized by said laws to contract to buy from Power Agency the power and energy required for its present and future requirements; and

WHEREAS, the Participant has need of an economical and reliable source of electric power and energy to meet the growing demands of its customers and has determined to purchase such electric power and energy from resources owned, controlled, or purchased by Power Agency; and

WHEREAS, Power Agency owns and manages the maintenance and operations of a 75% undivided ownership interest in Unit 2 and a 37.5% undivided ownership interest in the Support Facilities of the Catawba Nuclear Station for the supply of power and energy to the Participant and all other Participants contracting with Power Agency therefor pursuant to Project Power Sales

Agreements dated May 1, 1978, and subsequently amended October 31, 1984, April 15, 2005, and July 28, 2023, (“Project Power Sales Agreements”); and

WHEREAS, Power Agency has entered into Project Agreements with Duke with respect to the purchase, construction, operation, and fueling of the Project, and interconnection of the Project with Duke’s transmission system, including backstand and reliability exchange provisions, copies of which agreements have been furnished to the Participant; and

WHEREAS, Power Agency and Duke are parties to the Network Integration Transmission Service Agreement (“NITSA”) that is on file with the Federal Energy Regulatory Commission as Service Agreement No. 212 of Duke’s Open Access Transmission Tariff (“OATT”) and that incorporates as Exhibit E thereto a Network Operating Agreement (“NOA”) between Duke and Power Agency, as both the NITSA and NOA are amended from time to time; and

WHEREAS, Power Agency and the Participant are parties to that certain Supplemental Power Sales Agreement, dated May 1, 1978, as amended on October 31, 1984, that provides for the Power Agency to sell, and the Participant to purchase, the balance of its All Requirements Bulk Power Supply, through April 30, 2028, after taking into account the provision of Project Output by Power Agency pursuant to the Project Power Sales Agreement; and

WHEREAS, this Agreement amends and restates that certain Supplemental Power Sales Agreement, by and between the Power Agency and Participant to effect sales beginning on May 1, 2028 and to amend and restate the obligations therein as of May 1, 2028.

NOW, THEREFORE, the parties hereto mutually agree as follows:

SECTION 1. Definitions. The singular of any term defined in this Agreement shall encompass the plural, and the plural the singular, unless the context indicates otherwise.

(a) “All Requirements Bulk Power Supply” shall mean, with respect to the Participant, all electric power and energy required by the Participant at its Delivery Point(s), exclusive of any purchases of power and energy by the Participant from the Southeastern Power Administration (“SEPA”), and shall include Project Output and Supplemental Bulk Power Supply.

(b) “Contract Year” means the 12-month period commencing 12:01 a. m. local time on January 1 of each year during the term of this Agreement and ending midnight local time on the December 31 next following (or such other 12-month period as Power Agency shall determine); provided, however, that the first Contract Year shall commence at 12:01 a.m. local time on May 1, 2028; and provided further, however, that the last Contract Year shall end at midnight local time on the date of termination of this Agreement as provided in Section 2 hereof;

(c) “Monthly Bill” means the written statement prepared monthly by Power Agency and delivered to the Participant pursuant to Section 5 herein.

(d) “Participants” means the entities that have entered into Project Power Sales Agreements.

(e) “Power Agency” has the meaning set forth in the Preamble.

(f) “Project” means Power Agency’s 75% undivided ownership interest in Unit 2 of the Catawba Nuclear Station and 37.5% undivided ownership interest in the Support Facilities of the Catawba Nuclear Station.

(g) “Project Agreements” shall mean the agreements defined in the Project Power Sales Agreements as follows:

- (i) Sales Agreement
- (ii) Operating Agreement
- (iii) Interconnection Agreement.

(h) “Project Power Sales Agreements” means the North Carolina Municipal Power Agency Number 1, Project Power Sales Agreements, Catawba Nuclear Project, dated as of May 1, 1978 between the Power Agency and each of the Participants individually with respect to the purchase and sale of Project Output, as the same may be amended from time to time.

(i) “Supplemental Bulk Power Supply” shall mean, with respect to a Participant, that portion of All Requirements Bulk Power Supply required by such Participant in excess of that supplied from Project Output and, unless otherwise provided, from power and energy purchases made by Power Agency and from any future projects owned or controlled by Power Agency from which the Participant contracts with Power Agency to purchase electric power and energy. Since Project Output is sold to the Participants at the point of electrical connection of the Project with the Duke transmission system required to deliver Project Output to the Participants pursuant to the Project Power Sales Agreements, Supplemental Bulk Power Supply shall include all transmission service to deliver All Requirements Bulk Power Supply to the Participant’s Delivery Point(s) and provision of all reserves and other backstand services, supplemental capacity and energy, and all other types of purchases and interchange service necessary to integrate Project Output into Power Agency’s overall bulk power supply arrangement and deliver the All Requirements Bulk Power Supply to the Participants.

(j) “Supplemental Power Sales Agreement” or “Agreement” shall mean this Agreement and all other agreements substantially identical to this Agreement entered into by Power Agency and the Participants individually with respect to the purchase and sale of Supplemental Bulk Power Supply.

