

**NORTHAMPTON COUNTY  
REGULAR SESSION  
January 5, 2015**

**Be It Remembered that the Board of Commissioners of Northampton County met on January 5, 2015 with the following present: Robert Carter, Fannie Greene, Virginia Spruill, Chester Deloatch, and Joseph Barrett**

**Others Present: Kimberly Turner, Scott McKellar, and Michelle Nelson**

**Agenda Work Session:**

A 10-minute work session was held to discuss today's agenda items. Chairwoman Greene called upon County Manager Kimberly Turner for input. Ms. Turner had one change. She asked that Tab 6 be removed. Mr. Flynn will appear before the Board at the next meeting.

**Regular Session:**

Chairwoman Greene called the meeting to order, welcomed everyone, and announced when citizens could make comments.

Chairwoman Greene delivered the Invocation, and the Pledge of Allegiance was recited.

**Approval of Regular Session Minutes for December 1, 2014:**

A motion was made by Chester Deloatch and seconded by Virginia Spruill to approve the Regular Session Minutes for December 1, 2014. **Question Called:** *All present voting yes.* **Motion carried.**

**Approval of Closed Session Minutes for December 1, 2014:**

A motion was made by Virginia Spruill and seconded by Chester Deloatch to approve the Closed Session Minutes for December 1, 2014. **Question Called:** *All present voting yes.* **Motion carried.**

**Approval of Agenda for January 5, 2015:**

A motion was made by Joseph Barrett and seconded by Robert Carter to approve the Agenda with the corrected omission for Tab number 6. **Question Called:** *All present voting yes.* **Motion carried.**

**Indirect Cost Audit Renewal, and Financial Report:**

Mrs. Dot Vick, Finance Officer, appeared before the Board to obtain approval of the Maximus Consulting Services, Inc. contract for resource cost allocation for reimbursement initiatives. This is a renewal of the contract for consulting services for the County. This contract has been to the County Attorney who had a change that was made in the final contract.

Commissioner Carter asked Mrs. Vick to expound on the change that was made. County Attorney McKellar explained that on Page 2, Paragraph 10 (the Limitation of Liability provision) as originally drafted, that limitation lied only in favor of Maximus. He requested that this limitation apply mutually to both parties.

Commissioner Spruill wanted to clarify that it didn't change the scope of the services. Mr. McKellar said no.

Chairwoman Greene asked how long the County had been with this service. Mrs. Vick said we have been with this company for ten years.

Commissioner Spruill asked if we had any control over who the consultant might be for the County. Mrs. Vick replied that she never asked.

A motion was made by Robert Carter and seconded by Virginia Spruill that the Board approve the renewal of Maximus Contract for a term of three years, with a total cost in the amount of \$3,500 per year. **Question Called: All present voting yes. Motion carried.**

Mrs. Vick also presented an information paper on the status of the Operating Budget as of November 30, 2014. She mentioned that the Operating Budget Revenues are under Expenditures by \$200,465. Enterprise Revenues are over. Solid Waste Revenues are still under Expenditures. The Enterprise Fund compared to last fiscal year—we are \$592,315 this year, last year was \$252,200. She also wanted to make a couple of statements. Since there was an issue concerning the rate increases, Mrs. Vick went back and pulled the Auditors' mid-year review from 2008 and their recommendation. Our cash balance dropped that year by \$414,000. In the Auditors' recommendation, they said that "cash flow from the water and sewer fund is only sufficient to cover operations and debt service. The fund is not generating sufficient cash to cover any major repairs or improvements." Under Actions to Consider (from the same report) it states "Re-evaluate remaining Capital Outlay budgeted approximately \$200,000. Say no to capital outlay spending for the remaining of the year (this is what they are recommending for us to do this year). New water and sewer debt needs new revenue stream to match. Distinction of debt and loan to other funds have reduced cash on hand and left a smaller safety net." Mrs. Vick said that brings her to two things that the Board may not be aware of: when the County Commissioners decided to go with Phase V ten years ago, there was no loan money. The engineer fees had to come from the Enterprise Fund. When we finished up in 2014, the Revenues were under Expenditures about \$200,000 but she went back to 2003 and pulled all the engineering invoices, and sent them to USDA, and they have reimbursed us \$361,000. That is a one-time shot in the arm that got us through 2014. Another note that Mrs. Vick made is that the Auditors came before the Board about the Solid Waste Fund. The Solid Waste Fund right now owes the Enterprise Fund \$400,000. She said at some point the decision needs to be made whether we are going to write it off, or figure out what we are going to do to get that money back. She said the Solid Waste fund is not coming out with any cash at the end of the year. She said we've done different things, but the end result is still the same. It draws off in the water fund. She said maybe the Auditor will have some suggestions. Mrs. Vick does not see how Solid Waste will be able to pay back the \$400,000. There was a balance in the Solid Waste—over \$100,000—and then they had the dilapidated housing project. The decision was made to let the contractors bring in their materials at no charge, and the balance went down, and we haven't recovered since.

Mrs. Vick said we are still carrying it from one fund to another. Each year, she thinks it will be a little better, but at the end of the year, the results remain the same.

Vice-Chairman Barrett asked what the deficient amount is in the Solid Waste Fund. Mrs. Vick said without adding this year to it, it is \$398,830.

Mrs. Vick stated that with the increase in the budget for 2015, we've increased revenues, (originally it started out as \$759,000 but it was cut back) so we should pick up some revenue there with the new water rates. Mrs. Vick reiterated that we have been paid back by USDA and if we could figure out a way to get this pay back from Solid Waste it would be another shot in the arm.

Chairwoman Greene mentioned that if we wrote it off, it would be a loss. Commissioner Spruill asked if we've ever written off anything before like this. Mrs. Vick replied that they write off a certain amount for uncollectables—they write it off in water and ambulance. Commissioner Spruill asked if that is an ongoing situation possibly. Mrs. Vick said yes. Commissioner Spruill asked if that write off will remedy the situation that we have facing us in terms of that fund, and do we have to do that every year to make sure that fund stays down. Mrs. Vick said that she wouldn't write off every year. She believes the Auditors will come down on us if we write if off every year. She mentioned that just like the water fund, it is a business fund and it should be breaking even. She feels that if it is a loss every year, something is wrong. She said it was set up before it was ever self-supporting. She said the County got a stiff letter from the State because it was not self-supporting when it was set up as an Enterprise Fund. She noted that one of the former County Managers put it in with the Enterprise Fund, and when the financials went to Raleigh, they made him pull it out. It has to be a stand-alone and self-supporting system.

Commissioner Spruill asked Chairwoman Greene if the County Manager and Board can sit down and analyze where we are in reference to these funds and map out a plan of action as to how we are going to address this situation since it seems it is getting worse year after year. She feels they are going to really be in trouble if this is not addressed.

Chairwoman Greene said perhaps we should have a workshop to discuss this issue. She said she was going to suggest that with the water problems also, to talk about those two things would be good. Ms. Turner said she will work on a date to set up the meeting.

Mrs. Vick said as far as the water fund, when they refinanced in 2013, they've already refinanced all the debt that they could refinance for now, so there are no more savings there.

Chairwoman Greene asked that when we increased the Solid Waste fee are we not still sustaining ourselves with the increases that were made. Mrs. Vick said if it was last year, we didn't because we were still around \$40,000 short.

**PLEASE SEE SCANNED DOCUMENTS WHICH ARE  
HEREBY MADE A PART OF THESE MINUTES:**



# NORTHAMPTON COUNTY

Finance Department & Management Information Systems

Post Office Box 663

Jackson, North Carolina 27845

Finance Telephone (252) 534-1536 or (252) 534-5301

MIS Telephone (252) 534-6171

Fax (252) 534-1239

Dorothy E. Vick  
Finance Director

Bill Blanchard  
MIS

## DECISION PAPER

**TO:** Northampton County Board of Commissioners

**FM:** Dot Vick, Finance Officer *Dot Vick*

**RE:** Maximus Contract Renewal

**DT:** December 12, 2014

**PURPOSE:** To obtain approval for renewal of Maximus Consulting Services, Inc. contract for resource cost allocation for reimbursement initiatives.

### FACTS:

Northampton County uses Maximus Consulting Services, Inc., for the compilation of data and preparation of the county's annual Indirect Cost Plan. This plan is crucial for the reporting and cost allocation of resources for reimbursement purposes; especially within the Department of Social Services for Federal and State revenues.

### DISCUSSION:

Northampton County utilizes this contract for the creation of its annual Indirect Cost Plan, which serves the as formal plan for Federal and State reimbursement to the county. The terms of the agreement cover a three year period, for fiscal years 2014, 2015, and 2016. The annual fee each year of \$3,500 has not increased, to date.

The county staff continues to work with Maximus Consultant, Mr. Jason Jennings, and I have been quite pleased with his results each year.

Additionally, the renewal contract has been reviewed by our County Attorney, and requested recommendations have been completed.

### RECOMMENDATION:

Respectfully request the Board of Commissioners approve the renewal of Maximus Contract for a term of three (3) years, with a total cost in the amount of three thousand five hundred (\$3,500) per year.



**COORDINATION:**

Concur: County Manager Kimberley R. Davis 12/18/14  
Concur with Comment \_\_\_\_\_  
Non-Concur \_\_\_\_\_

<b>NORTHAMPTON COUNTY</b> <b>CONTRACT</b> <b>CONTROL SHEET</b> <b>4929</b>		<b>CONTRACT/VENDOR</b> <b>MAXIMUS Consulting Services, Inc</b>	
		<b>Address</b>	808 Moorefield Park Drive, Suite 205
		<b>Contact</b>	Richmond, VA 23236
		1	0
		<b>Originals</b>	<b>Copies</b>
<b>CONTRACT #</b> _____		<b>Amount \$</b> 3,500 annually	
<b>New Contract</b>			
<b>Renewal</b> <u>X</u>		<b>Date originally approved by the Board of Commissioners</b> 2004	
<b>Cost or Material Changes</b> No change since 2004			
<b>Original Contract sent to Contract Administrator</b>		<b>Date:</b> 11/14/2014	
<b>Originating Department/Individual:</b> Dot Vick		<b>Item or Service:</b> Indirect Cost Plan	
<b>Department Involved:</b> Finance will provide financial information		<b>Type of Contract:</b> Financial Services Consulting	
<b>Line Item Budgeted:</b> 805311-548100		<b>Period of Coverage:</b> 3 years (billed annually)	
<b>GRANTS</b>			
<b>Board approval for Application</b>		<b>Approved</b> _____	<b>Set</b> _____
<b>Board approval for Acceptance</b>		<b>Approved</b> _____	<b>Set</b> _____
<b>COUNTY ATTORNEY</b>		<b>Date Received:</b> 11/14/2014	<b>Date Approved:</b> 11/20/2014
<b>Approved as to Form:</b> YES		<b>Approved as to Legal Sufficiency:</b> YES	
<b>Revisions Necessary?</b> YES		<b>Board Action Necessary?</b> YES	
<b>Date Revisions were made?</b> 11/14/2014		<i>-Scott McPhee</i>	
<b>FINANCE</b>		<b>Date Received:</b> 11-20-14	<b>Date Audited</b> 12-18-14
<b>Non encumbered contract</b> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		<i>Not used</i>	
<b>ASSISTANT COUNTY MANAGER</b>		<b>Date Received</b> _____	<b>Date Approved:</b> _____
<b>COUNTY MANAGER</b>		<b>Date Received</b> 12/18/14	<b>Date Approved:</b> 12/18/14
<b>BOARD OF COMMISSIONERS</b>		<b>CLERK TO THE BOARD</b>	
<b>Date approved by Board</b>		<b>Date Received</b> _____	<b>Date Attested:</b> _____
<b>CONTRACT ADMINISTRATOR</b>			
<b>Attorney</b> _____	<b>Finance</b> _____	<b>Asst Cty Mgr</b> _____	<b>Cty Mgr</b> _____
<b>Outside Agency Signatures:</b>		<b>Date Sent :</b> _____	<b>Date received:</b> _____
<b>Copies Delivered to Appropriate Departments:</b>		<b>ORIGINATING</b> _____	<b>FINANCE</b> _____
<b>Original to Outside Agency:</b> (Departments to deliver)		<b>Date:</b> _____	
<b>File County Original / Add to Database:</b>		<b>Date:</b> _____	
<b>NOTES:</b>			
<p>____ copies sent to originating department with instruction to obtain signatures and return 1 executed original to Legal</p> <p>____ copies sent to originating departments with note to forward to vendor</p> <p><b>PROBLEMS:</b></p> <p><b>Corrective Action:</b></p> <p style="text-align: right;"><b>Date:</b> _____ <b>Initial:</b> _____</p>			

**AGREEMENT TO PROVIDE  
PROFESSIONAL CONSULTING SERVICES**

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the "Effective Date"), by and between MAXIMUS Consulting Services, Inc. ("Consultant"), and *Northampton County, North Carolina* ("Client"). In consideration of mutual promises and covenants, the parties agree as follows:

- (1) Scope of Services. Consultant shall perform in a professional manner the Services detailed in Exhibit A.
- (2) Term. This Agreement shall commence on the Effective Date and shall remain in effect until (a) [thirty-six (36) months] thereafter, (b) completion of, and payment in full for, the Services specified in Exhibit A, or (c) termination in accordance with Section 4, whichever occurs first. Should the Services not be completed at the conclusion of the 36 month term, and this Agreement has not been terminated pursuant to Section 4, the parties may agree to extend the agreement for a specified period of time pursuant to an amendment signed by both parties.
- (3) Compensation. Client shall pay Consultant a fee for services rendered as set forth in Exhibit B, incorporated herein by reference as if fully set forth as part of this Agreement.
- (4) Termination.
  - a) Termination for Cause. Upon material breach of the terms of this Agreement, the non-breaching party shall provide written notice to the breaching party specifying the nature of the default. The breaching party shall have 30 days (or such longer period as the parties may mutually agree upon) from the date of receipt to cure any such default prior to the effective date of termination. Any notice of default shall be delivered by certified mail or overnight courier.
  - b) Termination for Convenience. Either party may terminate this Agreement without cause upon 60 days prior written notice to the other. In the event the Agreement is so terminated by Client, Client shall reimburse Consultant for all reasonable costs incurred by Consultant due to such early termination.
  - c) Rights Upon Termination. Upon termination for whatever reason and regardless of the nature of the default (if any), Client agrees to pay Consultant in full for all goods and/or services provided to Client under this Agreement, or any amendment thereto, as of the effective date of termination of the Agreement.
- (5) Services and Materials to be Furnished by Client. Consultant shall provide guidance to Client in determining the data required. The Client acknowledges and

agrees that Consultant shall be entitled to rely upon the accuracy and completeness of the data provided by the Client to perform the Services. Client shall provide all such data in a timely manner sufficient to allow Consultant to provide the Services. Consultant shall have no liability to Client whatsoever if Client provides incomplete or inaccurate data or provides data in an untimely manner.

- (6) Records and Inspections. Consultant shall maintain full and accurate records with respect to all matters covered under this Agreement for 6 years after the completion of the Services. During such period, Client shall have the right to examine and audit the records and to make transcripts therefrom. Client shall provide 30 days written notice of its intent to inspect or audit any such records and shall conduct such inspection or audit only during Consultant's normal business hours and no more than once every six months. Any employee, consultant, subcontractor or agent of Client granted access to such records shall execute a non-disclosure agreement prior to being granted such access.
- (7) Copyright for Consultant's Proprietary Software. To the extent that the Services provided by Consultant are generated by Consultant's proprietary software, nothing contained herein is intended nor shall it be construed to require Consultant to provide such software to Client. Client agrees that it has no claims of ownership, including copyright, patents or other intellectual property rights to Consultant's software. Nothing in this Agreement shall be construed to grant Client any rights to Consultant's materials created prior to the execution of this Agreement. All of the deliverables prepared by Consultant for Client included in the Services are specifically set out in Exhibit A.
- (8) Insurance. Consultant shall maintain appropriate general liability insurance, workers' compensation insurance, automobile insurance, and professional liability insurance.
- (9) Indemnification. To the extent allowed by law, each party (an "Indemnifying Party") shall defend, indemnify and hold harmless the other party (an "Indemnified Party") from and against any and all third-party claims and resulting proven direct damages, liabilities and costs (including reasonable attorney fees) to the extent proximately caused by the negligent actions or willful misconduct of the Indemnifying Party, its employees or agents. The Indemnifying Party shall not be responsible for any damages, liabilities or costs resulting from the negligence or willful misconduct of the Indemnified Party, its employees, consultants, or agents or any third party.
- (10) Limitation of Liability. The parties agree that their total liability to each other for any and all damages whatsoever arising out of, or in any way related to, this Agreement from any cause, including but not limited to negligence, errors, omissions, strict liability, breach of contract or breach of warranty shall not, in the aggregate, exceed the lesser of (a) the amount actually paid to Consultant during the contract year in which the claim arose, or (b) \$150,000.

