

AGENDA

Regular Meeting of the Sawmills Town Council Sawmills Town Hall

**Tuesday, May 21, 2019
6:00 pm**

1. Call To Order Mayor Johnnie Greene
2. Invocation Pastor Jeff Lambert
3. Pledge of Allegiance Mayor Johnnie Greene
4. Adopt Agenda Mayor Johnnie Greene
5. Approve Meeting Minutes
A. April 16 19, 2019 Regular Meeting Minutes Mayor Johnnie Greene
B. April 16, 2019 Closed Session Minutes Mayor Johnnie Greene
6. Public Comment Mayor Johnnie Greene
7. Recognitions:
A. Recycle Rewards Mayor Johnnie Greene
8. Financial Matters:
A. Presentation of FY 2019-2020 Budget and Call for Public Hearing Mayor Johnnie Greene
9. Discussion:
A. Veteran's Memorial Park Lease Mayor Johnnie Greene
10. Public Comment Mayor Johnnie Greene
11. Updates:
A. Code Enforcement Report Mayor Johnnie Greene
B. Town Administrator Updates Town Administrator Christopher Todd
C. Council Comment Mayor Johnnie Greene
12. Adjourn Mayor Johnnie Greene

**TUESDAY, APRIL 16, 2019
TOWN OF SAWMILLS REGULAR COUNCIL MEETING
6:00 PM**

COUNCIL PRESENT

Mayor Johnnie Greene
Keith Warren
Rebecca Johnson
Joe Norman
Clay Wilson
Jeff Wilson

STAFF PRESENT

Christopher Todd
Terry Taylor
Julie A Good

CALL TO ORDER: Mayor Johnnie Greene called the meeting to order.

INVOCATION: Pastor Devin Severt gave the invocation.

PLEDGE OF ALLEGIANCE: Mayor Johnnie Greene led the Pledge of Allegiance.

ADOPT AGENDA: Mayor Johnnie Greene asked for a motion to adopt the April 16, 2019 Agenda.

Rebecca Johnson made a motion, and Clay Wilson seconded, to adopt the April 16, 2019 Agenda. All were in favor.

APPROVE MARCH 19, 2019 REGULAR MEETING MINUTES: Mayor Johnnie Greene asked for a motion to approve the March 19, 2019 regular meeting minutes.

Joe Norman made a motion, and Rebecca Johnson seconded, to approve the March 19, 2019 regular meeting minutes. All were in favor.

APPROVE MARCH 19, 2019 CLOSED SESSION MINUTES: Mayor Johnnie Greene asked for a motion to approve the March 19, 2019 closed session minutes.

Rebecca Johnson made a motion, and Joe Norman seconded, to approve the March 19, 2019 closed session minutes. All were in favor.

APPROVE MARCH 26, 2019 SPECIAL MEETING MINUTES: Mayor Johnnie Greene asked for a motion to approve the March 26, 2019 special meeting minutes.

Joe Norman made a motion, and Keith Warren seconded, to approve the March 26, 2019 special meeting minutes. All were in favor.

PUBLIC COMMENT: Mayor Johnnie Greene asked if anyone had any questions or comments at this time.

Tom Blanton of Russell Dr stated that he was present at the March 26, 2019 special meeting and wanted to speak to Council regarding contracting a deputy. Mr. Blanton stated that a Town this size should have its own police force and the proposal from the Caldwell County Sheriff's Department is a good first step in that direction.

Diane Blanton of Russell Dr stated that she was disappointed with the Council for not adding the Caldwell County Sheriff's Department proposal for a part-time deputy to the budget for this year. Mrs. Blanton also stated that she was not happy about that the Town is considering dropping recycle from the Town's services.

RECOGNITIONS:

RECYCLE REWARDS WINNER: Mayor Johnnie Greene announced Mr. Paul Blair as the April Recycle Rewards winner. A credit of thirty-two dollars (\$32.00) will be added to his sanitation bill.