(k) “Supplemental Power Costs” for any period shall mean all costs associated with or incidental to All Requirements Bulk Power Supply for such period less Monthly Project Power

Costs. Supplemental Power Costs shall include without limitation (i) working capital deemed necessary by Power Agency, (ii) costs and expenses related to the acquisition, construction, maintenance and operation of an administrative building or office, including land therefor, together with any administrative equipment and facilities, which may be owned alone or together with any other joint agency or agencies, joint municipal assistance agencies, municipalities, corporations, associations or persons under such terms and provisions for sharing costs and otherwise as may be determined by Power Agency, (iii) amounts necessary for the payment of the principal of and premium, if any, and interest on any bonds, notes (including notes issued in anticipation of the issuance of bonds), certificates, warrants or other evidences of indebtedness, including commercial paper, issued for Supplemental Power Costs (collectively, "Supplemental Power Debt"), which Supplemental Power Debt shall be made payable from all or any amounts received under the Supplemental Power Sales Agreements, as determined by Power Agency, after giving effect to the provision of Section 5(d) thereof, as payments from the Participants of Supplemental Power Costs, and (iv) all costs and expenses relating to the issuance, security and payment of Supplemental Power Debt, including without limitation costs and expenses associated with insurance contracts, agreements for lines of credit, letters of credit, commitments to purchase Supplemental Power Debt, depositaries for safekeeping and agents for delivery and payment.

(l) "Total Annual Budget" means the budget adopted by Power Agency pursuant to Section 5 herein.

SECTION 2. Term of Agreement. This Agreement shall become effective on May 1, 2028. The term of this Agreement shall expire on December 5, 2043. This Agreement may be terminated by Power Agency: (i) upon the termination or expiration of the Participant's Project Power Sales Agreement as provided therein or (ii) as provided in Section 7(b) of this Agreement.

This Agreement shall not be subject to termination by any party under any circumstances, whether based upon the default of any other party under this Agreement or any other instrument or otherwise, except as specifically provided in this Agreement.

Termination or expiration of this Agreement shall not affect any accrued liability or obligation hereunder.

SECTION 3. Sale and Purchase of All Requirements Bulk Power Supply and Supplemental Bulk Power Supply.

(a) Commencing with the first day of the first Contract Year, Power Agency shall provide or cause to be provided and sell, and the Participant shall purchase, the All Requirements Bulk Power Supply requirements of the Participant from Power Agency. Power Agency will be responsible for planning, negotiating, designing, financing, acquiring or constructing, contracting for, administering, operating, and maintaining all generation and transmission arrangements and facilities and power purchases necessary to effect the delivery and sale of All Requirements Bulk Power Supply to the Participant during the term of this Agreement. In furtherance of Power Agency's obligations to sell and the Participant's obligations to purchase All Requirements Bulk Power Supply, Project Output shall be sold and purchased pursuant to the provisions of Section 5(d) of the Project Power Sales Agreement (which provisions may be characterized as an obligation to pay Monthly Project Power Costs on a take or pay basis, whether or not Project Output is delivered or provided) and Supplemental Bulk Power Supply shall be sold and purchased pursuant to the provisions of this Agreement (which provisions may be characterized as an obligation to pay for power and energy and other services on a take and pay basis to the extent delivered or provided).

(b) Supplemental Bulk Power Supply shall be obtained or furnished and delivered or caused to be delivered by Power Agency in the manner it determines to be most economical, reliable, and otherwise feasible, including but not limited to, in its discretion, (1) in accordance with one or more agreements between Power Agency and Duke (2) purchase by Power Agency of power and/or transmission provided by others, including Duke; (3) acquisition or constructed by Power Agency of generation or transmission facilities in addition to the Project; (4) acquisitions or construction by Power Agency of such additional generation facilities and transmission over the facilities of one or more other power suppliers, either solely or in combination with Power Agency's transmission facilities, if any; or (5) generation, transmission, and delivery by one or more other power suppliers, pursuant to a contract arrangement therefor obtained or approved by, or assigned to, Power Agency for and on behalf of Participant as its agent for that purpose. In the event that any such method or any combination of such methods is such that Participant makes payment for any part of such power supply service directly to one or more other power suppliers, such payments shall nevertheless be accounted for as though the same were paid by Power Agency, and Participant shall be credited therewith as an offset to Power Agency's rates and charges to Participant with respect to the same billing period, accordingly.

(c) The Participant shall (1) enter into such supplemental contract or contracts with Power Agency or any other bulk power supplier the terms and provisions of which shall not be inconsistent with this Agreement, as may be necessary or desirable to enable Power Agency and Participant fairly, reasonably, and equitably to exercise and perform their respective rights and obligations under this Agreement; and (2) not enter into any new contract, or modification or amendment of a contract, with any other bulk power supplier, except SEPA, without the prior written consent and approval of Power Agency, which consent and approval shall not be withheld

by Power Agency if such new contract, or modification or amendment of a contract, is consistent with the provisions of this Agreement.

(d) Except for any actions required to comply with applicable laws, regulations, or court orders, neither Power Agency nor Participant shall take any action which shall preclude or impair the ability of Power Agency or Participant to exercise and perform its rights and obligations under this Agreement.

(e) Power Agency, for the purpose of carrying out its rights and obligations under this Agreement, shall be, and Participant hereby designates and appoints Power Agency as, Participant's sole agent to the fullest legal extent that such agency may be established for such purposes.