In no event shall either party be liable for indirect, special, incidental, economic, consequential or punitive damages, including but not limited to lost revenue, lost profits, replacement goods, loss of technology rights or services, loss of data, or interruption or loss of use of software or any portion thereof regardless of the legal theory under which such damages are sought even if that party has been advised of the likelihood of such damages, and notwithstanding any failure of essential purpose of any limited remedy.

Any claim by either party relating to this Agreement must be made in writing and presented to the other party within one (1) year after the date on which Consultant completes performance of the services specified in this Agreement.

- (11) Consultant Liability if Audited. The Client represents that all financial and statistical information provided to Consultant by Client, its employees and/or agents is accurate and complete to the best of Client's knowledge. Consultant shall, upon notice of audit, make work papers and other records available to the auditors. Consultant's sole responsibility under an audit shall be to provide reasonable assistance to the Client through the audit and to make those changes to the work product as required as a result of the audit. Consultant shall not be liable for any audit disallowances or any missed or lost revenue associated with, or related to, the Services, regardless of cause.
- (12) Notices. Any notices, bills, invoices, or reports required by this Agreement shall be sufficient if sent by the parties in the United States mail, postage paid, to the address noted below:

Northampton County  
100 W. Jefferson Street  
Jackson, NC 27845  
(252) 534-5301  
(252) 534-1239 FAX

Nelson Clugston  
MAXIMUS Consulting Services, Inc.  
808 Moorefield Park Drive, Suite 205  
Richmond, VA 23236  
(804) 323-3535  
(804) 323-3536 FAX  
nelsonclugston@maximus.com

Such notice shall be deemed delivered 5 days after deposit in the U.S. mailbox.

- (13) Changes. The terms and scope of Services of this Agreement may be changed only by written agreement signed by both parties.

(14) Miscellaneous.

- a. If Consultant is requested or authorized by Client, or is required by government regulation, a regulatory agency, subpoena, or other legal process, to produce Consultant deliverables, documents, records, working papers, or personnel for testimony or interviews with respect to this Agreement or any services provided hereunder, Client will reimburse Consultant without limitation for all Consultant time and expenses, including, but not limited to, attorneys' fees, court costs and travel expenses, incurred in responding to such requests whether incurred by Consultant employees, consultants, contractors or agents. The foregoing does not diminish or negate Consultant's obligation to negotiate and defend all cost allocation plans and State mandated cost claims as specifically provided for under the Description of Services contained in Exhibit A.
- b. There are no third-party beneficiaries to this Agreement and nothing in this Agreement shall be construed to provide any rights or benefits to any third-party.
- c. The parties intend that Consultant, in performing the Services specified in this Agreement shall act as an independent contractor and shall have full control of the work and the manner in which it is performed. Consultant and Consultant's employees are not to be considered agents or employees of Client for any purpose.
- d. In the event that any provision of this Agreement is held to be invalid, illegal or unenforceable for any reason, this Agreement will continue in full force and effect without said provision, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby, and this Agreement will be interpreted to reflect the original intent of the parties insofar as possible.
- e. The titles of the sections, subsections, and paragraphs set forth in this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of the provisions of this Agreement.
- f. This Agreement and any additional or supplementary document or documents incorporated herein by specific reference contain all the terms and conditions agreed upon by the parties hereto, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement or any part thereof shall have any validity or bind any of the parties hereto.
- g. Neither party shall be liable hereunder by reason of any failure or delay in the performance of its obligations hereunder on account of strikes, shortages, riots, insurrection, fires, flood, storm, explosions, earthquakes, acts of God, war, governmental action, labor conditions, material shortages or any other cause which is beyond the reasonable control of such party.
- h. Each individual signing this Agreement certifies that (i) he or she is authorized to sign this Agreement on behalf of his or her respective

organization, (ii) such organization has obtained all necessary approvals to enter into this Agreement, including but not limited to the approval of its governing board, and (iii) when executed, this Agreement is a valid and enforceable obligation of such organization.

- i. Waiver by either party of a breach of any provision of this Agreement or the failure by either party to exercise any right hereunder will not operate or be construed as a waiver of any subsequent breach of that provision or as a waiver of that right.

IN WITNESS WHEREOF, the Client and the Consultant have executed this Agreement as of the date first written below.

By: \_\_\_\_\_  
(Client Official)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

MAXIMUS Consulting Services, Inc.


By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

This Instrument has been pre-audited in the manner as

Per NC.G.S. 159-28 (a)   
Finance Officer

**EXHIBIT A**  
**Scope of Services**

Description of Services:

- a) Development of a central services cost allocation plan, which identifies the various cost incurred by the County to support and administer programs that provide services directly to citizens. This plan will contain a determination of the allowable cost of providing each supporting services such as purchasing, legal counsel, disbursement processing, etc.
- b) Prepare indirect cost proposals for federal grants as necessary.
- c) Negotiation, of the completed cost allocation plan, with the representatives of the State or federal government, whichever is applicable.

Consultant represents that it has, or will secure at its own expense, all personnel required in the performance of Services under this Agreement. All of the Services required hereunder will be performed by Consultant or under its supervision, and all personnel engaged in the work shall be fully qualified to perform the services described herein.

Consultant shall provide the Services stated in this Exhibit A in a professional and workmanlike manner consistent with the typical standards of the industry. Consultant specifically disclaims all other warranties, express or implied, including but not limited to the warranties of merchantability and fitness for a particular purpose.

Consultant reserves the right to subcontract for Services hereunder. Consultant agrees to notify Client in writing of any such subcontracts.



**EXHIBIT B**  
**Compensation**

For Services provided as set forth in Exhibit A, Client agrees to pay Consultant compensation in the amount of three thousand five hundred dollars (\$3,500) per year.

Consultant will render to Client one or more invoices for the fees specified herein, with payment due thirty (30) days after the invoice date.

Fiscal Year 2014	\$3,500
Fiscal Year 2015	\$3,500
Fiscal Year 2016	\$3,500



# NORTHAMPTON COUNTY

Finance Department & Management Information Systems

Post Office Box 663

Jackson, North Carolina 27845

Finance Telephone (252) 534-1536 or (252) 534-5301

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Dorothy E. Vick  
Finance Officer

Bill Blanchard  
Computer Systems Coordinator

## INFORMATION PAPER

TO: Northampton County Board of Commissioners

FROM: Dot Vick  
Finance Officer

DATE: **December 30, 2014**

RE: Northampton County Operating Budget Report  
For period ending November 30, 2014

Attached you will find the operating budgets for period ending **November 30, 2014**.

These budget indicated revenues and expenditures for the following funds:

### Operating Budget (General & Social Services)

Revenues (under) expenditures-----	\$ ( 50,263.55)	Fund 11 – General Fund
Revenues (under) expenditures-----	- (150,202.35)	Fund 80- Social Services
<b>Net revenues (under) expenditures</b>	<b>\$( 200,465.90)</b>	

### Enterprise Funds-

Water – Revenue <u>over</u> expenditures-----	\$ 592,315.62
Solid Waste- Revenue ( <u>under</u> ) expenditures-----	\$ - 56,481.41

### **Notes:**

**Water Enterprise revenues are currently over expenditures by \$592,315.62 and compared to last fiscal year for the same period is an increase by \$252,200.**

**Solid waste revenues are under still expenditures but at a lessor amount than the same period last fiscal year.**

**Respectively Submitted,**  
**Dot Vick, Finance Officer**

01/04/2015 16:18 | NORTHAMPTON COUNTY N.C.  
dvick | NOVEMBER 30, 2014

|P 1  
|glytdbud

FOR 2015 05

ACCOUNTS FOR:	ORIGINAL	REVISED				AVAILABLE	PCT
11 GENERAL FUND	APPROP	BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	BUDGET	USED
3100 TAXES -ADVALOREM	-18,284,508	-18,284,508	-6,786,224.78	-3,007,254.36	.00	-11,498,283.22	37.1%
3200 OTHER TAXES & LICENSES	-108,400	-108,400	-21,804.08	-492.52	.00	-86,595.92	20.1%
3230 SALES TAX	-1,475,000	-1,475,000	-460,563.62	-147,153.67	.00	-1,014,436.38	31.2%
3300 INTERGOVERNMENTAL REVENUE	-84,000	-84,000	-8,896.46	-1,881.00	.00	-75,103.54	10.6%
3310 CATEGORIAL GRANTS	-433,049	-436,958	-81,311.48	-9,505.08	.00	-355,646.52	18.6%
3315 INTERGOVERNMENTAL/RESTRICTED	-268,968	-268,968	-86,735.57	-14,881.35	.00	-182,232.43	32.2%
3330 HEALTH-FED/STATE - RESTRICTED	-1,555,920	-1,685,888	-581,847.63	-86,819.63	.00	-1,104,040.37	34.5%
3340 PERMITS & FEES	-195,150	-195,150	-95,728.13	-16,293.46	.00	-99,421.87	49.1%
3400 SALES & SERVICES	-1,162,682	-1,162,682	-451,526.34	-106,072.32	.00	-711,155.66	38.8%
3432 SHERIFF- SPECIAL ACCOUNTS	-33,000	-33,000	-26,833.10	-7,001.44	.00	-6,166.90	81.3%
3450 SALES & SERVICES-HEALTH	-1,493,020	-1,493,020	-454,471.72	-85,160.30	.00	-1,038,548.28	30.4%
3830 MISC REVENUE	-39,378	-55,203	-37,120.71	-1,878.27	.00	-18,082.29	67.2%
3831 INVESTMENT EARNINGS	-3,600	-3,600	-1,633.64	-83.55	.00	-1,966.36	45.4%
3832 SPECIAL PROJECT	-10,000	-11,656	-12,030.05	-1,218.00	.00	374.05	103.2%
3990 FUND BALANCE APPROPRIATED	-1,102,921	-1,643,251	.00	.00	.00	-1,643,251.00	.0%
4110 GOVERNING BODY	87,391	87,391	34,339.41	5,230.97	.00	53,051.59	39.3%
4120 ADMINISTRATION	234,577	234,577	66,482.51	14,125.15	.00	168,094.49	28.3%
4122 PERSONNEL DEPARTMENT	201,967	201,967	67,098.19	12,732.81	.00	134,868.81	33.2%
4123 WELLNESS GRANT-HUMAN RESOU	0	7,798	1,547.09	1,045.09	212.18	6,038.73	22.6%
4130 FINANCE	606,917	606,917	347,976.19	42,064.59	.00	258,940.81	57.3%
4132 HOSPITALIZATION-RETIRES	245,382	245,382	77,319.62	12,081.43	.00	168,062.38	31.5%
4140 TAX DEPARTMENT	636,224	636,224	219,158.09	40,474.80	.00	417,065.91	34.4%
4144 LAND RECORDS	176,169	176,169	72,503.11	11,359.22	.00	103,665.89	41.2%
4150 LEGAL SERVICES	70,475	70,475	23,908.57	4,886.75	.00	46,566.43	33.9%
4160 COURT FACILITIES	19,100	19,100	7,882.91	1,117.12	.00	11,217.09	41.3%
4168 TREATMENT FOR EFFECTIVE COMMU	234,839	234,839	50,772.22	8,597.91	.00	184,066.78	21.6%
4170 ELECTIONS	188,087	188,087	81,528.88	31,972.80	.00	106,558.12	43.3%
4180 REGISTER OF DEEDS	231,872	265,601	123,639.57	18,032.01	.00	141,961.43	46.6%
4190 PUBLIC BUILDINGS	782,408	782,408	228,148.66	41,551.66	49,015.00	505,244.34	35.4%
4210 MANAGEMENT INFORMATION SYSTEM	265,639	265,639	100,058.58	17,103.03	.00	165,580.42	37.7%
4220 CENTRAL GARAGE	80,388	80,388	30,175.58	5,132.78	2,026.56	48,185.86	40.1%
4250 BULK FUEL	28,292	28,292	2,000.51	6,738.20	.00	26,291.49	7.1%
4270 CENTRAL STORES	11,100	11,100	-7,111.39	-3,624.03	6,898.40	11,312.99	-1.9%
4310 SHERIFF	2,518,288	2,521,409	910,621.51	248,762.24	25,737.81	1,585,049.68	37.1%
4312 SCHOOL RESOURCE OFFICER	142,182	143,091	42,497.68	13,095.50	.00	100,593.32	29.7%
4315 GHSP	0	0	13,894.35	638.12	.00	-13,894.35	100.0%
4316 SHERIFF'S EXECUTION ACCOUNT	27,000	27,000	3,575.63	.00	.00	23,424.37	13.2%
4320 JAIL	1,311,247	1,322,867	454,897.67	70,978.52	6,192.00	861,777.33	34.9%
4321 YOUTH DETENTION	50,000	50,000	976.00	.00	.00	49,024.00	2.0%
4325 EMERGENCY COMMUNICATIONS	951,025	951,025	342,975.76	69,121.02	999.90	607,049.34	36.2%
4326 911 RADIO FUND	0	164,300	8,894.43	1,763.06	.00	155,405.57	5.4%
4330 EMERGENCY MANAGEMENT	130,547	130,547	40,752.86	7,900.51	.00	89,794.14	31.2%
4340 FIRE PROTECTION	105,340	105,340	42,694.39	13,800.75	.00	62,645.61	40.5%
4350 CODE ENFORCEMENT/INSPECTIONS	180,850	180,850	62,458.33	9,988.44	.00	118,391.67	34.5%

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ACCOUNTS FOR:	ORIGINAL	REVISED					AVAILABLE	PCT
11 GENERAL FUND	APPROP	BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	BUDGET	USED	
4360 MEDICAL EXAMINER	10,000	10,000	600.00	200.00	.00	9,400.00	6.0%	
4370 AMBULANCE SERVICE	2,835,148	2,835,148	989,135.63	199,222.11	48,780.92	1,797,231.45	36.6%	
4371 CONTRIBUTION-RESCUE SQUADS	14,000	14,000	13,999.98	.00	.00	.02	100.0%	
4380 ANIMAL CONTROL	108,695	108,695	28,043.22	5,619.31	40.00	80,611.78	25.8%	
4530 TRANSPORTATION-AIRPORTS	24,000	24,000	12,000.00	.00	.00	12,000.00	50.0%	
4730 DRAINAGE & WATERSHED PROTECT.	4,000	4,000	4,000.00	.00	.00	.00	100.0%	
4731 CONTRIBUTIONS-ENVIRON. PROTEC	75,000	75,000	58,000.00	.00	.00	17,000.00	77.3%	
4910 PLANNING	178,355	178,355	61,589.74	12,500.12	.00	116,765.26	34.5%	
4920 ECONOMIC DEVELOPMENT	186,571	186,571	70,676.94	13,124.48	.00	115,894.06	37.9%	
4923 EDC LOWES PROJECT	150,000	150,000	60,327.63	15,729.69	.00	89,672.37	40.2%	
4930 CONTRIBUTIONS- ECONOMIC & PHY	20,500	24,589	24,589.60	500.00	.00	-.60	100.0%	
4950 COOPERATIVE EXTENSION	266,705	278,145	84,715.53	15,767.17	.00	193,429.47	30.5%	
4955 AG DAY	0	1,073	.00	.00	.00	1,073.00	.0%	
4956 NOURISHING NC GARDEN	0	2,980	636.61	130.51	.00	2,343.39	21.4%	
4960 SOIL/WATER CONSERVATION	90,802	90,802	35,947.44	7,270.38	.00	54,854.56	39.6%	
5000 CONTIBUTIONS TO OUTSIDE AGENC	890	1,390	908.35	.00	.00	481.65	65.3%	
5110 HEALTH	803,634	803,634	235,698.46	46,528.05	916.10	567,019.44	29.4%	
5111 COMMUNICABLE DISEASE	23,138	23,138	8,336.56	1,574.07	.00	14,801.44	36.0%	
5112 HEALTHY CAROLINIAN	0	0	300.00	.00	.00	-300.00	100.0%	
5113 AID TO COUNTIES-	106,216	106,216	32,195.04	7,136.78	.00	74,020.96	30.3%	
5114 HEALTHY START	0	0	.00	-78.86	.00	.00	.0%	
5120 IMMUNIZATION PROGRAM	4,158	8,782	1,416.48	325.62	.00	7,365.52	16.1%	
5122 STD DRUGS	1,123	1,123	.00	.00	.00	1,123.00	.0%	
5123 CAROLINA ACCESS III	331,808	331,808	90,002.82	15,571.12	.00	241,805.18	27.1%	
5124 TUBERCULOSIS	34,061	34,061	8,761.71	1,679.34	.00	25,299.29	25.7%	
5138 HEALTH - JAIL TEST SITE	53,004	53,004	25,750.77	5,115.14	1,272.66	25,980.57	51.0%	
5139 PREGNANCY CARE MANAGEMENT	68,301	68,301	24,327.50	4,908.55	.00	43,973.50	35.6%	
5142 MOSQUITO CONTROL	14,840	0	.00	.00	.00	.00	.0%	
5143 NURSE FAMILY PARTNERSHIP	477,175	581,060	233,619.10	38,341.54	17,335.11	330,105.79	43.2%	
5144 HEALTHY COMMUNITIES	13,217	13,217	5,399.91	1,244.79	.00	7,817.09	40.9%	
5146 HEALTH-SUSAN KOMEN GRANT	0	25,000	2,645.20	1,762.84	.00	22,354.80	10.6%	
5150 SCHOOL NURSE PROGRAM	150,000	150,000	44,677.35	19,519.91	.00	105,322.65	29.8%	
5151 BREAST & CERVICAL CANCER	34,603	34,603	12,238.62	2,651.11	.00	22,364.38	35.4%	
5154 HOME HEALTH	1,233,997	1,233,997	325,676.17	69,781.74	78,042.57	830,278.26	32.7%	
5159 HEALTH CHECK	39,220	39,220	15,134.07	3,069.34	.00	24,085.93	38.6%	
5160 CHILD HEALTH	262,458	262,458	84,952.78	17,421.55	879.88	176,625.34	32.7%	
5161 CHILD SERVICES COORDINATION	58,312	58,312	23,093.31	4,749.42	.00	35,218.69	39.6%	
5162 MATERNAL OUTREACH WORK	0	0	.10	.10	.00	-.10	100.0%	
5163 MATERNAL HEALTH	178,285	178,285	30,228.30	8,285.91	65.18	147,991.52	17.0%	
5164 FAMILY PLANNING	222,806	220,263	63,777.55	13,775.63	2,755.94	153,729.51	30.2%	
5165 ADULT HEALTH-HEALTH PRO CLINI	17,095	17,095	4,212.15	810.54	.00	12,882.85	24.6%	
5166 HEAD START	33,417	37,835	12,654.32	3,233.42	.00	25,180.68	33.4%	
5167 WIC- GENERAL ADMINISTRATION	13,230	13,230	5,061.16	968.99	.00	8,168.84	38.3%	
5168 WIC - EDUCATIONAL	35,984	35,984	12,808.74	2,341.31	.00	23,175.26	35.6%	