No Council action was required.

FINANCIAL MATTERS:

BAD DEBT WRITE OFF: Mayor Johnnie Greene stated that the Town had a list of 2015 accounts that have gone unpaid for Utility and Sanitation services. The Town does not expect to collect payment for these accounts and recommends that Council approve the write off of the accounts. The total amount of these accounts is five thousand four hundred two dollars and eleven cents (\$5,402.11). Mayor Johnnie Greene also advised Council that included in the list are thirty-five (35) accounts the Town has submitted to the NC Debt Setoff Program for Collection. Mayor Johnnie Greene stated the Town had recovered five thousand five hundred twenty-eight dollars and thirty-five cents (\$5,528.35) from previous years. There are sufficient funds in the budget to cover this.

Joe Norman made a motion, and Jeff Wilson seconded, to approve staff to write off the 2015 list of bad debts accounts in the amount of five thousand four hundred two dollars and eleven cents (\$5,402.11). All were in favor.

PLANNING MATTERS:

RE-APPOINTMENT PLANNING BOARD MEMBERS: Mayor Johnnie Greene stated that there are two (2) seats on the Planning Board that expired in September 1, 2018. Steve Duncan and David Powell have both agreed to serve another term.

Clay Wilson made a motion, and Joe Norman seconded, to reappoint Steve Duncan and David Powell to another term on the Planning Board. All were in favor.

BOARD OF ADJUSTMENT VACANCIES: Town Administrator Christopher Todd stated that the Sawmills Board of Adjustments has an in town vacant seat due to Board Member Todd Hess moving out of the city limits and there is an out of town seat vacant. Alternate Board Member Reed Lingerfelt has agreed to be a permanent Board Member.

Town Administrator Christopher Todd stated that there is an out of town permanent seat and an alternate seat vacant if Council knows of anyone in the public that wants to serve.

Joe Norman made a motion, and Keith Warren seconded, to appoint Reed Lingerfelt from Alternate Board of Adjustment Member to Board Member. All were in favor.

WPCOG PLANNER/CODE ENFORCEMENT OFFICER AGREEMENT:

Mayor Johnnie Greene stated that the current contract with the Western Piedmont Council of Governments (WPCOG) for planning services will expire on June 30, 2019 and will need to be renewed. The renewal of the services would be for twenty-three thousand seven hundred thirty dollars (\$23,730.00) and billed in twelve (12) monthly payments of one thousand nine hundred seventy-seven dollars and fifty cents (\$1,977.50).

Keith Warren made a motion, and Joe Norman seconded, to accept the contract with the WPCOG for a total of twenty-three thousand seven hundred thirty dollars (\$23,730.00). All were in favor.

WPCOG STORM WATER DISCHARGE PROGRAM AGREEMENT: Town Administrator Christopher Todd stated that the current agreement between the City of Lenoir and the Town of Sawmills for storm water discharge expires on June 30, 2019. The City of Lenoir will no longer be offering a Storm Water program. The Western Piedmont Council of Governments (WPCOG) will offer a Storm Water Discharge Program. The Storm Water Discharge Program between the WPCOG and the Town of Sawmills will be effective July 1, 2019 and expire June 30, 2020. The cost the Town would pay the WPCOG to continue responsibility of the plan is in the amount of twenty-three thousand six hundred ninety-eight dollars (\$23,698.00).

Clay Wilson made a motion, and Jeff Wilson seconded, to approve the Storm Water Discharge Program Agreement covering the period of July 1, 2019 through June 30, 2020 in the amount of twenty-three thousand six hundred ninety-eight dollars (\$23,698.00). All were in favor.

PUBLIC COMMENT:

No one wished to speak.