(f) From and after the effective date of any expiration or termination of this Agreement pursuant to Section 2, the Participant shall be solely responsible for providing its supplemental bulk power supply, including the delivery of its Participant's Share of Project Output to the Participant's Delivery Point(s); provided, however, that such Participant shall be obligated to Power Agency under this Agreement for any costs incurred by Power Agency pursuant to the Project Agreements or otherwise associated with the backstand or delivery to the Participant's Delivery Point(s) of the Participant's Share of Project Output or supplemental bulk power supply or delivery facilities, or any other cost not included in Monthly Project Power Costs under the Project Power Sales Agreement; costs of administration, operation, maintenance, renewals, replacements, or capital additions required for the Participant's Delivery Points; costs associated with Distribution Delivery Stations, Protection Stations, metering, transmission extensions, capacitors, reactive charges, changes in Duke-owned equipment, or loss due to early retirement of Duke-owned equipment. The Participant shall subsequently be entitled to purchase its

Supplemental Bulk Power Supply requirements from Power Agency only if Power Agency so agrees in writing, and upon such additional terms and conditions, if any, as Power Agency may reasonably require.

SECTION 4. Rates and Charges. Power Agency shall establish appropriate rates and charges for All Requirements Bulk Power Supply sufficient at all times to pay all Monthly Project Power Costs and all Supplemental Power Costs of Power Agency. Amounts shown on the Monthly Bill as Monthly Project Power Costs, calculated as provided for in the Project Power Sales Agreements, shall be deducted from the monthly payments required under such schedule of rates and charges for All Requirements Bulk Power Supply, and the balance shall be the amount due and payable in such month for Supplemental Bulk Power Supply to the Participants.

Power Agency shall furnish to the Participants the basis for changes in rates and charges for All Requirements Bulk Power Supply. Power Agency will provide as much reasonable notice as possible for such changes in light of the circumstances requiring the revisions and will respond to inquiries of the Participants concerning such revisions. Power Agency may from time to time establish different rates and charges for all requirements, supplemental power, or other types of service to entities other than the Participants or for service to Participants that enter into project power sales agreements with Power Agency for future projects.

SECTION 5. Total Annual Budget and Monthly Bills; Payments by the Participant.

(a) Prior to each Contract Year, Power Agency shall send to the Participant via electronic means to such email address or other electronic means as the Participant shall specify in writing to Power Agency (as such email address or other electronic means may be changed in writing from time to time) a proposed annual budget for the Contract Year and shall adopt and send to the Participant, in the same manner that it sent the proposed Annual Budget for the Contract

Year, a Total Annual Budget for the Contract Year. During each Contract Year, Power Agency shall review at least quarterly, and at such other times as Power Agency deems desirable, the Total Annual Budget for the Contract Year. In the event such review indicates that the Total Annual Budget does not or will not substantially correspond with actual receipts and expenditures, or if at any time during such Contract Year there are or are expected to be extraordinary receipts, credits, or costs substantially affecting the Monthly Project Power Costs and the Supplemental Power Costs, Power Agency shall adopt and send to the Participant, in the same manner that it sent the proposed Annual Budget for the Contract Year, an amended Total Annual Budget which shall supersede the Total Annual Budget or amended Total Annual Budget theretofore provided as the basis for the determination of Monthly Project Power Costs and Supplemental Power Costs for the remainder of such Contract Year. The Total Annual Budget shall include and separately state the Annual Budget pursuant to the Project Power Sales Agreements.

(b) Beginning with the first full month of the first Contract Year and every month of a Contract Year thereafter, not later than the tenth day of such month, Power Agency shall prepare, date, and on such date send to the Participant, via electronic means to such email address or other electronic means as the Participant shall specify in writing to Power Agency (as such email address or other electronic means may be changed in writing from time to time), a Monthly Bill showing (i) the amount of kilowatts and kilowatt-hours of All Requirements Bulk Power Supply delivered to the Participant in the preceding month at the Participant's Delivery Point(s) and the total amount payable by the Participant therefor at Power Agency's All Requirements Bulk Power Supply rates and charges; (ii) the amount payable by the Participant under the Billing Statement pursuant to the Project Power Sales Agreement for the preceding month; (iii) the amount payable by the Participant for Supplemental Power Costs for the preceding month, which shall be the amount

billed in (i) above less the amount billed in (ii) above; and (iv) any amounts payable by the Participant to Power Agency for Leased Facilities Fees, Distribution Delivery Station costs, or any charges for service other than for the provision of All Requirements Bulk Power Supply for the preceding month.

(c) The amounts shown in the Monthly Bill are to be paid by electronic means to Power Agency by the Participant and shall be due and payable ten (10) days after the date of the Monthly Bill, and any amounts due and not paid by the Participant within fifteen (15) days after the date of the Monthly Bill shall bear interest from the due date until paid at the rate of one percent (1%) per month.