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ACCOUNTS FOR:	ORIGINAL	REVISED				AVAILABLE	PCT
11 GENERAL FUND	APPROP	BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	BUDGET	USED
5169 WIC - CLIENT SERVICES	88,857	88,857	32,037.57	5,760.41	89.52	56,729.91	36.2%
5170 WIC - BREAST FEEDING	5,044	5,044	1,680.50	260.11	.00	3,363.50	33.3%
5171 WIC - BREAST FEEDING PEER	2,854	10,854	2,153.23	473.66	.00	8,700.77	19.8%
5173 WISE WOMAN PROJECT	10,841	10,841	4,003.51	731.46	.00	6,837.49	36.9%
5178 PREPARED & RESPON.BIOTERRORIS	36,938	36,938	14,095.54	2,469.44	.00	22,842.46	38.2%
5180 ENVIRONMENTAL HEALTH	191,959	192,292	70,774.63	13,283.83	.00	121,517.37	36.8%
5190 ELDERLY & HANDICAPPED	66,574	66,574	29,906.40	14,156.96	.00	36,667.60	44.9%
5194 HOME DELIVERED MEALS	123,126	123,126	29,103.43	7,699.03	37.96	93,984.61	23.7%
5196 HOME & COMMUNITY CARE BLOCK G	119,000	119,000	27,390.35	.00	.00	91,609.65	23.0%
5197 HEALTH - AIDS CONTROL	30,014	30,014	10,279.77	2,139.32	.00	19,734.23	34.2%
5199 WIC-CROSSROADS	0	1,091	496.00	.00	.00	595.00	45.5%
5210 CONTRIBUTION TO MENTAL HEALTH	81,614	81,614	32,339.15	6,467.83	.00	49,274.85	39.6%
5311 DSS- (DEPT OF SOCIAL SERVICES	1,998,418	1,998,418	832,674.20	166,534.84	.00	1,165,743.80	41.7%
5811 OFFICE ON AGING	55,127	55,127	21,032.26	4,441.10	.00	34,094.74	38.2%
5820 VETERANS' SERVICE	51,035	51,035	16,718.21	3,482.80	.00	34,316.79	32.8%
5833 CBA-AIM & BMB	100,629	100,629	37,520.74	7,604.36	.00	63,108.26	37.3%
5850 SPECIAL PROJECTS	8,182	8,182	6,431.25	.00	.00	1,750.75	78.6%
5900 NORTHAMPTON CO PUBLIC SCHOOLS	3,725,000	3,738,214	1,481,106.93	322,065.28	.00	2,257,107.07	39.6%
5920 COMMUNITY COLLEGE	30,000	30,000	15,000.00	.00	.00	15,000.00	50.0%
6110 LIBRARY	137,809	137,809	57,420.45	11,484.09	.00	80,388.55	41.7%
6120 RECREATION	242,674	254,210	92,859.51	17,475.89	.00	161,350.49	36.5%
6121 RECREATION PROGRAMS EXPENSE	11,000	11,000	7,169.48	284.46	400.00	3,430.52	68.8%
6123 NORTHAMPTON CULTURAL ART C	8,510	8,510	160.00	.00	.00	8,350.00	1.9%
6140 MUSEUMS	3,000	3,000	.00	.00	.00	3,000.00	.0%
8218 INSURANCE	-179,132	-179,132	134,832.00	.00	.00	-313,964.00	-75.3%
9800 TRANSFER TO OTHER FUNDS	1,508,469	1,808,469	.00	.00	.00	1,808,469.00	.0%
9910 CONTINGENCY	100,000	95,411	.00	.00	.00	95,411.00	.0%
TOTAL GENERAL FUND	0	0	50,263.55	-1,651,427.91	241,697.69	-291,961.24	100.0%
TOTAL REVENUES	-26,249,596	-26,941,284	-9,106,727.31	-3,485,694.95	.00	-17,834,556.69	
TOTAL EXPENSES	26,249,596	26,941,284	9,156,990.86	1,834,267.04	241,697.69	17,542,595.45	

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ACCOUNTS FOR:	ORIGINAL	REVISED					AVAILABLE	PCT
80 DEPARTMENT OF SOCIAL SER	APPROP	BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	BUDGET	USED	
3531 DSS-FEDERAL/STATE REVENUE	-4,986,484	-4,986,484	-1,396,913.83	-623,038.33	.00	-3,589,570.17	28.0%	
3539 DSS-COUNTY REVENUE	-1,998,418	-1,998,764	-836,924.20	-168,709.84	.00	-1,161,839.80	41.9%	
5311 DSS- (DEPT OF SOCIAL SERVICES	5,036,966	5,036,966	1,768,116.82	402,028.14	18,150.93	3,250,698.25	35.5%	
5346 DSS FED & STATE EXPENDITURES	1,512,200	1,512,200	414,564.11	104,075.85	.00	1,097,635.89	27.4%	
5390 DSS COUNTY EXPENDITURES	435,736	436,082	201,359.45	45,807.30	.00	234,722.55	46.2%	
TOTAL DEPARTMENT OF SOCIAL SER	0	0	150,202.35	-239,836.88	18,150.93	-168,353.28	100.0%	
TOTAL REVENUES	-6,984,902	-6,985,248	-2,233,838.03	-791,748.17	.00	-4,751,409.97		
TOTAL EXPENSES	6,984,902	6,985,248	2,384,040.38	551,911.29	18,150.93	4,583,056.69		

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ACCOUNTS FOR:	ORIGINAL	REVISED					AVAILABLE	PCT
61 ENTERPRISE FUND	APPROP	BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	BUDGET	USED	
3710 ENTERPRISE REVENUE	-3,051,287	-3,051,287	-1,341,579.01	-274,965.30	.00	-1,709,707.99	44.0%	
7110 ENTERPRISE FUND	3,051,287	3,051,287	749,263.39	253,171.16	39,988.05	2,262,035.56	25.9%	
TOTAL ENTERPRISE FUND	0	0	-592,315.62	-21,794.14	39,988.05	552,327.57	100.0%	
TOTAL REVENUES	-3,051,287	-3,051,287	-1,341,579.01	-274,965.30	.00	-1,709,707.99		
TOTAL EXPENSES	3,051,287	3,051,287	749,263.39	253,171.16	39,988.05	2,262,035.56		



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ACCOUNTS FOR:	ORIGINAL	REVISED				AVAILABLE	PCT
66 SOLID WASTE	APPROP	BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	BUDGET	USED
3710 ENTERPRISE REVENUE	-2,317,454	-2,317,454	-867,724.09	-342,820.00	.00	-1,449,729.91	37.4%
4720 SOLID WASTE	2,317,454	2,317,454	924,205.50	181,889.07	2,076.00	1,391,172.50	40.0%
TOTAL SOLID WASTE	0	0	56,481.41	160,930.93	2,076.00	-58,557.41	100.0%
TOTAL REVENUES	-2,317,454	-2,317,454	-867,724.09	-342,820.00	.00	-1,449,729.91	
TOTAL EXPENSES	2,317,454	2,317,454	924,205.50	181,889.07	2,076.00	1,391,172.50	

**Resolution for Local Water Supply Plan- 2012 Northampton County-North Gaston Water System:**

Mr. Jason Morris, Public Works Director, appeared before the Board to obtain approval for adoption and execution of the resolution for the 2012 Northampton County- North Gaston Water System Local Water Supply Plan.

The Local Water Supply Plan is something that is mandated by the State that the County has to submit each year, and every five years a resolution has to be passed and approved before it is official with the State.

Chairwoman Greene asked if this will do anything with the rates. Mr. Morris replied no.

A motion was made by Virginia Spruill and seconded by Chester Deloatch to approve the resolution for the 2012 local water supply for the Northampton County-North Gaston Water System. **Question Called: All present voting yes. Motion carried.**

Vice-Chairman Barrett mentioned that he noticed in the system information, it indicates that the oldest meters in the system are 28 years old. Mr. Morris confirmed that this is correct. Vice-Chairman Barrett stated that we need a plan to start replacing those. Mr. Morris noted that these are the ones being replaced with the Phase V project, and he believes in that area they have already been replaced. There are only about 400 more to replace. Vice-Chairman Barrett then stated that the system is providing for 185. Mr. Morris said that may be population; the number of connections is only about 73 connections to that water system.

Chairwoman Greene mentioned that she had a complaint over the weekend about the connection fee—a \$300 fee. She asked if that is the same for someone who owns a property verses someone who is renting a property. Mr. Morris replied no, that it is different. He explained that if you own a piece of property, the deposit required for an owner is \$50 for water and \$50 if you are also a sewer customer for a total of \$100. If you just need water, it is \$50 only. For renters, it is \$150 for water and \$150 for sewer, which would total a \$300 deposit if you are a water and sewer customer. Chairwoman Greene wanted to clarify that this is for all renters. Mr. Morris replied yes.

**PLEASE SEE SCANNED DOCUMENTS WHICH ARE  
HEREBY MADE A PART OF THESE MINUTES:**

**DECISION PAPER**

To: Northampton County Board of Commissioners

From: Jason S. Morris, Director Public Works

Date: January 5, 2015

Reference: Resolution for Local Water Supply Plan for 2012 Northampton County – North Gaston Water System

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Purpose: The purpose of this Decision Paper is to obtain approval by the Board of Commissioners for adoption and execution of the resolution for the 2012 Northampton County – North Gaston Water System Local Water Supply Plan.

Facts:

1. By Letter dated November 10, 2014 from NCDENR, Division of Water Resources, states the Northampton County – North Gaston water system meets the minimum criteria established in NCGS 143-355 (l).
2. The Local Water Supply Plan cannot be considered compliant with the requirements of NCGS 143-355 (l) until an adopted resolution by the water system's governing board has been received by the Division of Water Resources.

Discussion: Each year the Public Works Department, Water and Sewer Division, is required to submit to North Carolina Department of Environment and Natural Resources, Division of Water Resources a Local Water Supply Plan for each system pursuant to NCGS 143-355 (l).

Recommendation: Public Works Department recommends the Board of Commissioners approve and execute the resolution for approving the 2012 Northampton County – North Gaston Water System Local Water Supply Plan as required by NCGS 143-355(l).

Respectfully submitted,

Jason S. Morris  
Public Works Director

Coordination:

Finance Officer

Concur Det Viet 11-20-14

Non-concur \_\_\_\_\_

Concur with comment \_\_\_\_\_

County Manager

Concur Kimberly L. Deen 11/20/14

Non-concur \_\_\_\_\_

Concur with comment \_\_\_\_\_

Action by Decision Makers

Approved \_\_\_\_\_

Disapprove \_\_\_\_\_

Other \_\_\_\_\_

**RESOLUTION FOR APPROVING THE 2012 LOCAL WATER SUPPLY PLAN FOR THE  
NORTHAMPTON COUNTY – NORTH GASTON WATER SYSTEM**

**WHEREAS**, North Carolina General Statute 143-355 (I) requires that each unit of local government that provides public water services or plans to provide such services shall, either individually or together with other such units of local government, prepare and submit a Local Water Supply Plan; and

**WHEREAS**, as required by the statute and in the interests of sound local planning, a Local Water Supply Plan for Northampton County – North Gaston Water System, has been developed and submitted to the Northampton County Board of Commissioners for approval; and

**WHEREAS**, the Northampton County Board of Commissioners finds that the Local Water Supply Plan is in accordance with the provisions of North Carolina General Statute 143-355 (I) and that it will provide appropriate guidance for the future management of water supplies for Northampton County – North Gaston Water System, as well as useful information to the Department of Environment and Natural resources for the development of a state water supply plan as required by statute;

**NOW, THEREFORE, BE IT RESOLVED** by the Northampton County Board of Commissioners of Northampton County – North Gaston Water System that the Local Water Supply Plan entitled, Local Water Supply Plan for Northampton County – North Gaston Water System dated 2012, is hereby approved and shall be submitted to the Department of Environment and Natural Resources, Division of Water Resources; and

**BE IT FURTHER RESOLVED** that the Northampton County Board of Commissioners intends that this plan shall be revised to reflect changes in relevant data and projections at least once every five years or as otherwise requested by the Department, in accordance with the statute and sound planning practice.

This the 5th day of January, 2015.

Name: Fannie P. Greene

Title: Board Chairwoman

Signature: Fannie P. Greene

Date: 1/5/15

ATTEST:

Michelle Nelson  
Michelle Nelson, Clerk to the Board, Northampton County





North Carolina Department of Environment and Natural Resources

Pat McCrory  
Governor

John E. Skvarla, III  
Secretary

November 10, 2014

Chris Wheeler  
Northampton Co – North Gaston  
P.O. Box 68  
Jackson, NC 27845

**Subject: LWSP Meets Minimum Criteria**  
Northampton Co – North Gaston  
PWSID#: 40-66-001  
Northampton

Dear Chris Wheeler,

This letter is to notify you that our staff has reviewed the information contained in the 2012 Local Water Supply Plan (LWSP) update submitted by your office. Since all the required information is complete, the LWSP for the Northampton Co – North Gaston water system hereby meets the minimum criteria established in North Carolina General Statute 143-355 (l).

Your water system's 2012 LWSP is now viewable online from the *Local Water Supply Plans* link at <http://www.ncwater.org/>. The plan has been made available after our best efforts to screen any errors. As a final check, please review and report any mistakes or omissions to J. Wayne Howard, the review engineer. Unless notified otherwise, the Division of Water Resources considers your 2012 LWSP complete.

The 2012 LWSP must next be adopted by your water system's governing board; a model resolution is enclosed for guidance. A copy of the signed resolution must be submitted to Linwood Peele, Water Supply Planning Branch Chief, at the address printed at the bottom of this letter. The LWSP cannot be considered compliant with the requirements of NCGS 143-355(l) until an adopted resolution is received.

Thank you very much for your efforts to provide your customers with a safe and reliable supply of drinking water. We look forward to continuing to work with you in these efforts. Please contact J. Wayne Howard at [wayne.howard@ncdenr.gov](mailto:wayne.howard@ncdenr.gov) or (919) 707-9017 or me at [linwood.peele@ncdenr.gov](mailto:linwood.peele@ncdenr.gov) or (919) 707-9024 if we can be of further assistance.

Sincerely,

Linwood E. Peele, Supervisor  
Water Resources, NCDENR

Enclosure

**Northampton Co - North Gaston****2012**

The Division of Water Resources (DWR) provides the data contained within this Local Water Supply Plan (LWSP) as a courtesy and service to our customers. DWR staff does not field verify data. Neither DWR, nor any other party involved in the preparation of this LWSP attests that the data is completely free of errors and omissions. Furthermore, data users are cautioned that LWSPs labeled **PROVISIONAL** have yet to be reviewed by DWR staff. Subsequent review may result in significant revision. Questions regarding the accuracy or limitations of usage of this data should be directed to the water system and/or DWR.