APRIL CODE ENFORCEMENT REPORT: There are four (4) code enforcement cases open:

- Chaney Carter, owner of 4361 Sawmills School Rd. Overgrown vegetation. Town Planner stated that a letter was sent on July 19, 2018, with a deadline of August 3, 2018. Town Planner stated that the nuisance was abated by the Town on August 10, 2018. Town Planner stated that a lien will be placed on the property for the cost of the mowing;
- Jessie Kristian Smith, 4215 Trojan Ln. Fowl running loose. Town Planner received a written complaint from adjacent property owner stating that resident at 4215 Trojan Ln had approximately one (1) to fifteen (15) chickens and six (6) ducks running loose. Traveling public along Trojan Ln are consistently having to stop to wait on ducks to cross the road or sunning in the road. School buses have needed to blow horns to get them to move. Also, the chickens are digging up the neighbor's property. Town Planner stated that a certified letter was sent to home owner on February 21, 2019. Town Planner stated that she visited the site and there were fowl running loose in the back yard and roosting. There are also materials accumulation surrounding the home, which looks as though property owners are building a fence;
- Carolyn Bray/Robyn Brittian, 2570 Baker Circle. Abandoned mobile home. Town Planner Hunter Nestor states that he is working with Town Attorney Terry Taylor to abate;
- Horror Fields, Kiser-Sawmills, Helena St. Fence/buffer. Town Planner Hunter Nestor stated that a complaint was received on April 10, 2019. Town Planner Hunter Nestor stated that the property is not in compliance with the conditions set in CUP. Town Planner Hunter Nestor stated that a NOV letter was sent out on April 11, 2019, with a deadline of May 10, 2019.

No Council action was required.

TOWN ADMINISTRATOR UPDATES: Town Administrator Christopher Todd stated that the Lights at Baird Park are up and running and that the lights look and work great.

COUNCIL COMMENT: Mayor Johnnie Greene asked if anyone on the Council had any questions or comments at this time.

Joe Norman stated wanted to thank everyone for coming out and he hoped everyone came back.

Keith Warren wanted to thank everyone for coming out.

Rebecca Johnson wanted to thank everyone for coming out and hoped everyone would come back.

Jeff Wilson wanted to let everyone know that the April meeting would be his last meeting. Jeff Wilson stated that he and his wife are moving out of state. Jeff Wilson wanted to thank

everyone for the experience he has had during his time on the Sawmills Town Council.

CLOSED SESSION: ATTORNEY CLIENT PRIVILEGE: Mayor Johnnie Greene asked for a motion to go into closed session.

Clay Wilson made a motion, and Jeff Wilson seconded, to go into closed session at approximately 6:24 pm. All were in favor.

Clay Wilson made a motion, and Keith Warren seconded, to come out of closed session at approximately 6:36pm. All were in favor.

COUNCIL ADJOURN: Mayor Johnnie Greene asked for a motion to adjourn.

Jeff Wilson made a motion, and Keith Warren seconded, to adjourn the meeting. All were in favor.

The meeting was adjourned at approximately 6:37pm.

Johnnie Greene, Mayor

Julie A. Good, Town Clerk

AGENDA ITEM 7A

MEMO

DATE:

May 21, 2019

SUBJECT:

Recognition:
Recycle Rewards
Program

Discussion:

The Town of Sawmills would like to congratulate Mr. Michael Rabon on winning the Recycle Rewards Program for the month of May. Mayor Johnnie Greene will present him with a Certificate of Appreciation. A thirty-two dollar (\$32.00) credit will be added to the current sanitation bill.

Recommendation:

No Council action is required.

AGENDA ITEM 8A

MEMO

DATE:

May 21, 2019

SUBJECT:

Financial Matters:
Presentation of
FY 2019-2020
Budget and Call for a
Public Hearing

Discussion:

As required by state law, the proposed FY 2019-2020 budget is balanced and staff will present it during the June Council Meeting.

Included in the agenda packet is a copy of the proposed fee structure, the budget message, the budget ordinance and a copy of the proposed FY 2019-2020 budget.