(d) All monies received by Power Agency as payment from the Participant of any Monthly Bill (whether in full or partial payment thereof) shall be applied by Power Agency pro rata to the separate monthly charges shown on the Monthly Bill in the ratio that each separate charge bears to the total Monthly Bill rendered, and the resulting amounts shall be credited to the appropriate accounts on the books of Power Agency. The resulting amounts shall be applied solely to the separate obligations under the Project Power Sales Agreement and under this Agreement which were the basis for the separate charges on the Monthly Bill; provided, however, that if and to the extent any amounts owed to Duke included in Monthly Project Power Costs are less than amounts due from Duke and credited by Power Agency in the computation of Monthly Project Power Costs and the difference is retained by Duke as an offset to payments due to Duke under the Interconnection Agreement, the amount of such difference shall be added to the prorated payments received from the Participants for Monthly Project Power Costs and deducted from the prorated payments received from Participants for Supplemental Bulk Power Supply in making

transfers to the Revenue Fund established pursuant to the Bond Resolution and in making payments to Duke under the Interconnection Agreement.

(e) In the event of any dispute as to any portion of any Monthly Bill, the Participant shall nevertheless pay the full amount of the disputed charges when due and shall give written notice of the dispute to Power Agency not later than sixty (60) days after payment is due. Such notice shall identify the disputed bill, state the amount in dispute, and set forth a full statement of the grounds on which such dispute is based. No adjustment shall be considered or made for disputed charges unless notice is given as aforesaid. Power Agency shall give consideration to such dispute and shall advise the Participant with regard to its position relative thereto within thirty (30) days following receipt of such written notice. Upon final determination (whether by agreement, arbitration, adjudication, or otherwise) of the correct amount, an appropriate adjustment shall be made on the Monthly Bill next submitted to the Participant after such determination.

SECTION 6. Rate Review and Payment Sources.

(a) Power Agency, at such intervals as it shall deem appropriate, but in any event not less frequently than once each Contract Year, shall review its rates and charges and, if necessary, shall revise such rates and charges so that the revenues collected thereunder shall be at least sufficient to comply with the provisions of Section 4. Power Agency shall cause a notice in writing to be given to the Participant which shall set out all the proposed revisions of the rates with the effective date beyond which bills thereunder would change. The effective date shall not be less than forty (40) days after the date of the notice except when required to ensure compliance with the provisions of Section 4 hereof, and shall set forth the basis upon which the rates are proposed to be adjusted and established. Monthly changes in amounts billed pursuant to the fuel or other

automatic adjustment clauses included in the rates and charges shall not require notice, but changes in such clauses shall be subject to the foregoing notice provisions.

(b) The obligations of the Participant to make payments under Section 5 for its Supplemental Bulk Power Supply shall be an operating expense of its Electric System.

(c) The Participant shall not be required to make any payments to Power Agency under this Agreement except from its Revenues (as defined in the Project Power Sales Agreement). The Participant covenants and agrees that it will fix, charge, and collect rents, rates, fees, and charges for electric power and energy and other services, facilities, and commodities sold, furnished, or supplied through the facilities of its Electric System sufficient to provide Revenues adequate to meet its obligations under this Agreement, and to pay any and all other amounts payable from or constituting a charge and lien upon such Revenues, including amounts sufficient to pay the principal of and interest on all general obligation bonds heretofore or hereafter issued by the Participant to finance its Electric System.

(d) The Participant shall take no action the effect of which would be to prevent, hinder, or delay Power Agency from the timely fulfillment of its obligations under this Agreement, the Project Agreements, any Supplemental Power Debt, the Bond Resolution, and the Bonds or other securities or evidences of indebtedness issued to provide the amounts due and payable by Power Agency under the Sales Agreement or any agreements between Power Agency and Duke or between Power Agency and the Participant relating to Distribution Delivery Stations, or any other agreement entered into between Power Agency and the Participant.

SECTION 7. Obligations in the Event of Default.

(a) Upon failure of the Participant to make any payment in full when due under this Agreement or to perform any obligation herein, Power Agency shall make demand upon the

Participant; and if said failure is not remedied within fifteen (15) days from the date of such demand, it shall constitute a default at the expiration of such period. Notice of such demand shall be provided to the other Participants by Power Agency.

(b) If the Participant shall fail to pay any amounts due to Power Agency under this Agreement, or to perform any other obligation hereunder which failure constitutes a default under this Agreement, Power Agency may and, if such default shall have caused an “Event of Default” (as defined in the Interconnection Agreement) with respect to Power Agency to have occurred and be continuing for a period of one (1) year, at the request of Duke, shall terminate this Agreement. Any such termination pursuant to this Section 7(b) will not relieve Participant from its obligations under this Agreement, and such obligations shall continue in full force and effect.

(c) In the event of any default by Power Agency under any covenant, agreement, or obligation of this Agreement, the Participant may, upon fifteen (15) days’ prior written notice, bring any suit, action, or proceeding in law or in equity, including mandamus, injunction, and action for specific performance as may be necessary or appropriate to enforce any covenant, agreement, or obligation of this Agreement against Power Agency.

(d) No remedy conferred upon or reserved to the parties hereto is intended to be exclusive of any other remedy or remedies available hereunder or now or hereafter existing at law, in equity, or by statute or otherwise, but each and every such remedy shall be cumulative and shall be in addition to every other such remedy. The pursuit by either party of any specific remedy shall not be deemed to be an election of that remedy to the exclusion of any other or others, whether provided hereunder or by law, equity, or statute.