**1. System Information****Contact Information**

Water System Name:	Northampton Co - North Gaston	PWSID:	40-66-001
Mailing Address:	P.O. Box 68 Jackson, NC 27845	Ownership:	County
Contact Person:	Chris Wheeler	Title:	Water & Sewer Tech III
Phone:	252-534-6341	Fax:	252-534-1525
Secondary Contact:	Jason Morris	Phone:	252-534-6341
Mailing Address:	P.O. Box 68 Jackson, NC 27845	Fax:	252-534-1525

**Distribution System**

Line Type	Size Range (Inches)	Estimated % of lines
Ductile Iron	6-8	2.00 %
Polyvinyl Chloride	2,6,8	98.00 %

What are the estimated total miles of distribution system lines? 5 Miles

How many feet of distribution lines were replaced during 2012? 0 Feet

How many feet of new water mains were added during 2012? 0 Feet

How many meters were replaced in 2012? 0

How old are the oldest meters in this system? 28 Year(s)

How many meters for outdoor water use, such as irrigation, are not billed for sewer services? 0

What is this system's finished water storage capacity? 0.000 Million Gallons

Has water pressure been inadequate in any part of the system since last update? No

**Programs**

Does this system have a program to work or flush hydrants? Yes, Annually

Does this system have a valve exercise program? Yes, Annually

Does this system have a cross-connection program? No

Does this system have a program to replace meters? No

Does this system have a plumbing retrofit program? No

Does this system have an active water conservation public education program? No

Does this system have a leak detection program? No

**Water Conservation**

What type of rate structure is used? Flat/Fixed

How much reclaimed water does this system use? 0.000 MGD For how many connections? 0

Does this system have an interconnection with another system capable of providing water in an emergency? No

**2. Water Use Information****Service Area**

Sub-Basin(s)	% of Service Population	County(s)	% of Service Population
Chowan River (04-1)	100 %	Northampton	100 %

What was the year-round population served in 2012? 185

Has this system acquired another system since last report? No

**Water Use by Type**

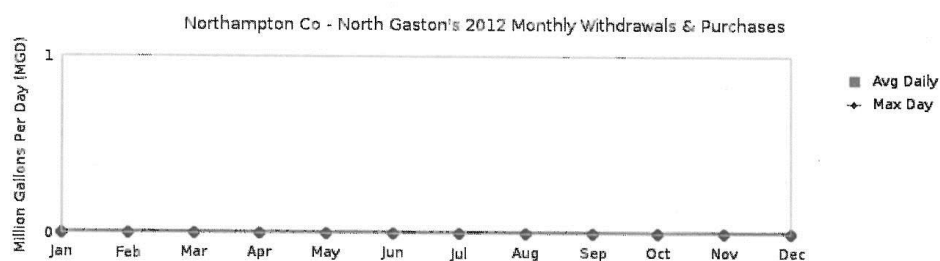
Type of Use	Metered Connections	Metered Average Use (MGD)	Non-Metered Connections	Non-Metered Estimated Use (MGD)
Residential	73	0.007	0	0.000
Commercial	0	0.000	0	0.000
Industrial	0	0.000	0	0.000
Institutional	0	0.000	0	0.000

How much water was used for system processes (backwash, line cleaning, flushing, etc.)? 0.002 MGD

### 3. Water Supply Sources

#### Monthly Withdrawals & Purchases

	Average Daily Use (MGD)	Max Day Use (MGD)		Average Daily Use (MGD)	Max Day Use (MGD)		Average Daily Use (MGD)	Max Day Use (MGD)
Jan	0.008		May	0.009		Sep	0.008	
Feb	0.010		Jun	0.010		Oct	0.007	
Mar	0.009		Jul	0.009		Nov	0.008	
Apr	0.008		Aug	0.011		Dec	0.012	



#### Water Purchases From Other Systems

Seller	PWSID	Average Daily Purchased (MGD)	Days Used	MGD	Contract Expiration	Recurring	Required to comply with water use restrictions?	Pipe Size (s) (inches)	Use Type
Roanoke Rapids Sanitary District	04-42-010	0.009	366	0.016	2045	Yes	Yes	2-8	Regular

Roanoke Rapids Sanitary District is contracted to distribute up to 0.500 MGD to Northampton County- Gaston, Lake Gaston and North Gaston water systems until renegotiated. The 0.016 MGD contract provided above is the estimated amount expected to be used by Northampton County- North Gaston from this contract.

### 4. Wastewater Information

#### Monthly Discharges

	Average Daily Discharge (MGD)		Average Daily Discharge (MGD)		Average Daily Discharge (MGD)
Jan	0.000	May	0.000	Sep	0.000
Feb	0.000	Jun	0.000	Oct	0.000
Mar	0.000	Jul	0.000	Nov	0.000
Apr	0.000	Aug	0.000	Dec	0.000



How many sewer connections does this system have? 0

How many water service connections with septic systems does this system have? 73

Are there plans to build or expand wastewater treatment facilities in the next 10 years? No



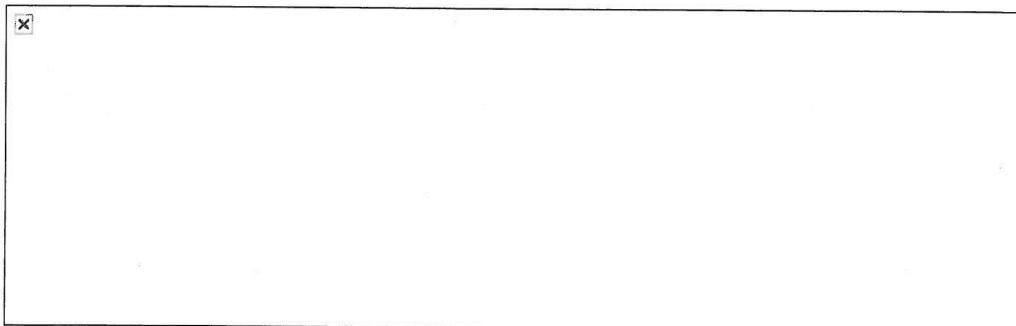
## 5. Planning

### Projections

	2012	2020	2030	2040	2050	2060
Year-Round Population	185	195	200	200	200	200
Seasonal Population	0	0	0	0	0	0
Residential	0.007	0.008	0.008	0.008	0.008	0.008
Commercial	0.000	0.000	0.000	0.000	0.000	0.000
Industrial	0.000	0.000	0.000	0.000	0.000	0.000
Institutional	0.000	0.000	0.000	0.000	0.000	0.000
System Process	0.002	0.002	0.002	0.002	0.002	0.002
Unaccounted-for	-0.000	0.001	0.001	0.001	0.001	0.001

### Demand v/s Percent of Supply

	2012	2020	2030	2040	2050	2060
Surface Water Supply	0.000	0.000	0.000	0.000	0.000	0.000
Ground Water Supply	0.000	0.000	0.000	0.000	0.000	0.000
Purchases	0.016	0.016	0.016	0.016	0.016	0.016
Future Supplies		0.000	0.000	0.000	0.000	0.000
Total Available Supply (MGD)	0.016	0.016	0.016	0.016	0.016	0.016
Service Area Demand	0.009	0.011	0.011	0.011	0.011	0.011
Sales	0.000	0.000	0.000	0.000	0.000	0.000
Future Sales		0.000	0.000	0.000	0.000	0.000
Total Demand (MGD)	0.009	0.011	0.011	0.011	0.011	0.011
Demand as Percent of Supply	56%	69%	69%	68%	69%	69%



The purpose of the above chart is to show a general indication of how the long-term per capita water demand changes over time. The per capita water demand may actually be different than indicated due to seasonal populations and the accuracy of data submitted. Water systems that have calculated long-term per capita water demand based on a methodology that produces different results may submit their information in the notes field.

Your long-term water demand is 38 gallons per capita per day. What demand management practices do you plan to implement to reduce the per capita water demand (i.e. conduct regular water audits, implement a plumbing retrofit program, employ practices such as rainwater harvesting or reclaimed water)? If these practices are covered elsewhere in your plan, indicate where the practices are discussed here.

Are there other demand management practices you will implement to reduce your future supply needs?

What supplies other than the ones listed in future supplies are being considered to meet your future supply needs?

How does the water system intend to implement the demand management and supply planning components above?

### Additional Information

Has this system participated in regional water supply or water use planning? No

What major water supply reports or studies were used for planning?

Please describe any other needs or issues regarding your water supply sources, any water system deficiencies or needed improvements (storage, treatment, etc.) or your ability to meet present and future water needs. Include both quantity and quality considerations, as well as financial, technical, managerial, permitting, and compliance issues:

The Division of Water Resources (DWR) provides the data contained within this Local Water Supply Plan (LWSP) as a courtesy and service to our customers. DWR staff does not field verify data. Neither DWR, nor any other party involved in the preparation of this LWSP attests that the data is completely free of errors and omissions. Furthermore, data users are cautioned that LWSPs labeled **PROVISIONAL** have yet to be reviewed by DWR staff. Subsequent review may result in significant revision. Questions regarding the accuracy or limitations of usage of this data should be directed to the water system and/or DWR.

**Introduction of New Employee:**

Mrs. Marcenda Rogers, HR Director, appeared before the Board to introduce a new employee, Ms. Kimberly Rawls. Mrs. Rogers explained that Ms. Rawls has a vast knowledge of HR (Human Resources) administrative functions which covers nine years of experience.

Ms. Rawls addressed the Board to thank them for the opportunity to work with them, and the Human Resources Office. She looks forward to working with the County.

**Ad Valorem Tax Appeals, Motor Vehicle Refunds (September 2014-November 2014), and Ad Valorem Tax Appeal for Elderly Exemption:**

Mrs. Cathy Allen, Tax Administrator, appeared before the Board to obtain approval to release or refund Ad Valorem taxes assessed in the amount of \$1,753.22 on 14 appeals.

A motion was made by Robert Carter and seconded by Virginia Spruill that the Board approve the request for release or refund of the Ad Valorem Tax appeals submitted herewith in the amounts and for the reasons stated on the listings. **Question Called:** *All present voting yes.*

**Motion carried.**

Mrs. Allen also appeared before the Board to obtain approval to release or refund Ad Valorem taxes- Motor Vehicle refund adjustments for September 2014 assessed in the amount of \$1,282.45 on 24 appeals.

A motion was made by Joseph Barrett and seconded by Robert Carter to approve the request for release or refund of \$1,282.45 for appeals for the month of September 2014. **Question Called:** *All present voting yes.* **Motion carried.**

Mrs. Allen also appeared before the Board to obtain approval to release or refund Ad Valorem taxes- Motor Vehicle refund adjustments for October 2014 assessed in the amount of \$2,027.76 on 30 appeals.

A motion was made by Chester Deloatch and seconded by Virginia Spruill to approve the request coming from Mrs. Cathy Allen in the amount stated. **Question Called:** *All present voting yes.* **Motion carried.**

Mrs. Allen also appeared before the Board to obtain approval to release or refund Ad Valorem taxes- Motor Vehicle refund adjustments for November 2014 assessed in the amount of \$1,028.68 on 20 appeals.

Chairwoman Greene asked Mrs. Allen if this was going to stop. Mrs. Allen said she is afraid not. Commissioner Spruill asked if we were playing catch-up. Mrs. Allen stated that what happened is that they only met once in December. Therefore, they had September, October and November come in because the Board didn't meet. She said they get the notifications (of the refunds) back around the 10<sup>th</sup> of the month so sometimes it is after the Board has met for the 1<sup>st</sup> month and with the holidays in between, the Tax Department didn't get the information to come before the Board in time on one of the months.

Commissioner Spruill asked that with the new system that was put in place, is that going to be a constant refund process. Mrs. Allen said yes it is. She also mentioned that this is not County money, but their (tax payer's) money.

Chairwoman Greene asked Mrs. Allen if this is making more work for her office with the refunds happening monthly now. Mrs. Allen replied that the only thing they have to do is the report to the Board. She said it is more work for the Finance Department actually.

A motion was made by Virginia Spruill and seconded by Chester Deloatch to accept the recommendation coming from our Tax Administrator. **Question Called:** *All present voting yes.* **Motion carried.**

Finally, Mrs. Allen appeared before the Board to address Ad Valorem Tax Appeals for Elderly Exemption for Ms. Myrtie Lanier. Mrs. Allen mentioned that Ms. Lanier's son, who will be speaking on her behalf could not be at the meeting. Mrs. Allen is asking to withdraw this item until Mr. Lanier can appear before the Board.

Commissioner Carter stated that he honors Mrs. Allen's request, however he has a problem with an applicant failing to meet the June 1<sup>st</sup> deadline and then waiting until October 28<sup>th</sup> to submit the information.

A motion was made by Robert Carter and seconded by Joseph Barrett to table this application until the next meeting. **Question Called:** *All present voting yes.* **Motion carried.**

### **CenturyLink Radio Contract:**

Ms. Tammie Piland, E911 Director, appeared before the Board to request permission to renew the Products and Services Agreement for the Moducom Radio maintenance provided by CenturyLink to Northampton County Communications.

CenturyLink has been providing service to the E911 center since 2003. Ms. Piland mentioned that renewing this agreement will ensure that the radio maintenance contract will not be interrupted through the next 12 months. The cost for this is \$12,456.84 paid from the E911 budget.

Chairwoman Greene asked if this is the amount that we pay for each renewal. Ms. Piland stated that the cost did go up \$836.78 from last year. She was expecting this increase and budgeted for it.

Vice-Chairman Barrett asked if there are any other contractors that provide this service. Ms. Piland replied not for the Moducom radio system, but she is looking at replacing this radio system.

Commissioner Spruill asked what the length of this contract is. Ms. Piland replied 12 months. Commissioner Spruill asked within the next 12 months if Ms. Piland plans on replacing anything. Ms. Piland said she is hoping to replace the whole radio system. She plans to come back before the Board next month with a proposal. Ms. Piland explained that this radio system is ten years old, and the Moducom is not the radio of choice for Communications Centers anymore.

There are better radio systems out there, and she has been researching that. A lot of changes are coming for 911 and Ms. Piland wants to make sure that the radio system is compatible with those changes. Commissioner Spruill asked if this contract will carry them through until she can replace the radios. Ms. Piland replied yes.

Commissioner Carter asked if we are going to spend \$12,000—even though these are 911 funds—for just a one month period when Ms. Piland is planning to come back to the Board next month for a new system. Ms. Piland replied that she understands that CenturyLink won't keep the whole 12 month maintenance money. Commissioner Carter asked if she was still investigating CenturyLink or another company. Ms. Piland replied that she is researching two more companies. She said that CenturyLink only does Moducom radios, and that is all, and Moducom is becoming obsolete in the 911 arena. Commissioner Carter asked if Ms. Piland is sure that the funds that will be expended to CenturyLink could be carried over to a new system. Ms. Piland stated that if she replaces the system and we no longer have a maintenance contract with them, they will refund whatever is left (if she changes systems within six months for example).

A motion was made by Robert Carter and seconded by Joseph Barrett to renew the Products and Services Agreement with CenturyLink to continue to receive the Radio Maintenance. **Question Called:** *All present voting yes.* **Motion carried.**

**PLEASE SEE SCANNED DOCUMENTS WHICH ARE  
HEREBY MADE A PART OF THESE MINUTES:**

## Decision Paper

**To:** Northampton County Board of Commissioners  
**From:** Tammie Piland, Communications Director  
**Re:** CenturyLink Products and Services Agreement for Radio  
**Date:** December 29, 2014

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**Purpose:** To respectfully request permission to renew the Products and Services Agreement for the Moducom Radio maintenance provided by CenturyLink to Northampton County Communications.

**Facts:**

1. CenturyLink already provides these services to the Communications Center.
2. The Communications Department already has a Products and Services Agreement with CenturyLink.
3. Renewing this agreement with CenturyLink will ensure that the Radio Maintenance will not be interrupted.
4. The cost for the Communications Center is \$12,456.84 that is paid from the 911 budget.

**Recommendation:** I recommend that we renew the Products and Services Agreement with CenturyLink to continue to receive the Radio Maintenance.