SECTION 8. Rights of Duke and Others Hereunder. In addition to Duke’s rights under Section 7(b) herein, Duke shall have the right, as a third party beneficiary, to maintain suit to

enforce this Agreement whenever any “Event of Default” by Power Agency as defined in the Interconnection Agreement shall have occurred and shall not have been fully cured and in such enforcement Duke shall have the same rights as Power Agency to enforce this Agreement. Power Agency may permit any other entity which may become a third party beneficiary of this Agreement to join with Power Agency in enforcing this Agreement. It is recognized that the exercise of any such rights by Duke shall not affect any rights of Duke against Power Agency whether arising under the Project Agreements, at law, in equity, provided by statute, or otherwise.

SECTION 9. Dispatch; Deliveries; Distribution Delivery Station Costs; Load Forecasts; System Reliability.

(a) All Requirements Bulk Power Supply shall be delivered to the high voltage side of the Participant’s Delivery Point(s).

(b) In addition to the rates and charges for All Requirements Bulk Power Supply pursuant to this Agreement, the Participant shall be responsible to Power Agency for all costs of delivery facilities, Distribution Delivery Stations, and any additions or modifications thereto (including but not limited to payments made by Power Agency to Duke for Protection Station costs, Leased Facilities charges, and Early Retirement charges, all pursuant to the NITSA, NOA, and Interconnection Agreement) by payment of charges adopted by the Power Agency and developed pursuant to the Policy Guidelines, Cost Responsibility for Delivery Facilities (the “Guidelines”), adopted by the Power Agency on December 16, 1983, as the Guidelines may be modified from time to time by the Power Agency. In addition, the Participant shall bear all other responsibilities and obligations and shall have all rights, in each case with respect to existing Distribution Delivery Stations or new Distribution Delivery Stations or modifications or additions

thereto or other related matters, as specified in the Guidelines as the same may be modified from time to time.

(c) Delivery Point Data Sheets in the form attached to the NITSA, shall be completed for Delivery Point(s) of the Participant. No revisions or modifications (other than necessary maintenance) of the facilities at the Delivery Point(s) shall be undertaken for the purpose of modifying the characteristics of delivery from transmission facilities of Duke and/or Power Agency set out on the Delivery Point Data Sheets unless prior agreement is obtained from Power Agency and Duke and revised Delivery Point Data Sheet(s) are first executed. Power Agency and the Participant shall agree, subject to the provisions of the NITSA and NOA, on the amount of firm capacity required at each such Delivery Point, taking into account the continuous load expected to be served at such Delivery Point(s). A reasonable allowance will be included if growth is anticipated. The Participant shall not place loads on Delivery Point(s) in excess of the firm capacity amount(s) so agreed and recorded on the Delivery Point Data Sheet(s) without Power Agency and Participant first negotiating a new Delivery Point Data Sheet. Pursuant to the NITSA and NOA, Duke has agreed it shall not unreasonably withhold its agreement for an increase in the firm capacity amount.

(d) Should the Participant want more capacity at a Delivery Point than is reasonably necessary to serve the continuous load at that point for the purpose of switching load between Delivery Points, Participant must request such capacity and such capability will be provided by Power Agency pursuant to the NITSA and NOA.

(e) Prior to September 15 of each Contract Year, or such other date communicated by Power Agency, the Participant shall provide Power Agency with information on matters relating to the Participant's power supply planning, including but not limited to, load forecasts, proposed

transmission additions, and new Delivery Points, and the Participant shall assist Power Agency with development of projected capacity requirements at each Delivery Point of the Participant for the next five calendar years. The projected capacity requirement shall be for the load reasonably expected to exist in the area served by each such Delivery Point. The proposed location, delivery voltage, and estimated capacity requirements of any new delivery point desired by the Participant for the next five calendar years shall also be delineated. Power Agency reserves the right to require Participant to assist Power Agency with development of any other projections of capacity requirements that Power Agency may request to meet Power Agency's contractual obligations or otherwise provide All Requirements Bulk Supply.

(f) The Participant shall avoid and refrain from any acts or transactions or the use of any equipment, appliance, or device that would have a significant adverse effect upon the reliability or operating characteristics of the Duke system or of the interconnected facilities of Power Agency or of its other Participants.

(g) It is expressly understood and agreed that Power Agency does not hereby contract to furnish Participant electric power for pumping water for extinguishing fires.

(h) The Participant shall at its own cost install, maintain, and operate protective equipment and switching, voltage control, load shedding, and emergency facilities as shall be required in order to assure continuity of service, adequacy of service, and the stability of the interconnected facilities of Duke and Power Agency and the other Participants.

SECTION 10. Consulting Engineer.

(a) Power Agency will retain as Consulting Engineer an independent consulting engineer or engineering firm or corporation having a national and favorable reputation for special skill, knowledge, and experience in analyzing the operations of electric utility systems, preparing

rate analyses, forecasting the loads and revenues of electric utility systems, and advising on the operation of electric generating facilities and the marketing of power and energy therefrom (which Consulting Engineer shall be the consulting engineer appointed and retained by Power Agency under the Bond Resolution) to advise and render opinions to Power Agency on matters relating to electric power generation, transmission, power supply, electric utility operations, rates and charges, electric utility economics and financing, and budgets. Power Agency shall cause the Consulting Engineer to prepare within one hundred sixty (160) days following the close of each Contract Year, an annual engineering report with respect to the Project for the immediately preceding Contact Year, which report shall contain a copy of the annual audit and shall include:

- (1) a report on the operations of Power Agency;
- (2) a report on the management of the Project;
- (3) a report on the sufficiency of rates and charges for services;
- (4) a report on requirements for future bulk power supply;
- (5) conclusions as to changes in operation and the making of repairs, renewals,

replacements, extensions, betterments, and improvements; and

- (6) a projection of Power Agency's costs of providing All Requirements Bulk Power Supply to all Participants for a reasonable period in the future.

- (b) Power Agency shall cause a copy of said engineering report to be delivered to the Participant.

SECTION 11. Participant Planning and Operations.

- (a) Diligence.

The Participant will exercise diligence in the operation of its Electric System with the view of securing efficiency in keeping with Usual Utility Practice, will construct its facilities in

accordance with specifications at least equal to those prescribed by the National Electric Safety Code, will maintain its lines at all times in a safe operating condition, and will operate said lines in conformance with Section 9(f) and Section 9(h) of this Agreement.

(b) Capacitors.

If the Participant owns or operates conductors that connect with those of Duke (either directly or through Power Agency's facilities), it shall install capacitors and operate switched capacitors in accordance with the terms and conditions of the NITSA and NOA.

(c) Access.

Participant will give necessary permission to enable Power Agency to carry out this Agreement and will otherwise be subject to applicable terms and conditions set forth in those tariffs, rate schedules, and contracts which affect Power Agency and the Participant. Power Agency and the Participant each will give the other the right to enter the premises of the other at all reasonable times for the purpose of repairing or removing facilities, reading meters, or performing work incidental to delivery and receipt of All Requirements Bulk Power Supply.

(d) Compliance.

The Participant will be subject to and will comply with all applicable terms and conditions set forth in tariffs; rate schedules; guidelines; including, but not limited to, the Guidelines Concerning Distributed Generation adopted by Power Agency, as may be modified from time to time by Power Agency; and contracts that affect Power Agency and the Participant.

SECTION 12. Miscellaneous General Provisions.

(a) Character and Continuity of Service.

Power Agency shall use its reasonable best efforts to enforce the terms and conditions of the Interconnection Agreement with Duke and the terms and conditions of any other similar agreement(s) with other parties for Supplemental Bulk Power Supply.

Power Agency may temporarily interrupt or reduce deliveries of electric energy to the Participant if Power Agency determines that such interruption or reduction is necessary in case of emergencies or in order to install equipment in or make repairs to or replacements, investigations, and inspections of or to perform other maintenance work on its generation or transmission facilities and related apparatuses. When conditions permit, Power Agency shall inform the Participant regarding any such planned interruption or reduction, give the reason therefore, state the probable duration thereof, and make reasonable efforts consistent with Usual Utility Practice to schedule such interruption or reduction at a time that will cause the least interference with the operations of the Participants.

Power Agency shall not be required to provide, or be liable for failure to provide, service under this Agreement when such failure or the cessation or curtailment of or interference with the service is caused by Force Majeure or, with respect to the services to be provided for Supplemental Bulk Power Supply, is caused by the failure or refusal of any other bulk power supplier to enter into reasonable contracts with Power Agency or by the inability of Power Agency to obtain any required governmental approvals to enable Power Agency to acquire or construct any facilities.

(b) Metering.

Power Agency reserves the right to provide for installation of meters and will provide or cause to be provided all necessary metering equipment for determining the quantity and conditions

of the supply of electric power and energy delivered by Power Agency under this Agreement. The installation, operation, maintenance, repair, and replacement of all metering equipment located at Delivery Points connected to the Duke transmission system will be performed by Duke pursuant to the NITSA and NOA.

(c) Power Deliveries.

Power and energy furnished to the Participant under this Agreement shall be in the form of three phase current, alternating at a frequency of approximately 60 Hertz.

(d) Liability of Parties.

Power Agency shall not be responsible for the transmission, control, use, or application of electric power provided under this Agreement on the Participant's side of the Delivery Point therefore and shall not, in any event, be liable for damage or injury to any person or property whatsoever arising, accruing, or resulting from, in any manner, the receiving, transmission, control, use, application, or distribution by the Participant of said electric power.

To the extent permitted by applicable law, Power Agency and the Participant shall defend, indemnify, save, and hold harmless each other from any and all claims, liabilities, losses, damages, injuries, judgments, penalties, fines, attorneys' fees, court costs and other legal expenses, insurance deductibles, and all other expenses incurred by the other (the indemnified party) by reason of any negligence or any intentionally wrongful act on the part of the other (indemnifying party) or its officers, directors, agents, contractors, or employees, in constructing, maintaining, or operating the indemnifying party's apparatus, appliances, or other property, or in the transmission, control, or application, redistribution, delivery, or sale of power and energy on the indemnifying party's side of said Delivery Point. Such indemnification shall hold harmless the one indemnified, its officers, directors, agents, contractors, and employees, from and against any and all liability and any and

all claims, liabilities, losses, damages, injuries, judgments, penalties, fines, attorneys' fees, court costs and other legal expenses, insurance deductibles, and all other expenses, including expenses incurred by the one indemnified, its officers, directors, agents, contractors, or employees, in connection with investigating any claim or defending any action, and including reasonable attorneys' fees incurred or suffered by the one indemnified, its agents, contractors, or employees, by reason of the assertion of any such claim against the one indemnified, its officers, directors, agents, contractors, or employees.