Respectfully Submitted,

Tammie Piland  
Communications Director

**Coordination:**

**County Manager**

Concur: Kimberly L. Dean 12/29/14

Concur with Comment: \_\_\_\_\_

Disagree: \_\_\_\_\_

**Finance Director**

Concur: Def Vido 12-29-14

Concur with Comment: \_\_\_\_\_

Disagree: \_\_\_\_\_

**Action by the Decision Maker**

Approve: \_\_\_\_\_

Disapprove: \_\_\_\_\_

Other: \_\_\_\_\_

NORTHAMPTON COUNTY CONTRACT CONTROL SHEET		CONTRACT/VENDOR CENTURYLINK SALES SOLUTIONS, INC.	
63		Address	665 Lexington Ave, Mansfield, OH 44907
		Contact	Donna Pair
		1	Originals 0 Copies
CONTRACT # <u>130500729854</u>		Amount \$ <u>12,456.84</u>	
Original Contract sent to Contract Administrator Date: <u>07/15/2014</u>			
Originating Department/Individual: <u>Tammie Piland</u>		Item or Service: <u>Maintenance for Modu-Com radio</u>	
Department Involved: <u>E911</u>		Type of Contract: <u>Products and Services Agreement</u>	
Line Item Budgeted:		Period of Coverage: <u>12 months</u>	
<b>GRANTS</b>			
Board approval for Application Approved _____ Set _____ Verified _____			
Board approval for Acceptance Approved _____ Set _____ Verified _____			
<b>COUNTY ATTORNEY</b> Date Received: <u>7/24/2014</u> Date Approved: <u>8/7/2014</u>			
Approved as to Form: <u>YES</u>		Approved as to Legal Sufficiency: <u>YES</u>	
Revisions Necessary? <u>YES</u>		Board Action Necessary? <u>YES</u> <i>Donna Pair</i>	
<b>FINANCE</b> Date Received: <u>8-21-14</u> Date Audited: <u>8-21-14</u>			
Non encumbered contract Yes <input checked="" type="checkbox"/> No _____			
<b>ASSISTANT COUNTY MANAGER</b> Date Received _____ Date Approved _____			
<b>COUNTY MANAGER</b> Date Received: <u>12/29/14</u> Date Approved: <u>12/29/14</u>			
<b>BOARD OF COMMISSIONERS</b> <b>CLERK TO THE BOARD</b>			
Date approved by Board _____ Date Received _____ Date Attested: _____			
<b>CONTRACT ADMINISTRATOR</b>			
Attorney _____ Finance _____ Asst. Cty. Mgr. _____ Cty. Mgr. _____ Clerk _____			
Outside Agency Signatures: _____		Date Sent: _____ Date received: _____	
Copies Delivered to Appropriate Departments: _____		ORIGINATING _____ FINANCE _____	
Original to Outside Agency: _____ (Departments to deliver)		Date: _____	
File County Original / Add to Database: _____		Date: _____	
<b>NOTES:</b>			
<p>_____ copies sent to originating department with instruction to obtain signatures and return 1 executed original to Legal</p> <p>_____ copies sent to originating departments with note to forward to vendor</p> <p><b>PROBLEMS:</b></p> <p>Corrective Action: _____ Date: _____ Initial: _____</p>			



**Products and Services Agreement**

Contract No. 130500729854

This Products and Services Agreement ("Agreement") between CENTURYLINK SALES SOLUTIONS, INC., as contracting agent on behalf of the applicable affiliated entities providing the Products and Services ("CenturyLink") and Northampton County ("Customer") sets forth the terms and conditions for CenturyLink's provision of those Products and Services to Customer. Electronic signatures on this Agreement will be accepted only in the form and manner prescribed by CenturyLink.

1. **PRODUCTS.** CenturyLink will sell to Customer the Products listed on the Products List, attached and incorporated by this reference. This Agreement begins on the date all parties have signed below ("Effective Date").
2. **PURCHASE ORDERS.** This Agreement controls over any Customer-issued purchase order, and any terms or conditions contained in a Customer-issued purchase order or other Customer ordering document will have no force or effect.
3. **UNIFORM RESOURCE LOCATORS (URLS).** References to URLs in this Agreement include any successor URLs designated by CenturyLink.
4. **ENTITY.** For an interim period until all work is completed to update systems and platforms related to the combination of EMBARQ and CenturyTel, and the acquisition of Qwest, the names EMBARQ and CenturyTel may be used in association with the products and services provided by CenturyLink in this Agreement and Qwest products and services will be sold under a separate agreement.

**DECLINE:** Customer and CenturyLink acknowledge that CenturyLink offered Customer CenturyLink™ Centurion<sup>SM</sup> Maintenance Service to support the Products and Customer declined.

CUSTOMER INITIALS \_\_\_\_\_ CENTURYLINK INITIALS \_\_\_\_\_

**AGREED:**

**CENTURYLINK SALES SOLUTIONS, INC.**

By: \_\_\_\_\_  
Printed: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Address for Notices: Sales Administration  
665 Lexington Avenue  
Mailstop: OHMANB0107  
Mansfield, OH 44907

And if related to a dispute to:  
CenturyLink – Attn: Sr. Assistant  
General Counsel, Commercial Law  
5454 W. 110<sup>th</sup> Street  
Overland Park, KS 66211

Sales Rep: Donna Pair  
Sales Rep Phone: (252) 212-3609

**Northampton County**

By: \_\_\_\_\_  
Printed: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Customer Address: PO BOX 25  
JACKSON, NC 27845-0025

Address  
for Notices  
(if different  
from  
above):

This Instrument has been pre-audited in the manner as

316835v.10

Per NC.G.S. 159-28 (a)

Dot Vial 12-29-17  
Finance Officer

05.13 Prd Only Quote

Contract No. 130500729854

**PRODUCTS LIST**

1. **PRODUCTS.** CenturyLink will provide to Customer those Products identified in the CenturyLink Price Quotes, attached and incorporated by this reference (each, a "Price Quote"). The entity providing Products to Customer is the applicable CenturyLink local operating company supporting Customer's location. CenturyLink sells Products under the Standard Terms and Conditions for Communications Services and the Equipment Sales Product Annex, and other applicable annexes based on Customer's selection of specific Products and Services, all as posted at [http://about.centurylink.com/legal/rates\\_conditions.html](http://about.centurylink.com/legal/rates_conditions.html).

CenturyLink Price Quote Number(s): 14-021066

2. **PRICING.**

- 2.1 **Per Unit Price.** CenturyLink will charge Customer the per unit price listed for each Product described in each Price Quote.
- 2.2 **Non-Recurring Charges ("NRCs") or Non-recurring Rates ("NRRs").** CenturyLink will charge Customer the NRCs or NRRs listed on each Price Quote, including charges related to CenturyLink labor and shipping of the Products to Customer. For purposes of this Agreement, NRCs and NRRs have the same meaning and may be used interchangeably.
- 2.3 **Additional Charges.** Rates do not include applicable local, state, or federal taxes or surcharges that CenturyLink may bill Customer related to the Products.
- 2.4 **Additional Payment Requirements.** CenturyLink reserves the right to require Customer's payment of the amounts listed above as described below:

<b>Down Payment Due</b>	<b>0.00%</b>
<b>Amount Due Upon Delivery of Products</b>	<b>0.00%</b>
<b>Amount Due Upon Customer Acceptance of Products</b>	<b>100.00%</b>



JCW Pricing Tool 5.41  
 Quote Number# 14-021066  
 Account Manager: Donna Pair

Customer Legal Name: E911 Northampton County				Account Manager: Donna Pair			
Customer Billing Name: E911 Northampton County				CenturyLink Maintenance			
Customer Address: 132 Landfill Rd., JACKSON, NC 27845-0025				Coverage: <u>Extended</u>			
Date Prepared: June 11, 2014				Contract Term: <u>12</u>			
Quote Expires: December 10, 2014							
Quote Number: 14-021066							
QTY	Item	Total Non-Recurring Price	Annual Price - Year 1	Annual Price - Year 2+	Total Annual Price - Y1	Total Annual Price - Y2+	Total Term Price
	CPE - (Includes Shipping and Misc costs)	\$ -			\$ 12,456.84	\$ -	\$ 12,456.84
	Labor	\$ -					
	On-Site Tech	\$ -	\$ -	\$ -			
	Vendor Support	\$ -	\$ -	\$ -			
Total Prices		\$ -	\$ -	\$ -	\$ 12,456.84	\$ -	\$ 12,456.84

Prices shown on this page represent recurring and nonrecurring charges for items as described. These prices do not include recurring or nonrecurring charges for taxes, duties, tariffs, or telecommunication services.

These Standard Terms and Conditions are not applicable to services governed by Tariffs on file with the FCC or state regulatory authorities. Tariffs are located at <http://www.centurylink.com/tariffs>.

**STANDARD TERMS AND CONDITIONS  
FOR COMMUNICATIONS SERVICES  
("STANDARD TERMS AND CONDITIONS")**

**1. GENERAL.**

- 1.1 **Applicability.** These Standard Terms and Conditions contain general provisions that apply to all retail business Products and Services that a CenturyLink-affiliated entity provides. "Agreement" means the terms and conditions under which Customer purchases Products and Services, including all attachments, these Standard Terms and Conditions, documents incorporated by reference, and all related Order(s). Other capitalized terms are defined in this document or in the applicable Schedules or Product and Service-specific Annexes.
- 1.2 **Additional Terms and Conditions.** Customer's purchase and use of Products and Services is also governed by product and service-specific terms and conditions found in the applicable Schedules and Product and Service-specific Annexes, posted to [http://about.centurylink.com/legal/rates\\_conditions.html](http://about.centurylink.com/legal/rates_conditions.html) (the "Rates and Conditions Website").
- 1.3 **Local Governments and Government Programs.**
  - A. **Local Government Customers.** Unless specified otherwise, purchases of Products or Services by local governmental entities also are subject to the Local Government Customer Annex posted to the Rates and Conditions Website.
  - B. **Universal Service Administrative Company Programs.** Customers seeking funds through Universal Service Administrative Company programs such as the Schools and Libraries Program of the Universal Service Fund ("E-Rate Program"), the Rural Health Care Program of the Universal Service Fund ("RHC Program"), or state or local corollaries to the E-Rate Program or the RHC Program are subject to applicable program annexes posted to the Rates and Conditions Website.
  - C. **American Recovery and Reinvestment Act (ARRA).** Customer will not pay for Products or Services with funds obtained through the ARRA or other similar stimulus grants or loans that would obligate CenturyLink to provide certain information or perform certain functions unless each of those functions and obligations is explicitly identified and agreed to by the parties in the Agreement or in an amendment to the Agreement.
- 1.4 **Conflicts Provision.** If a conflict exists among provisions within the Agreement, specific terms will control over general provisions, and negotiated or added terms, conditions or pricing will control over standardized, posted or non-negotiated terms, conditions and pricing.

**2. TERM.**

- 2.1 **Agreement Term.** The period set in the Agreement during which CenturyLink provides Products and Services to Customer is defined as the "Agreement Term." These Standard Terms and Conditions, relevant Schedules, and Product and Service-specific Annexes apply from the Effective Date until the Agreement Term expires or terminates. CenturyLink will not accept Orders for Products and Services after expiration of the Agreement Term, but these Standard Terms and Conditions, relevant Schedules, or Product and Service-specific Annexes will continue to apply to Orders properly placed during the Agreement Term. If Customer continues to use maintenance, managed, or professional Services following the termination or expiration of the Agreement Term or an Order issued during the Agreement Term for such Services, CenturyLink may, at its sole discretion, provide those Services on a time and material basis at CenturyLink's then-current rates without applying any discounts or credits under the Agreement, but these Standard Terms and Conditions and the Time and Materials Product Annex (posted to the Rates and Conditions Website) will govern CenturyLink's provision of such Services.
- 2.2 **Order Term.** Customer purchases each Service for a specific term for the particular Service ordered (each, an "Order Term"). Each Order Term is listed in the Agreement and begins on the first day of the first billing month after CenturyLink installs and makes that Service available to Customer. If Customer continues to receive a Service after expiration of the Service's applicable Order Term, CenturyLink will provide that Service at its then-current list pricing and then-current

Standard Terms and Conditions, relevant Schedules, and Product and Service-specific Annexes, unless the parties otherwise agree in writing.

3. **CHARGES.**

3.1 **CenturyLink Charges.** Customer will pay CenturyLink the rates and charges for Products and Services set forth in the Agreement and any Order under the Agreement, including all charges associated with establishing Customer's Products and Services or related to CenturyLink's installation or provisioning costs. Charges associated with establishing or provisioning Services may include nonrecurring charges described in applicable Schedules and Product and Service-specific Annexes. Examples of these nonrecurring charges are customer-initiated change requests, expedite charges, service charges, any construction-related charges, and liabilities imposed on CenturyLink by third parties, such as other local exchange carriers, as a result of ordering or providing facilities to operate Services.

3.2 **Fixed Rates and Percentage Discounts.** Except as expressly stated otherwise in the Agreement, rates and charges for a Product or Service that are stated as a flat or fixed recurring or non-recurring charge will not change during the applicable Order Term (for a Service) or Agreement Term (for a Product) if CenturyLink increases or decreases the list rate in a Schedule or price list. Rates and charges for a Product or Service not fixed in the Agreement will be based on current Schedules or price lists and may change during the Agreement Term. If pricing in the Agreement for a Service is stated as a percentage discount off of a Schedule rate or list price, that percentage discount is fixed for the applicable Order Term, but CenturyLink may modify the underlying rate or list price to which the percentage discount is applied on no less than one day's notice. **Changes to Schedules are posted to the Rates and Conditions Website.**

3.3 **Rate Adjustments.** CenturyLink may impose additional fees, charges or surcharges on Customer to recover amounts that CenturyLink is required or permitted by governmental or quasi-governmental authorities to collect, or pay to others in support of, or to comply with, statutory or regulatory programs, plus a commercially reasonable amount to recover the administrative costs associated with such charges or programs. The amount of these fees, charges, or surcharges may vary. These charges may include state and federal Carrier Universal Service Charges, compensation to payphone providers, International Mobile Termination Charges, E911, Telephone Relay Service, or charges assessed to CenturyLink for terminating or originating a call to wireless providers.

3.4 **Taxes.**

A. **Taxes Not Included.** CenturyLink's rates and charges for Products and Services do not include taxes. Customer will pay all taxes, including, but not limited to, sales, use, gross receipts, excise, VAT, property, transaction, or other local, state, or national taxes or charges imposed on or based upon the provision, sale or use of Products and Services.

B. **Withholding Taxes.** Notwithstanding any other provision of the Agreement, if Customer is required by law to make a deduction or withholding from any amount due to CenturyLink, Customer must notify CenturyLink in writing. CenturyLink will then increase the gross amount of Customer's invoice so that, after Customer's deduction or withholding for taxes, the net amount paid to CenturyLink will not be less than the amount CenturyLink would have received without the required deduction or withholding.

C. **Exclusions.** Customer will not be responsible for payment of:

- (1) CenturyLink's direct income taxes and employment taxes; and
- (2) any other tax to the extent that Customer demonstrates a legitimate exemption under applicable law.

4. **BILLING AND PAYMENT.**

4.1 **Invoicing.**

A. **Commencement of Invoicing.** CenturyLink may begin invoicing Customer in full for rates and charges on the later of:

- (1) the date the Products or Services are installed and made available; or
- (2) the first day of the first bill cycle after the Effective Date.

- B. **Delays.** If CenturyLink cannot install or make available the Products or Services by the delivery date specified in the Order due to a Customer-caused delay, CenturyLink may bill Customer as of the delivery date specified in the Order, or if no date is specified, any time 30 days after the Effective Date.
  - C. **Recurring Services.** For recurring Services and nonrecurring charges, CenturyLink bills fixed service charges in advance, and usage-based charges in arrears.
  - D. **Additional Invoice Information.** Customer may make a written request to CenturyLink for additional invoice-related information, including duplicate invoices, to the extent such information is reasonably available in CenturyLink's sole discretion. CenturyLink may charge Customer for such information. Customer may only request information from CenturyLink for the 12-month period preceding the date of Customer's written request.
- 4.2 **Payment and Late Charges.** Unless otherwise defined in the Agreement, Customer must pay all undisputed amounts by the due date listed on Customer's invoice, which may be up to 30 days from the date of the invoice. Customer's payments to CenturyLink must be in the form of electronic funds transfer (via wire transfer or ACH), cash payments (via previously-approved CenturyLink processes only), or paper check. Other than items subject to a bona fide dispute, CenturyLink may charge a late fee (up to the maximum rate allowed by law) or take other action to compel payment of past due amounts after written notice to Customer, including suspension or termination of Services, unless prohibited by applicable law or regulation. Service that is suspended or terminated for nonpayment may be subject to a reconnection charge. Customer may not offset disputed amounts from one invoice against payments due on the same or another account. CenturyLink's acceptance of late or partial payments (even those marked, "Paid in Full") and late payment charges is not a waiver of its right to collect the full amount due. Customer's payment obligations include late charges and third party collection costs CenturyLink incurs, including reasonable attorneys' fees, if Customer fails to cure its breach of these payment terms.
- 4.3 **Disputed Invoice Charges.** If Customer disputes a charge in good faith, Customer may withhold payment of that charge if Customer makes timely payment of all undisputed charges within the payment period described in Section 4.2, and provides CenturyLink with a written explanation of the reasons for Customer's dispute of the charge. Customer must cooperate with CenturyLink to promptly resolve any disputed charge. If CenturyLink determines, in good faith, that the disputed charge is valid, CenturyLink will notify Customer and, within five business days of receiving notice, Customer must pay the charge.
5. **CREDIT APPROVAL.** CenturyLink's provision of Products and Services is subject to CenturyLink's credit approval of Customer. As part of the credit approval process, CenturyLink may require Customer to provide a deposit or other security. Additionally during the Agreement Term, if Customer's financial circumstance or payment history becomes reasonably unacceptable to CenturyLink, CenturyLink may require adequate assurance of future payment as a condition of continuing CenturyLink's provision of Products and Services. Customer's failure to provide adequate assurances required by CenturyLink is a material breach of the Agreement. CenturyLink may provide Customer's payment history or other billing/charge information to any credit reporting agency or industry clearinghouse.
6. **ORDERS.**
- 6.1 **Application.** The terms and conditions in any Orders will have no force or effect other than to denote quantity and description of Products or Services, delivery destinations, delivery dates, Customer billing addresses, installation addresses, the Agreement under which the Order is issued, and any other information required by CenturyLink. Orders are binding only upon acceptance in writing by CenturyLink. CenturyLink will notify Customer of rejected Orders. Customer may cancel an Order at any time before CenturyLink initiates delivery of Products and Services listed in the Order or otherwise begins performance, but Customer must pay CenturyLink's costs resulting from Customer's cancellation, including costs specifically described in the applicable Schedule or Product and Service-specific Annexes.
  - 6.2 **Cancellation.** CenturyLink will notify Customer of rejected Orders. Customer may cancel an Order at any time before CenturyLink delivers the Products and Services listed in the Order or begins its performance, but Customer must pay any actual costs CenturyLink incurs due to Customer's cancellation in addition to any amounts described in the applicable Product and Service-specific Annexes.