Whenever any claim is made against either party, the party against whom the claim is made shall give notice to the other party within a reasonable time after the party against whom the claim is made becomes aware of any facts which could reasonably cause it to conclude that the claim is covered by this indemnification. Power Agency and the Participant may assume on behalf of the other, its officers, directors, agents, contractors, and employees, at their option after written notification by the other, the defense of any action at law or in equity which may be brought against the other, its officers, directors, agents, contractors, or employees, upon any such claim. Power Agency and the Participant, regardless of whether one assumes the defense of any action or the other defends such action, will pay on behalf of the other, its officers, directors, agents, contractors, or employees, the amount of any judgment that may be entered against the other, its officers, directors, agents, contractors, or employees, in any such action.

The indemnification provided for in this Section 12(d) shall not cover the following expenses: (1) the expense of investigating any claim prior to the time that notice is given to the other party that said claim is covered by this indemnification; (2) compensation for time of employees of the indemnified party spent in defending any action; and (3) attorneys' fees incurred by an indemnified party after an indemnifying party has assumed the defense of an action.

The obligations of each party described in this Section 12(d) shall survive termination or expiration of this Agreement.

(e) No Adverse Distinction.

Power Agency shall not unduly discriminate amongst Participants executing Supplemental Power Sales Agreements in carrying out its obligations under this Agreement.

(f) Other Terms and Conditions.

Service hereunder shall be in accordance with such other terms and conditions as are established as part of Power Agency's processes and procedures, which shall not be inconsistent with the provisions of this Agreement.

(g) Notices and Computation of Time.

Any notice or demand given by the Participant to Power Agency under this Agreement shall be deemed properly given if mailed postage pre-paid and addressed to the Chief Executive Officer of Power Agency at its principal office designated in writing filed with the Participant by Power Agency. Any notice or demand given or rendered by Power Agency to the Participant under this Agreement shall be deemed properly given or rendered if mailed postage prepaid and addressed to the person and at the address designated in writing filed with Power Agency by the Participant. Any other communication, including any budget or statement, given or rendered by Power Agency to the Participant under this Agreement shall be deemed properly given if provided electronically at the e-mail address designated in writing to Power Agency by the Participant. The designations of the name, address, and e-mail address to which any communication is directed may be changed at any time and from time to time by either party giving notice electronically by email to the Chief Executive Officer of Power Agency or as above provided.

In computing any period of time prescribed or allowed under this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included. The last day of the period so computed is to be included, unless it is a Saturday, a Sunday, or a legal holiday in North Carolina, in which event the period runs until the end of the next day which is not a Saturday, a Sunday, or a legal holiday in North Carolina.

SECTION 13. Future Projects Undertaken by Power Agency.

(a) Future Projects.

Power Agency may from time to time conduct studies and negotiations with respect to planning, designing, financing, constructing, administering, operating, and maintaining or otherwise acquiring future generation and transmission facilities or rights to the output thereof in addition to those contemplated for the Project, and it may make recommendations to the Participant that such future facilities be undertaken by Power Agency, and such costs thereof shall be Supplemental Power Costs.

(b) Future Participants.

It is expressly understood that nothing herein shall preclude other future participants from contracting with Power Agency for planning, procuring, and providing such other future participants' bulk power supply, including participation in other projects undertaken by Power Agency.

SECTION 14. Records; Accounts; Reports; Audits.

Power Agency shall keep accurate records and accounts for the Project and for Supplemental Bulk Power Supply, separate and distinct from its other records and accounts. Such records and accounts shall contain information supporting the allocation of Power Agency's indirect costs associated with the Project and with Supplemental Bulk Power Supply. Such records

and accounts shall be audited annually by a firm of certified public accountants, experienced in electric utility accounting and of national reputation, to be employed by Power Agency. Such records and accounts and such annual audit, including all written comments and recommendations of such accountants, shall be made available for inspection at any reasonable time by the Participant at the principal office of Power Agency.

The Participant shall keep accurate records and accounts for its Electric System, separate and distinct from its other records and accounts. Such records and accounts shall be audited annually by a firm of certified public accountants or by an accountant approved by the Local Government Commission of the State of North Carolina as qualified to audit local government accounts, which audit may be part of the annual audit of the accounts of the Participant. Such records and accounts shall be made available for inspection by Power Agency at any reasonable time, and a copy of such annual audit, including all written comments and recommendations of such accounts, shall be furnished to Power Agency not later than one hundred twenty (120) days after the close of the Participant's fiscal year.

Power Agency shall, following the close of each fiscal year, submit an annual report of its activities for the preceding year to the Participant summarizing the Power Agency's activities and financial statement.

SECTION 15. Modification and Uniformity of Agreements.

(a) This Agreement shall not be subject to termination by any party under any circumstances, whether based upon the default of any other party under this Agreement, or any other instrument, or otherwise, except as specifically provided in this Agreement.

(b) This Agreement shall not be amended, modified, or otherwise changed, or rescinded, by agreement of the parties with respect to the following provisions of this Agreement

without the prior written consent of Duke when required by the Interconnection Agreement: paragraph (d) of Section 5, paragraphs (c) and (d) of Section 6, paragraph (b) of Section 7, Section 8, paragraph (b) of Section 15, paragraph (a) of Section 23, and Section 24.