7. **WARRANTIES.** THE SERVICES AND PRODUCTS PROVIDED BY CENTURYLINK UNDER THE AGREEMENT ARE PROVIDED WITHOUT ANY WARRANTIES OF ANY KIND, WHETHER STATUTORY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF TITLE, NONINFRINGEMENT, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, COMPATIBILITY OF SOFTWARE OR EQUIPMENT, OR ANY RESULTS TO BE ACHIEVED THEREFROM. CENTURYLINK MAKES NO WARRANTIES OR REPRESENTATIONS THAT ANY SERVICE OR PRODUCT WILL BE FREE FROM LOSS OR LIABILITY ARISING OUT OF HACKING OR SIMILAR MALICIOUS ACTIVITY, OR ANY ACT OR OMISSION OF THE CUSTOMER.
8. **EQUIPMENT AND SOFTWARE; CENTURYLINK-PROVIDED NETWORK MANAGEMENT.**
  - 8.1 **Equipment or Software Not Provided by CenturyLink.** Customer is responsible for any items not provided by CenturyLink, including installation, operation, and maintenance of such equipment or software and any equipment or software that impairs Product or Service quality or availability. Upon notice from CenturyLink of such impairment, Customer will promptly cure the problem. Customer will continue to pay CenturyLink for Products and Services during such impairment or related suspension. If the impairment interferes with the use of the CenturyLink-provided network by CenturyLink or third parties, CenturyLink, in its reasonable discretion, may suspend or disconnect the affected Products and Services without advance notice to Customer, although CenturyLink will provide advance notice where practical. Customer will not rearrange, disconnect, remove, or attempt to repair any CenturyLink-provided items. At Customer's request, CenturyLink will troubleshoot the impairment at CenturyLink's then-current time and materials rates. CenturyLink is not liable if a commercially reasonable change in Products or Services causes equipment or software not provided by CenturyLink to become obsolete, require alteration, or perform at lower levels.
  - 8.2 **Calls via Customer's Equipment or Software.** Customer is responsible for all charges, including any third-party charges, incurred for all types of calls, authorized or unauthorized, placed by or through Customer's equipment or software via any remote access feature, transferring capability, or call forwarding, even when such calls are placed fraudulently. Customer's responsibility for these charges applies in all instances, including if Customer purchased or leased such equipment or software by or through CenturyLink or purchased CenturyLink-provided maintenance for its equipment or software. To reduce Customer's exposure, Customer may install its own blocking techniques to stop such capabilities and calls. CenturyLink will neither install nor assist in the installation of such blocking techniques, and has no obligation to block these capabilities or liability if such calls are placed, including no liability for charges that Customer may incur.
  - 8.3 **Software License.**
    - A. **Licensing Requirements.** Where software is provided with a Product or Service, Customer is granted a non-exclusive and non-transferable license or sublicense to use the software, including any related documentation, solely to enable Customer to use the Products and Services in accordance with the applicable licensing requirements. Software licensing terms and conditions, including end-user licensing agreements and terms and conditions from CenturyLink's vendors, may be provided to Customer through click or shrink-wrap agreements. CenturyLink may suspend, block or terminate Customer's use of any software if Customer fails to comply with any applicable licensing requirement.
    - B. **Prohibitions.** Customer is not granted any rights to use any software on behalf of third parties or related to time share or service bureau activities. No rights are granted to source code, and Customer will not reverse engineer, decompile, modify, enhance, copy, prepare derivative works, or reproduce any software.
  - 8.4 **Title to Software or Equipment.** CenturyLink (or CenturyLink vendors, if applicable) retain title and property rights to CenturyLink-provided software and equipment (excluding Products sold to Customer under the Agreement), including copies, and any related patents, copyrights, trademarks, or IP addresses assigned to Customer. Upon termination or expiration of the Agreement or an applicable Order, Customer will surrender and immediately return the CenturyLink-provided equipment and software, including all copies, to CenturyLink or will provide CenturyLink access to reclaim such equipment and software.
  - 8.5 **Network Management.** CenturyLink reserves the right to perform preventative maintenance and software upgrades to the CenturyLink-provided network at its sole discretion on a scheduled or as-needed basis. CenturyLink may charge Customer where additional technical limitations or

CenturyLink must construct network facilities to provide Services to Customer. If software or equipment not provided by CenturyLink is connected to CenturyLink-provided network facilities, CenturyLink's obligations relate only to the Services under the Agreement.

9. **USE OF NAME, SERVICE MARKS, TRADEMARKS.** Neither party will use the name, service marks, trademarks, or carrier identification code of the other party or any of its Affiliates for any purpose without the other party's prior written consent.

10. **CUSTOMER RESPONSIBILITIES.**

- 10.1 **Installation.** Customer will reasonably cooperate with CenturyLink or its agents to install the Products and Services. Customer is responsible for damage to CenturyLink-owned Products and Services located on Customer premises, excluding reasonable wear and tear or damage caused by CenturyLink. CenturyLink may refuse to install Products and Services or may discontinue and disconnect Products and Services without notice, if any condition on Customer's premises is unsafe or likely to cause injury to any person using Products and Services. Additional Customer responsibilities relating to a particular Product or Service may be defined in the applicable Schedules or Product and Service-specific Annexes.

10.2 **Use of Products and Services.**

- A. **Acceptable Use Policy ("AUP").** If Customer purchases Products or Services that connect to the Internet, Customer must conform to the CenturyLink acceptable use policy posted to: <http://www.centurylink.com/Pages/AboutUs/Legal>, as reasonably amended from time to time.
- B. **Abuse and Fraud.** Customer will not use Products or Services: (1) for fraudulent, abusive, unlawful or destructive purposes, including unauthorized or attempted unauthorized access to, or alteration, abuse or destruction of, information; or (2) in any manner that causes interference with CenturyLink's or another's use of the CenturyLink-provided network. Customer will cooperate promptly with CenturyLink to prevent third parties from gaining unauthorized access to the Products and Services via Customer's facilities.
- C. **Reseller.** Customer represents that it is not a reseller of any telecommunication services provided under this Agreement as described in the Telecommunications Act of 1996, as amended, or applicable state law and acknowledges it is not entitled to any reseller discounts under any laws.
- D. **Security.** CenturyLink has adopted and implemented, and will maintain, a corporate information security program designed to protect Customer information, materials and data accessed and possessed by CenturyLink from loss, misuse and unauthorized access or disclosure. Such program includes formal information security policies and procedures. The CenturyLink information security program is subject to reasonable changes by CenturyLink from time to time. CenturyLink's standard service offerings do not include managed security services such as encryption, intrusion detection, monitoring or managed firewall. Customer is responsible for selecting and using the level of security protection needed for all Customer data stored or transmitted via the Service and using reasonable information security practices, including those relating to the encryption of data.

11. **CONFIDENTIALITY AND PRIVACY.**

- 11.1 **Nondisclosure Requirements.** If the parties have not executed a mutual nondisclosure agreement, this provision will govern their exchange of information. Each party will not disclose any Confidential Information (defined below) received from the other party, or otherwise discovered by the receiving party, to any third party, except as expressly permitted in the Agreement. This obligation will continue until two years after the Agreement expires or terminates. Confidential Information includes, but is not limited to, pricing and terms of the Agreement, and information relating to the disclosing party's technology, business affairs, trade secrets, development and research information, and marketing or sales plans (collectively the "Confidential Information"). The receiving party may disclose Confidential Information to its subsidiaries, Affiliates, agents and consultants with a need to know, if they are not competitors of the disclosing party and are subject to a confidentiality agreement at least as protective of the disclosing party's rights as this provision.



The parties will use Confidential Information only for the purpose of performing under the Agreement or for the provision of other CenturyLink services. The foregoing restrictions on use and disclosure of Confidential Information do not apply to information that: (A) is in the possession of the receiving party at the time of its disclosure and is not otherwise subject to obligations of confidentiality; (B) is or becomes publicly known, through no wrongful act or omission of the receiving party; (C) is received without restriction from a third party free to disclose it without obligation to the disclosing party; (D) is developed independently by the receiving party without reference to the Confidential Information, or (E) is required to be disclosed by law, regulation, or court or governmental order. The parties acknowledge that the receiving party's unauthorized disclosure or use of Confidential Information may result in irreparable harm. If there is a breach or threatened breach of the Agreement, the disclosing party may seek a temporary restraining order and injunction to protect its Confidential Information. This provision does not limit any other remedies available to either party. The party who breached or threatened to breach its nondisclosure obligation under the Agreement will not raise the defense of an adequate remedy at law. CenturyLink will not be deemed to have accessed, received, or be in the possession of Customer Confidential Information solely by virtue of the fact that Customer transmits, receives, accesses or stores such information through its use of CenturyLink's Services.

- 11.2 **Clarification of HIPAA Status.** By providing Services, CenturyLink does not require or intend to access Customer data, including any confidential health related information of Customer's clients, which may include group health plans, that constitutes Protected Health Information ("PHI"), as defined in 45 C.F.R. §164.501 under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA Rules"). Any exposure to PHI will be random, infrequent and incidental to CenturyLink's provision of Services and is not meant for the purpose of managing the PHI or creating or manipulating the PHI. Such exposure is allowable under 45 CFR 164.502(a)(1)(iii) and CenturyLink and Customer represent that CenturyLink is not a "Business Associate" or "covered entity" under the HIPAA Rules for the purposes of this Agreement. Notwithstanding the foregoing, CenturyLink will use commercially reasonable efforts to assist Customer in its own compliance obligations related to the HIPAA Rules.
- 11.3 **Privacy.** CenturyLink's privacy policy, as amended from time to time, is available at <http://www.centurylink.com/Pages/AboutUs/Legal>. The privacy policy includes information about CenturyLink's customer information practices and applies to the provisioning of Products and Services.

## 12. LIMITATIONS OF LIABILITY.

- 12.1 **Direct Damages.** Each party's maximum liability for damages caused by its failure(s) to perform its obligations under the Agreement is limited to: (A) proven direct damages for claims arising out of personal injury or death, or damage to real or personal property, caused by the party's negligent or willful misconduct; and (B) proven direct damages for all other claims arising out of the Agreement, not to exceed in the aggregate, in any 12-month period, an amount equal to Customer's total net payments for the affected Products and Services purchased in the month preceding the month in which the injury occurred. Customer's payment obligations, Customer's liability for early termination charges, and the parties' indemnification obligations under the Agreement are excluded from this provision.
- 12.2 **Consequential Damages.** NEITHER PARTY WILL BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, OR INDIRECT DAMAGES FOR ANY CAUSE OF ACTION, WHETHER IN CONTRACT OR TORT. CONSEQUENTIAL, INCIDENTAL, AND INDIRECT DAMAGES INCLUDE, BUT ARE NOT LIMITED TO, LOST PROFITS, LOST REVENUES, AND LOSS OF BUSINESS OPPORTUNITY, WHETHER OR NOT THE OTHER PARTY WAS AWARE OR SHOULD HAVE BEEN AWARE OF THE POSSIBILITY OF THESE DAMAGES.
- 12.3 **Unauthorized Access and Hacking.** Except for physical damage to Customer's transmission facilities or Customer premise equipment directly caused by CenturyLink's negligence or willful misconduct, CenturyLink is not responsible for unauthorized access to, or alteration, theft, or destruction of, Customer's data, programs or other information through accident, wrongful means or any other cause while such information is stored on or transmitted across CenturyLink-provided network facilities or Customer premise equipment.
- 12.4 **Liability for Content.** CenturyLink is not responsible for the content of any information transmitted, accessed, or received by Customer through CenturyLink's provision of the Products and Services.

**13. INDEMNIFICATION.**

- 13.1 Mutual Indemnification for Personal Injury, Death or Damage to Personal Property.** Each party will indemnify and defend the other party, its directors, officers, employees, agents and their successors from and against all third party claims for damages, losses, liabilities, or expenses, including reasonable attorneys' fees, arising directly from performance of the Agreement and relating to personal injury, death, or damage to tangible personal property that is alleged to have resulted, in whole or in part, from the negligence or willful misconduct of the indemnifying party or its subcontractors, directors, officers, employees or authorized agents.
- 13.2 Customer Indemnification.** Customer will indemnify and defend CenturyLink, CenturyLink's officers, directors, agents, and employees and their successors, against all third party claims for damages, losses, liabilities or expenses, including reasonable attorneys' fees, arising out of:
- A. Customer's failure to obtain required permits, licenses, or consents necessary to enable CenturyLink to provide the Products and Services (e.g., landlord permissions or local construction licenses). This provision does not include permits, licenses, or consents related to CenturyLink's general qualification to conduct business;
  - B. Customer's transmissions, or transmissions by parties authorized by Customer, of information, data, or messages over the CenturyLink-provided network leading directly or indirectly to third party claims: (1) for libel, slander, invasion of privacy, infringement of copyright, and invasion or alteration of private records or data; (2) for infringement of patents arising from the use of equipment, hardware or software not provided by CenturyLink; and (3) based on transmission and uploading of information that contains viruses, worms, or other destructive media or other unlawful content;
  - C. CenturyLink's failure to pay any tax to the extent that CenturyLink relied on Customer's claimed legitimate exemption under applicable law;
  - D. Customer's breach of software licensing requirements; and
  - E. Customer's failure to comply with the usage requirements in the Customer Responsibilities Section of these Standard Terms and Conditions.
- 13.3 CenturyLink Indemnification.** CenturyLink will indemnify and defend Customer, Customer's officers, directors, agents, and employees and their successors against third party claims enforceable in the United States alleging that Services as provided infringe any third party United States patent or copyright or contain misappropriated third party trade secrets. But CenturyLink's obligations under this Section will not apply if the infringement or violation is caused by Customer's modification to CenturyLink-provided software, equipment or Services; combination of CenturyLink-provided services or products with other services or products; functional or other specifications that were provided by or requested by Customer; or Customer's continued use of infringing Services after CenturyLink provides reasonable notice to Customer of the infringement. For any third party claim that CenturyLink receives, or to minimize the potential for a claim, CenturyLink may, at its sole option, either:
- A. procure the right for Customer to continue using the Services;
  - B. replace or modify the Services with comparable Services; or
  - C. terminate the Services.
- 13.4 Rights of Indemnified Party.** To be indemnified, the party seeking indemnification must promptly notify the other party in writing of the claim (unless the other party already has notice of the claim); give the indemnifying party full and complete authority, information and assistance for the claim's defense and settlement; and not, by any act, admission, or acknowledgement, materially prejudice the indemnifying party's ability to satisfactorily defend or settle the claim. The indemnifying party will retain the right, at its option, to settle or defend the claim, at its own expense and with its own counsel. The indemnified party will have the right, at its option, to participate in the settlement or defense of the claim, with its own counsel and at its own expense, but the indemnifying party will retain sole control of the claim's settlement or defense.
- 13.5 Remedies.** The foregoing provisions of this Section state the entire liability and obligations of the indemnifying party and any of its Affiliates or licensors, and the exclusive remedy of the indemnified party, with respect to the claims described in this Section.

14. **TERMINATION.**

14.1 **CenturyLink Right to Terminate.**

- A. CenturyLink may immediately suspend or terminate Products or Services or the Agreement if:
- (1) Customer fails to cure its default of the payment terms in the Agreement;
  - (2) If Customer has vacated the premises to which Services are furnished;
  - (3) Customer fails to cure any other material breach of the Agreement within 30 days after receiving CenturyLink's written notice;
  - (4) Customer provides false or deceptive information establishing, using or paying for Services or Customer engages in false, deceptive, fraudulent, or harassing activities when establishing, using or paying for Services;
  - (5) Customer fails to comply with applicable law or regulation and Customer's noncompliance prevents CenturyLink's performance under the Agreement; or
  - (6) Customer resells Products or Services as prohibited by these Standard Terms and Conditions.
- B. If CenturyLink terminates the Agreement under this Section, Customer will be liable for any Products and Services provided up to the date of termination, whether or not invoiced by the termination date, as well as any applicable early termination liabilities.

14.2 **Customer Right to Terminate.**

- A. **Material Failure.** If CenturyLink materially fails to provide a Product or Service and CenturyLink fails to cure after Customer provides CenturyLink with written notice of the failure and a reasonable opportunity to cure within 30 days from receipt of notice, Customer may terminate the affected Products or Services without early termination liability 30 days after CenturyLink's receipt of Customer's written notice to terminate. CenturyLink's material failure does not include a failure caused by circumstances outside CenturyLink's sole control, a failure caused by a third party access provider, a Force Majeure Event, or Customer or Customer-provided software or equipment.
- B. **Termination for Convenience.** Customer may terminate a Service during the applicable Order Term, or the Agreement during the Agreement Term, by providing 60 days' written notice to CenturyLink. In the case of such termination for convenience, Customer will be liable for early termination fees set forth in the Agreement.

14.3 **Early Termination Liability.**

- A. **Calculation of Early Termination Liability.** If Customer terminates a Product or Service in whole or in part, before expiration of the applicable Order Term (unless due to CenturyLink's material failure), or CenturyLink terminates a Product or Service or applicable Order as permitted under the Agreement, Customer will pay the following early termination charges, which represent CenturyLink's reasonable liquidated damages and not a penalty:
- (1) **General Liability.** A lump sum equal to (a) 50% of the applicable monthly charges, multiplied by the number of months remaining in the applicable Order Term, plus (b) a pro rata amount of any waived installation charges, any credits issued (excluding any service level credits issued for any Service outages), and initialization fees waived based upon the number of months remaining in the applicable Order Term at the time of termination; and
  - (2) **Third Party Liability.** Any liabilities imposed on CenturyLink by third parties, such as other local exchange carriers and all nonrecoverable costs incurred by CenturyLink as a result of ordering facilities required to operate the Product or Service, as a result of Customer's early termination.
- B. **Waiver of Early Termination Liability.** With CenturyLink's written approval, Customer will not be liable for the early termination liability described in this Section for a Service if Customer purchases another Service at the same time with the same or greater monthly

recurring charge for an Order Term at least equal to the greater of: the remaining months in the original Order Term or one year.

- 14.4 **Disconnect Notice.** CenturyLink will have up to 30 days to complete disconnection of a Service. To complete disconnection, Customer must provide information required by CenturyLink. Customer's failure to provide such information may delay or prevent the disconnection. Customer will be responsible for all charges through the later of the 30<sup>th</sup> day after CenturyLink received the disconnect notice, or the date Customer stops using the Services.

15. **FORCE MAJEURE.** Neither party will be responsible for any delay, interruption or other failure to perform under the Agreement due to acts, events, and causes beyond the control of the responsible party (a "Force Majeure Event"). Force Majeure Events include: natural disasters (e.g., lightning, earthquakes, hurricanes, floods); wars, riots, terrorist activities, and civil commotions; inability to obtain parts or equipment from third party suppliers; cable cuts by third parties, a local exchange carrier's activities, and other acts of third parties; explosions and fires; embargoes, strikes, and labor disputes; and governmental decrees and any other cause beyond the reasonable control of a party.

16. **DEFINITIONS.**

- 16.1 "Affiliate" is a legal entity that directly or indirectly controls, is controlled by, or is under common control with the party. An entity is considered to control another entity if it owns, directly or indirectly, more than 50% of the total voting securities or other such similar voting rights.
- 16.2 "Effective Date" is the date the last party signs the Agreement.
- 16.3 "Local Terms of Service" means the CenturyLink state-specific Guidebooks, Price Lists, Local Terms of Service or other deregulated terms and conditions under which CenturyLink provides detariffed incumbent local exchange carrier Services in certain states.
- 16.4 "Order" means a written, electronic or verbal order, or purchase order governed by the terms and conditions of the Agreement, submitted or confirmed by Customer and accepted by CenturyLink, which identifies specific Products and Services; quantity ordered; CenturyLink's Agreement number, title, and execution date; billing address; ship to address; and service/installation address, as applicable. Verbal Orders are deemed confirmed upon Customer's written acknowledgement, or Customer's use, of Products or Services.
- 16.5 "Product(s)" includes equipment, devices, hardware, software, cabling or other materials sold or leased to Customer by or through CenturyLink as a separate item from, or bundled with, a Service.
- 16.6 "Product and Service-specific Annexes" refers to separate descriptions, terms and conditions for certain non-tariffed Products and Services, including those offered under applicable CenturyLink local terms of service in states that have withdrawn Tariffs for such Products and Services. Product and Service-specific Annexes are incorporated into the Agreement.
- 16.7 "Schedules" and "Rates and Services Schedules" ("RSS") can be used interchangeably and are the terms and conditions governing CenturyLink's provision of certain interexchange Services that were detariffed by order of the Federal Communication Commission ("FCC"). CenturyLink Schedules are subject to change during the Agreement Term under the rules and authority of the FCC. Schedules are posted to the Rates and Conditions Website.
- 16.8 "Service(s)" means wireline and wireless business communications services that are not governed by Tariffs, including basic or telecommunications services, information or other enhanced services, and non-regulated professional services provided to Customer by or through CenturyLink under the Agreement, excluding Products.
- 16.9 "Tariffs" means the CenturyLink incumbent local exchange carrier, competitive local exchange carrier, or intrastate interexchange carrier tariffs on record with the FCC or state regulatory authorities having jurisdiction over those Services. Tariffs are subject to change during the Agreement Term under the rules and authority of the relevant regulatory bodies.

17. **MISCELLANEOUS.**

- 17.1 **Independent Contractor.** CenturyLink provides the Products and Services as an independent contractor. The Agreement will not create an employer-employee relationship, association, joint

venture, partnership, or other form of legal entity or business enterprise between the parties, their agents, employees or affiliates.

17.2 **No Waiver of Rights.** The failure to exercise any right under the Agreement does not constitute a waiver of the party's right to exercise that right or any other right in the future.

17.3 **No Third Party Beneficiaries.** The Agreement's benefits do not extend to any third party.

17.4 **Governing Law; Dispute Resolution.**

A. **Negotiation.** The parties will use good faith efforts to resolve any dispute promptly by negotiation at a higher level of management than the persons with direct responsibility for administration of the Agreement. All negotiations and any documents exchanged related to the negotiations under this Section are confidential, and will be treated as compromise and settlement negotiations under applicable rules of evidence.

B. **Governing Law; Forum.** Delaware state law, without regard to choice-of-law principles, governs all matters relating to the Agreement. Any legal proceeding relating to the Agreement, will be brought in a U.S. District Court, or absent federal jurisdiction, in a state court of competent jurisdiction, in the location of the party to the Agreement not initiating the action, as indicated in the Notices section. But CenturyLink may, at its discretion, initiate proceedings in Denver, Colorado to collect undisputed amounts billed.

C. **Waiver of Jury Trial and Class Action.** Each party, to the extent permitted by law, knowingly, voluntarily, and intentionally waives its right to a jury trial and any right to pursue any claim or action relating to the Agreement on a class or consolidated basis or in a representative capacity.

D. **Arbitration if Jury-Trial Waiver Unenforceable.** If for any reason the jury waiver is held to be unenforceable, the parties agree to binding arbitration for any dispute relating to the Agreement under the Federal Arbitration Act, 9 U.S.C. § 1, *et. seq.* The arbitration will be conducted in accordance with the JAMS Comprehensive Arbitration Rules, but need not be administered by JAMS unless the parties cannot otherwise agree upon the selection of an arbitrator within thirty (30) days of the receipt of a written demand for arbitration. If the parties cannot reach agreement on the selection of an arbitrator, either party may commence the arbitration process by filing a written demand for arbitration with JAMS, with a copy to the other party. The written demand for arbitration called for by this paragraph shall contain sufficient detail regarding the party's claims to permit the other party to understand the claims and identify witnesses and relevant documents. The arbitrator will not be empowered to award, nor will any party be entitled to receive, any damages or awards that are barred by the "Limitation of Liability" Section of the Agreement. The arbitrator's decision must follow the plain meaning of this Agreement and will be final, binding, and enforceable in a court of competent jurisdiction.

17.5 **Compliance with Laws.** Each party agrees that it will comply with all applicable laws in performing its obligations under the Agreement.

17.6 **Assignment.** Customer may not assign any rights or obligations under the Agreement or an Order without CenturyLink's prior written consent, except that Customer may assign the Agreement, after 30 days prior written notice, to an Affiliate or an entity that has purchased all or substantially all of Customer's assets. Following written notice to Customer, CenturyLink may assign the Agreement or an Order, in whole or in part, without Customer's prior written consent.

17.7 **Amendments and Alterations.** The Agreement may only be amended in a writing signed by both parties' authorized representatives. Alterations to the Agreement are not valid unless accepted in writing by authorized representatives of both parties.

17.8 **Notice.** Notices required under the Agreement must be submitted in writing to the party's address for notice listed in the Agreement or Order and, in the case of a dispute, notices must also be sent to:

CenturyLink  
Attn: Senior Assistant General Counsel, Commercial Law  
5454 W. 110<sup>th</sup> Street

Overland Park KS 66211

- 17.9 **Severability.** If any provision of the Agreement is found to be unenforceable, the Agreement's unaffected provisions will remain in effect and the parties will negotiate a mutually acceptable replacement provision consistent with the parties' original intent.
- 17.10 **URLs and Successor URLs.** References to Uniform Resource Locators (URLs) in the Agreement include any successor URLs designated by CenturyLink.
- 17.11 **Survivability.** The terms and conditions of the Agreement regarding confidentiality, indemnification, warranties, payment, dispute resolution and all others that by their sense and context are intended to survive the expiration of the Agreement will survive.
- 17.12 **Entire Agreement.** This Agreement, including all referenced documents, annexes, Schedules, or exhibits, the related Orders and the parties' mutual nondisclosure agreement constitutes the entire agreement and understanding between the parties and supersedes all prior or contemporaneous negotiations or agreements, whether oral or written, relating to its subject matter.
- 17.13 **Changes to Tariff, Local Terms of Service, or AUP.** CenturyLink may amend, change, or withdraw the Tariff, Local Terms of Service, or AUP, with such updated Tariff, Local Terms of Service, or AUP effective upon posting or upon fulfillment of any necessary regulatory requirements. If a modification to a Tariff, Local Terms of Service, or AUP (A) materially and adversely affects Customer's legitimate use of a Service; and (B) is not required by government or judicial action, then Customer may terminate the affected Service upon 30 days' written notice without liability for early termination charges for the affected Service, provided, however, that Customer provides written notice of its intent to terminate the Service under this Section within 30 days after the modification occurs and provides CenturyLink the opportunity to cure the modification within the 30 days after Customer's notice.

For use with Standard Terms and Conditions for Communications Services ("Standard Terms and Conditions"). This Annex is not applicable to Services governed by Tariffs on file with the FCC or state regulatory authorities.

### CENTURYLINK LOCAL GOVERNMENT CUSTOMER ANNEX

This CenturyLink Local Government Customer Annex ("Annex"), together with the applicable cover agreement, modifies the Standard Terms and Conditions. This Annex takes precedence over all other conflicting terms and conditions of the Agreement. When attached to the applicable cover agreement, this Annex supersedes the version posted at [http://about.centurylink.com/legal/rates\\_conditions.html](http://about.centurylink.com/legal/rates_conditions.html).

1. **Eligibility and Applicability.** This Annex is available to all local governmental entities and agencies in connection with the purchase of Products and Services sold under the Standard Terms and Conditions. CenturyLink defines "local governmental entities and agencies" as local entities and agencies, specifically excluding all state and federal entities and agencies, that receive their primary funding support through the allocation of appropriated public funds and are entitled to exercise sovereign rights and privileges.
2. **Indemnity.** Customer will honor all indemnity provisions under the Agreement only to the maximum extent permitted by applicable law. No section of the Agreement is intended to create a waiver of Customer's rights or privileges as a sovereign entity.
3. **Nonappropriation.**
  - 3.1. **Definition.** A "nonappropriation" occurs when Customer is unable to secure or allocate sufficient funds in its operating budget to fulfill its financial obligations under the Agreement.
  - 3.2. **Effect.** If a nonappropriation occurs during the Term, Customer may terminate the Agreement at the end of the then-current fiscal period ("Termination Date") without incurring any termination liability. Customer will not be obligated for payments for any fiscal period after the Termination Date.
  - 3.3. **Notice.** Customer will give CenturyLink written notice of any termination under this section at least 30 days before the Termination Date. At CenturyLink's request, Customer will promptly provide supplemental documentation about the nonappropriation.
  - 3.4. **Limitations.**
    - A. Customer must take all necessary action to budget and secure any funds required to fulfill its contractual obligations for each fiscal year during the Term, including the exhaustion of all available administrative appeals if funding is initially denied.
    - B. If Customer terminates the Agreement under this provision, Customer will not obtain the Services described in the Agreement from CenturyLink or from any other provider for a period of 180 days after the Termination Date. This obligation will survive termination of the Agreement for nonappropriation.
4. **Damages.** The Agreement does not create an obligation by Customer to pay any damages in excess of those amounts legally available to satisfy Customer's obligations under the Agreement.
5. **Ownership and Confidentiality.** The Agreement is a copyrighted work authored by CenturyLink and may contain CenturyLink trademarks, trade secrets, and other proprietary information. CenturyLink acknowledges that the Agreement may be subject to disclosure in whole or in part under applicable Freedom of Information, Open Records, or Sunshine laws and regulations (collectively, "FOI"). Customer will provide CenturyLink with prompt notice of any intended FOI disclosures or post-execution FOI requests, citations to or copies of applicable FOI for review, and an appropriate opportunity to seek protection of CenturyLink confidential and proprietary information consistent with all applicable laws and regulations.
6. **Governing Law.** The Agreement and the rights and obligations of the parties are governed by the laws of the U.S. State where CenturyLink provides the Products and Services, without regard to that State's conflict of laws principles.



## EQUIPMENT SALES PRODUCT ANNEX

This Equipment Sales Product Annex, together with the applicable cover agreement (collectively, the "Agreement"), will govern CenturyLink's provision and Customer's receipt of customer premises equipment and associated materials and labor ("Equipment"). When attached to the applicable cover agreement, this annex supersedes the version posted at [http://about.centurylink.com/legal/rates\\_conditions.html](http://about.centurylink.com/legal/rates_conditions.html). Customer's purchase and use of Cisco SMARTnet Services is governed under the Cisco Service and Support Solutions terms and conditions available at [http://www.cisco.com/web/about/doing\\_business/legal/service\\_descriptions/index.html](http://www.cisco.com/web/about/doing_business/legal/service_descriptions/index.html) and not by the terms and conditions of the CenturyLink Centurion Maintenance Service Annex.

1. **PRICE.** Customer will pay the total price invoiced as specified in the Order. If Customer changes any Equipment type or location, Customer will notify CenturyLink in writing of such change and CenturyLink may change the price listed on the Order to conform to Customer's specifications. CenturyLink will base any additional charges on time and material costs CenturyLink incurs. Prices for installation and other products and services not specified in the Order but requested by Customer or necessary to complete the Order will be provided at CenturyLink's standard time and materials rates or at prices that the parties' authorized representatives mutually agree upon in writing from time to time. Discounts applied to any individual Order will not apply to subsequent orders.
2. **PAYMENT TERMS.** For orders placed under this Annex, Customer's use of financing options does not extend payment terms.
3. **FAILURE TO PERFORM.**
  - 3.1 **Pre-Delivery.** If Customer repudiates, gives notice of cancellation, or otherwise breaches this Annex prior to delivery of the Equipment, Customer will pay CenturyLink as liquidated damages, and not as a penalty, 25% of the purchase price or CenturyLink's out of pocket costs incurred as a result of Customer's cancellation, whichever is greater.
  - 3.2 **Post-Delivery.** If Customer breaches this Annex after delivery of the Equipment, CenturyLink may, in addition to any other remedies available to CenturyLink: (a) declare all sums due and payable immediately; (b) discontinue discounts related to Equipment; (c) cease installation or delivery or disconnect and deactivate Equipment until amounts due are paid; or (d) retake possession of Equipment and retain all sums paid by Customer as a setoff against expenses incurred.
  - 3.3 **Drop Ship.** Purchases where CenturyLink will not be providing installation ("Drop Ship") may not be cancelled following order placement without prior written authorization of CenturyLink or assignment of a return authorization number ("Call Tag Number").
4. **RISK OF LOSS AND TITLE.**
  - 4.1 **Risk of Loss.** Customer assumes the risk of loss and damage to the Equipment from the date of its delivery to the designated ship to address.
  - 4.2 **Title.** Title to the Equipment will pass from CenturyLink to Customer when Customer fully pays the total amount invoiced for the Order, including but not limited to the Equipment price, freight, any applicable taxes, or interest due on past due amounts.
  - 4.3 **Security Interest.** Customer grants CenturyLink a purchase money security interest in the Equipment, together with all replacements, parts, additions, repairs and accessories incorporated in or affixed to the Equipment, and all proceeds of the sale of the Equipment, until all charges (including interest, if any) are paid in full. Customer will not pledge or otherwise encumber the Equipment until all such charges are paid in full. Customer will sign and deliver any documents reasonably requested by CenturyLink for the purposes of perfecting the security interest created by this Annex. The parties agree that the Equipment will remain personal property, not a part of the land or building, regardless of the manner of installation.