(c) If any other Supplemental Power Sales Agreement is amended or replaced so that it contains terms and conditions different from those contained in this Agreement, Power Agency shall notify the Participant and upon timely request by the Participant shall amend this Agreement to include similar terms and conditions.

SECTION 16. Assignment of Agreement. This Agreement shall inure to the benefit of, and shall be binding upon, the respective successors and assigns of the parties to this Agreement; provided, however, that neither this Agreement nor any interest herein shall be assigned or transferred by the Participant without the written consent of Power Agency, which shall not be unreasonably withheld. No assignment, transfer, or sale shall relieve the Participant of any obligation hereunder that accrued prior to such assignment, transfer, or sale.

SECTION 17. Severability. If any section, paragraph, clause, or provision of this Agreement shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Agreement shall be unaffected by such adjudication and all of the remaining provisions of this Agreement shall remain in full force and effect as though such section, paragraph, clause, or provision or any part thereof so adjudicated to be invalid had not been included herein. In the event of any such invalidity, the parties hereto shall promptly negotiate in good faith valid new provisions to restore the Agreement to its original intent and effect.

SECTION 18. Applicable Law; Construction. This Agreement is made under and shall be governed by the law of the State of North Carolina. Headings herein are for convenience only and shall not influence the construction hereof.

SECTION 19. Survivorship of Obligations. The termination of this Agreement shall not discharge any party hereto from any obligation it owes to the other party under this Agreement by reason of any transaction, loss, cost, damage, expense, or liability which shall occur or arise (or the circumstances, events, or basis of which shall occur or arise) prior to such termination. It is the intent of the parties hereby that any such obligation owed (whether the same shall be known or unknown at the termination of this Agreement or whether the circumstances, events, or basis of the same shall be known or unknown at the termination of this Agreement) shall survive the termination of this Agreement.

SECTION 20. No Delay. No disagreement or dispute of any kind between the parties to this Agreement, or between any party and any other entity, concerning any matter including without limitation, the amount of any payment due for said party or the correctness of any billing made to the party, shall permit the said party or either of them to delay or withhold any payment or the performance by any party of any other obligation pursuant to this Agreement. Each party shall promptly and diligently undertake to resolve such disagreement and dispute without undue delay.

SECTION 21. Further Documentation. From time to time after the execution of this Agreement, the parties hereto shall within their legal authority execute other documents as may be necessary, helpful, or appropriate to carry out the terms of this Agreement.

SECTION 22. Incorporation of Exhibits. All Exhibits attached to this Agreement shall be incorporated into and be a part of this Agreement.

SECTION 23. Continuance and Enforcement of Agreement.

(a) Except as provided in paragraph (b) of Section 7, Power Agency shall continue this Agreement in full force and effect and shall enforce this Agreement in accordance with its terms to the extent permitted by law.

(b) Any waiver at any time by either party to this Agreement of its rights with respect to any default of the other party hereto, or with respect to any other matter arising in connection with such Agreement, shall not be considered a waiver with respect to any subsequent default, right, or matter. Further, the failure of a party to enforce at any time any of the provisions of this Agreement or to require at any time performance by the other party of any of the provisions hereof shall not be considered a waiver of such provisions, nor in any way affect the validity of the Agreement or any part thereof, or the right of such party thereafter to enforce each and every such provision.

SECTION 24. Relationship to Other Instruments. It is recognized by the parties hereto that Power Agency in the ownership, construction, acquisition and operation of the Project must comply with the requirements of the Project Agreements, the Bond Resolution, and all licenses, permits, and regulatory approvals necessary for such ownership, construction, acquisition, and operation, and it is therefore agreed that this Agreement is made subject to the terms and provisions of the Project Agreements, the Bond Resolution, and all such licenses, permits, and regulatory approvals.

SECTION 25. Entire Agreement. This Agreement shall constitute the entire understanding among the parties hereto, superseding any and all previous understandings, oral or written, pertaining to the subject matter contained herein. No party hereto has relied, or will rely, upon any

oral or written representation or oral or written information made or given to such party by any representative of the other party or anyone on its behalf.

SECTION 26. Preaudit Certification. Execution of this Agreement by the finance officer of the Participant shall constitute a certification of such finance officer that, to the extent this Agreement requires the Participant to satisfy a financial obligation during the Participant's fiscal year in which the Effective Date occurs, this Agreement has been preaudited in the manner required by the North Carolina Local Government Budget and Fiscal Control Act.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement all by authority of their respective governing bodies duly given.

Executed this ____ day of _____, 2026.

CITY OF HIGH POINT

By: _____
Cyril Jefferson, Mayor

Attest:

This instrument has been preaudited in the manner required by the North Carolina Local Government Budget and Fiscal Control Act.

Sandra Keeney, City Clerk

Bobby Fitzjohn, City Finance Officer.

(SEAL)

Executed this 28th day of January, 2026.

**NORTH CAROLINA MUNICIPAL
POWER AGENCY NUMBER 1**

By: _____
Chief Executive Officer

Attest:

Walt Olin
Secretary-Treasurer

(SEAL)



Signature Page of Amended and Restated Supplemental Power Sales Agreement]