5. **DELIVERY, ACCEPTANCE, BILLING AND RETURN OF EQUIPMENT.**

- 5.1 **Delivery Date.** All delivery dates are approximate. CenturyLink will use commercially reasonable efforts to deliver, or cause to be delivered, the Equipment by any reasonable delivery date specified in the Order.
- 5.2 **Acceptance and Billing.** For CenturyLink-installed Equipment, Customer will have 7 days after installation to notify CenturyLink in writing of any material deficiencies in the order. Otherwise, any Order under this Annex will be deemed accepted after the 7-day period, and CenturyLink may invoice Customer for the Order. If Customer timely rejects the Order, CenturyLink will take prompt action to cure the deficiencies within a reasonable period of time under the circumstances.
- 5.3 **Drop Ship Equipment.** If Customer fails to reject the Equipment within 15 days from the date of delivery, Customer will be conclusively presumed to have accepted the Equipment. Equipment may only be rejected for errors in order processing or for defects or deficiencies in the Equipment, and only after Customer has contacted CenturyLink and received a Call Tag Number with instructions on how to complete the return.
- 5.4 **Order Cancellation or Return of Equipment.** In CenturyLink's sole discretion, Equipment may be returned by Customer with prior approval and specific shipping instructions from CenturyLink, and must be in original manufacturer's boxes or packaging for CenturyLink to accept the return. In addition to all other applicable charges, Customer will pay CenturyLink a restock charge of 25% of the purchase price as liquidated damages, and not as a penalty, upon the return of Equipment if the return is due to a Customer ordering error or Customer's late cancellation of an order. Customer is responsible for any damage to the Equipment while in Customer's possession or during return shipment to CenturyLink.

6. **CUSTOMER RESPONSIBILITIES.**

- 6.1 **Preparation of Site.** At its own expense, Customer will prepare its site(s) to comply with Equipment manufacturer's or CenturyLink's installation and maintenance specifications. Customer warrants that its sites are free of asbestos (whether encapsulated or exposed) and other hazardous materials as defined by federal or state law. If this warranty cannot be made prior to placing an Order, CenturyLink may, in addition to any other legal or equitable remedies: (a) decline to make any equipment installations in areas known or suspected of containing hazardous materials; or (b) unilaterally make an adjustment to the purchase price to reflect any increased costs of performance because of known or suspected hazardous materials on the premises.
- 6.2 **Permits.** Customer will obtain necessary consents, approvals, licenses, and permits for installation of the Equipment on Customer's premises. Customer will provide access to CenturyLink during all hours consistent with the requirements of installation.
- 6.3 **Indemnity.** Customer will defend, indemnify and hold harmless CenturyLink, together with its officers, agents and employees, against all damages, claims, liabilities or expenses (including reasonable attorneys' fees, court costs, and allocated in-house counsel legal expenses) arising out of or resulting in any way from Customer's failure to fulfill Sections 6.1 and 6.2 above.
- 6.4 **Electrical Wiring.** Customer acknowledges that foreign voltages and lightning effects on equipment can be significant during electrical storms. Accordingly, Customer is responsible, at its expense, for all ground wire connections to Customer's premises. Customer will also ensure availability of a separate electric source, circuits and power with suitable outlets. Customer is responsible for ensuring CenturyLink's access to concealed wiring and for the availability of proximately located AC power. Unless otherwise stated in the order, Customer will pay the cost of electricians or conduit if required.
- 6.5 **Physical Access to Facilities.** During the period of installation and throughout the warranty or maintenance period, Customer will provide necessary openings and ducts for cable and conductors

in floors and walls, and floor plans and/or prints showing the location of the openings and ducts. The floor plan and/or prints will also show the locations and types of Equipment to be installed.

- 6.6 **Proper Use.** Customer will properly use Equipment and will not, nor will it permit or assist others to, use Equipment for any purpose other than its intended purpose, fail to maintain a suitable environment according to the manufacturer's specifications, or tamper with Equipment. If Customer fails to comply, Customer will release CenturyLink from its performance and liability obligations (including any warranty or indemnity obligations) to Customer under this Annex and Customer will pay CenturyLink all costs or damages CenturyLink incurs as a result of Customer's breach.
- 6.7 **Non-CenturyLink Equipment.** CUSTOMER IS SOLELY RESPONSIBLE FOR THE COMPATIBILITY AND NON-INFRINGEMENT USE OF ANY EQUIPMENT NOT ACQUIRED FROM CENTURYLINK THAT IS ADDED TO, OR OTHERWISE USED IN CONJUNCTION WITH CENTURYLINK-PROVIDED EQUIPMENT. CUSTOMER'S USE OR COMBINATION OF NON-COMPATIBLE OR INFRINGING EQUIPMENT WILL, AT CENTURYLINK'S OPTION, VOID ANY REMAINING WARRANTY AS TO ANY ITEM OF CENTURYLINK-PROVIDED EQUIPMENT THAT IS ADVERSELY AFFECTED.

## 7. WARRANTIES.

- 7.1 **CenturyLink Installed.** Unless otherwise noted in writing and explicitly accepted by CenturyLink for a particular Order, the warranty for Equipment installed by CenturyLink and any associated software is limited to the manufacturer's warranty, if any. CenturyLink will provide warranty service for installed Equipment at the installation location consistent with CenturyLink's customary equipment maintenance policies for Customer's location and type of equipment. Warranty service excludes replacement of lost or stolen parts, damage due to negligence, parts or items consumed under normal use, acts of God, or causes other than normal use, including modifications by Customer or maintenance performed by anyone not pre-approved in writing by CenturyLink.
- 7.2 **Drop Ship.** For Equipment not installed by CenturyLink, the warranty is limited to the manufacturer's warranty, if any. Customer must contact the Equipment manufacturer for any warranty repairs or replacement and bear the expense of shipping Equipment not installed by CenturyLink to the Equipment manufacturer for warranty repairs or replacement.

## 8. LIABILITY FOR IP EQUIPMENT.

- 8.1 **Network Performance Assessment ("NPA").** In addition to other limitations of liability set forth in the Agreement, Customer accepts full responsibility for the impact of adding IP Equipment to its network. IP technology is inherently vulnerable and due to multiple factors outside of CenturyLink's control, CenturyLink does not ensure continued network reliability. CenturyLink recommends an NPA to assess Customer's data network readiness before transition of voice and video services from a separate TDM network to a converged packet or IP network. An NPA is only valid at the point in time when the assessment is conducted and minor Customer changes to the network can result in significant impacts to Quality of Service or performance capabilities of the IP Equipment. An NPA does not guarantee performance of any applications running in Customer's LAN/WAN and CenturyLink is not responsible for any loss or delay in such applications. CenturyLink is not liable for impacts to Customer's network as it relates to the convergence of voice and data.
- 8.2 **Changes Following IP Evaluation or Assessment.** Changes in Customer network following an NPA or installation of IP Equipment may impact the existing network or application requirements. Although analyzing the existing network helps identify hardware and software issues associated with the IP Equipment deployment, more CPU, memory, bandwidth or features may be needed to ensure Customer's system meets both IP Equipment and existing network requirements.

**9. EQUIPMENT PROVIDED AS PART OF A BUNDLE.**

- 9.1** Under certain Service configurations, CenturyLink furnishes Equipment to Customers without requiring payment in full at the time of acquisition. CenturyLink applies a fixed portion of Customer's monthly recurring charges, shown as a single amount for the bundle of Service and Equipment, toward the purchase price of the Equipment.
- 9.2** If Customer receives Equipment as part of a bundled Service (as specified in the applicable Agreement or Order), the following additional terms apply:
- A.** Section 4.2 of this Annex will read: "Title to the Equipment will pass to Customer upon installation and acceptance."
  - B.** If Customer terminates Services provided under the Agreement before the end of the Term, CenturyLink will collect any amounts still owed for the Equipment under the general termination liability provisions of the Agreement.

**10. EQUIPMENT PROVIDED AT NO COST.**

- 10.1** Under certain promotions, CenturyLink furnishes Equipment to Customers at no cost in exchange for certain commitments on term and type of Service associated with the Equipment.
- 10.2** If Customer receives Equipment at no cost (as specified in the applicable Agreement or Order), the following additional terms apply:
- A.** Section 4.2 of this Annex will read: "Title to the Equipment will pass to Customer upon installation and acceptance."
  - B.** If Customer terminates Services provided under the Agreement before the end of the Term, CenturyLink may charge Customer a pro-rata installation fee (based on CenturyLink's time and materials costs as of the installation date) and a pro-rata equipment purchase fee based on CenturyLink's list price for the Equipment at the time of installation in addition to any other termination liability assessed under the Agreement.

**Request for Federal Legislative Priorities, Water/Sewer Rates Report, and Management Matters:**

Ms. Kimberly Turner, County Manager, appeared before the Board to request input on behalf of the North Carolina Association of County Commissioners for the 2015 NCACC Federal Legislative Agenda. Ms. Turner mentioned that if the Board would like to submit any federal goals for the 2015 year, they are listed on the back of the sheet provided. She asked if they have any additional goals to let her know.

Commissioner Carter asked if we could prioritize. He said all the goals are essential, but he feels that “Ensure that Budget Reforms and Sequestration Do Not Result in Unfunded Mandates to Counties” should be at the top of the list. Ms. Turner asked the Board if they would like her to submit all of these goals and make sure this is the number one priority.

It was a Board consensus that Ms. Turner submit the goals mentioned. Vice-Chairman Barrett mentioned that they have 44 recommendations on the table already, but not all of those are federal. Chairwoman Greene stated that she told Ms. Turner that she served on the Legislative Goals Committee, and one of the County’s proposals for hydrilla moved up to the Committee. She is not sure if it made it through or not, but she was pleased about the hydrilla issue going forward.

Ms. Turner also appeared before the Board to present a report that she informed the Board she would have for them at this meeting on the new water and sewer rates. This report is for informational purposes, and the Auditor will come up possibly at the first February meeting. The Board will then be able to discuss how they want to handle the water rate structure at that point, once they hear from the Auditor.

Chairwoman Greene thanked Ms. Turner for the report and mentioned that this will give the Board the opportunity to review it. She mentioned that she would like this to be in discussion when they meet on the water rates and Solid Waste that was mentioned earlier in the meeting.

Ms. Turner said she will make sure that this report will go to any citizen that is interested. She also mentioned that there are a few things that she would like the Board to think about as far as the Enterprise Fund: whether or not they would like to have a Capital Reserve Fund and how much of a Capital Reserve Fund they want to have in order to do any repairs or improvements to the system that need to be done. She also reminded the Board of a long standing issue with Squire Acres.

**Citizens/Board Comments:**

*Chairwoman Greene called for Citizens Comments.*

None were heard.

*Chairwoman Greene called for Board Comments.*

None were heard.

A motion was made by Joseph Barrett and seconded by Robert Carter to recess regular session.

**Question Called: All present voting yes. Motion carried.**

A motion was made by Virginia Spruill and seconded by Chester Deloatch to enter into a closed session for the purpose of G.S. 143-318.11(a)(6). **Question Called: All present voting yes.**

**Motion carried.**

A motion was made by Robert Carter and seconded by Joseph Barrett to adjourn closed session.

**Question Called: All present voting yes. Motion carried.**

A motion was made by Joseph Barrett and seconded by Robert Carter to enter into regular session. **Question Called: All present voting yes. Motion carried.**

A motion was made by Virginia Spruill and seconded by Robert Carter to reconsider the previous vote on 12/1/2014 that upon request by Sheriff Jack Smith for budget year 2015-2016 that the Board will revisit salary increase. **Question Called: All present voting yes. Motion carried.**

Chairwoman Greene noted that the Board has to make a decision regarding the matter that Sheriff Smith brought before them today.

Commissioner Carter asked what the request amount was. Commissioners Deloatch and Barrett replied \$78,249.

Ms. Turner wanted to mention that she is not against him getting a salary increase, but she wanted to compare the Sheriff's job duties with Ronnie Storey's duties. As far as Emergency Management having to be out at any time they are called as well as the Sheriff. Ronnie works almost 24/7 as well as the Sheriff, so she admonished the Board that if they are considering not giving the Step 16, it should be somewhere around where Ronnie Storey's salary is—not any less than what Ronnie Storey is making.

A motion was made by Chester Deloatch and seconded by Joseph Barrett that due to experience, to grant the Sheriff \$78,249. **Question Called: Yes (Commissioners Deloatch, Barrett, Greene, and Carter); No (Commissioner Spruill). Motion carried.**

Commissioner Spruill wanted to note that the Sheriff does not have County experience.

Chairwoman Greene asked if there was anything else that needs to come before the Board. Commissioner Carter asked to bring up the County Manager's Salary. Commissioner Deloatch asked Ms. Turner if she is coming up on ten years. Ms. Turner replied 11; she started in 2003. Commissioner Carter asked to be reminded where Ronnie Storey was on the pay scale. Commissioner Deloatch said it was \$74,482. Commissioner Spruill said it is a Grade 77, Step 14. She mentioned that he has been on staff since 2005. She reminded the Board that Ms. Turner has been here since 2003. Chairwoman Greene stated that the Commissioners were concerned last meeting about raising the Sheriff's salary, and the salaries of other employees. She asked now, how is the Board going to justify raising the Sheriff's salary and the County Manager's salary that the Board just gave her a few months ago. Commissioner Carter said that it is in the line item just as the Sheriff's was. Chairwoman Greene said the Sheriff's had been in his line item for

a year. Commissioner Carter stated that he didn't have a problem with the Sheriff's salary, as he alluded to in the closed session. The discrepancy came about because the line of communication was blocked up when he dealt with former County Manager Creque. Ms. Turner was left out of the loop. Chairwoman Greene said that was not the issue, and she mentioned that it was said back when they gave the Sheriff the salary (she is not sure why no one remembers the conversation but her), that the Board would revisit his salary once he became the official Sheriff. That was the issue. She said what he had with Mr. Creque, she doesn't know.

Commissioner Spruill stated that the Mr. Creque issue came up in the last meeting. She asked if that was correct. Ms. Turner said there was a conversation that she had with the Sheriff where he told her there was a conversation he had with Mr. Creque.

Chairwoman Greene said she is not against Ms. Turner having the salary increase, she is just saying if it was such a problem last month, to give the Sheriff an increase, now she doesn't understand how they are going to raise two people up. Commissioner Spruill said if we do it for one, why can't we do it for the other.

A motion was made by Robert Carter and seconded by Virginia Spruill to increase the County Manager's salary to Grade 81, Step 7- \$76,159. **Question Called: Yes (Commissioners Carter and Spruill); No (Commissioners Barrett, Deloatch, and Greene). Motion failed.**

Commissioner Deloatch asked Ms. Turner when her last raise was. Ms. Turner replied when she was appointed County Manager in July. Commissioner Carter said the reason he says this is because if you go anywhere in the State of North Carolina, the County Manager is the highest paid employee in the County. He is not asking that she become the highest paid employee, but he is asking that she become the third highest. He noted that actually she would be fourth because the Sheriff is there, but that is an elected position, and she is an appointed position. She would at least be above the Department Heads which she supervises.

Vice-Chairman Barrett asked Ms. Turner what she is budgeted for. Ms. Turner replied that she budgeted for \$70,726, but we have a Hirelag where we did not budget for the Assistant County Manager of \$54,028. Vice-Chairman Barrett wanted to clarify that they would be using all the funds from the Assistant County Manager to give Ms. Turner an increase. Ms. Turner replied if that's what they want to do; that's the funding in her budget.

Vice-Chairman Barrett stated that he would prefer to see Ms. Turner's increase come in effect for the next cycle (next budget year). He thinks it would go better with the citizens. Chairwoman Greene is concerned that they just gave her the raise in July, and now they are going to raise it another \$6,000.

Commissioner Carter explained his rational again, that when she became County Manager, they did give her an increase. Now that they have come to this threshold of giving one employee what another employee received and was granted. His concern is that the County Manager should be the highest paid employee in the County, but it's unrealistic and she doesn't even believe that the Board should go that way because of things that have occurred in the past. He just wanted her to at least be above all of the employees that she supervises other than two—the EDC Director and the Finance Director. That is his only reason for bringing this forward.

Vice-Chairman Barrett asked Ms. Turner (for his perception) what was her salary when she was interim, prior to becoming County Manager. Ms. Turner replied Step 1, Grade 81. Vice-Chairman Barrett asked as soon as she moved to County Manager, she got close to a \$5,000 raise. Ms. Turner confirmed. He still feels that the raise should be under the next cycle.

Chairwoman Greene said she thinks they would have gone at least a year and she certainly would feel better about it being a year, verses six months, and the County Manager go another \$6,000.

Commissioner Spruill asked Ms. Turner if she had a probationary period. Ms. Turner said no. Commissioner Deloatch asked if anyone else has received a raise before 12 months of service. Ms. Turner replied that there have been several employees that have. Vice-Chairman Barrett asked if that was a merit increase. Ms. Turner said no.

Commissioner Carter wanted the record to state that with the 15/16 Budget year that the Commissioners said they would revisit the County Manager's salary. Commissioner Spruill said not revisit, but increase her salary.

A motion was made by Robert Carter and seconded by Joseph Barrett to adjourn. **Question Called: All present voting yes. Motion carried.**

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Michelle Nelson, Clerk to the Board  
"r.m. 1-5-15"