Recommendation:

Staff recommends Council call for a public hearing to be held on June 18, 2019 at 6:00 pm to adopt the proposed FY 2019-2020 budget.

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF SAWMILLS, NORTH CAROLINA:

The following anticipated fund revenues, departmental expenditures, and interfund transfers are approved and appropriated for the Town of Sawmills' operations for the Fiscal Year beginning July 1, 2019 and ending June 30, 2020.

SECTION 1 – General Fund**Revenues:**

Property Tax	484,100
Local Sales Tax	1,037,500
Powell Bill Allocation	142,000
Solid Waste Fee	200,000
State Shared (Utility/Franchise)	203,358
Other	7,750
Fund Balance Appropriated	0
Planning/Zoning Fees	<u>750</u>
Total Estimated General Fund Revenues	\$2,075,458

Expenditures:

Governing Body	50,450
Administration	461,258
Finance	90,000
Public Works	457,400
Streets and Highways (Powell Bill)	62,000
Sanitation/Recycling	259,950
Community Development	123,850
Parks and Recreation	376,550
Interlocal Transfer to Caldwell County	<u>194,000</u>
Total Estimated General Fund Expenditures	\$2,075,458

SECTION 2 – Utility Fund

Revenues:

Water	787,500
Sewer	<u>235,750</u>
Total Estimated Utility Fund Revenues	\$1,023,250

Expenditures:

Water	787,500
Sewer	<u>235,750</u>
Total Estimated Utility Fund Expenditures	\$1,023,250

SECTION 3 – Ad Valorem Taxes

An Ad Valorem tax rate of \$0.20 per one hundred dollars (\$100) valuation of taxable property, as listed for taxes as of January 1, 2019, is hereby levied and established as the official tax rate for the Town of Sawmills for Fiscal Year 2019 - 2020. The rate is based upon a total projected valuation of \$256,376,500 and an estimated collection rate of 93.8%. The purpose of the ad valorem tax levy is to raise sufficient revenue to assist in financing necessary municipal government operations in Sawmills.

SECTION 4 – Documentation

Copies of this ordinance will be kept on file at Town Hall and shall be furnished to the Town Clerk and Finance Director to provide direction in the collection of revenues and disbursement of Town funds.

SECTION 5 – Special Authorization, Budget Officer

- A. The Town Administrator shall serve as Budget Officer.
- B. The Budget Officer shall be authorized to reallocate departmental appropriations among the various expenditures within each department.
- C. The Budget Officer is authorized to effect interdepartmental transfers of minor budget amendments not to exceed ten percent (10%) of the appropriated funds for the department's allocation which is being reduced. Notification of all such transfers or amendments shall be made to the Town Council at their next regular meeting of that body following the transfers.

SECTION 6 – Restrictions

- A. Interfund transfers of monies shall be accomplished only by authorization from the Town Council.
- B. The utilization of any contingency appropriation, in any amount, shall be accomplished only by the authorization from the Town Council. Approval of a contingency appropriation shall be deemed a budget amendment, which transfers funds from the contingency appropriation to the appropriate object of expenditure.

SECTION 7 – Budget Amendments

The North Carolina Local Government Budget and Fiscal Control Act allow the Town Council to amend the budget ordinance any time during the fiscal year, so long as it complies with the North Carolina General Statutes. The Town Council must approve all budget amendments, except where the Budget Officer is authorized to make limited transfers. Please review sections 5 and 6, which outline special authorizations and restrictions related to budget amendments.

SECTION 8 – Utilization of Budget and Budget Ordinance

This ordinance and the budget documents shall be the basis for the financial plan of the Town of Sawmills during the 2019-2020 Fiscal Year. The Budget Officer shall administer the budget. The accounting system shall establish records that are in consonance with this budget and this ordinance and the appropriate statutes of the State of North Carolina.

Adopted this the _____ day of _____ 2019.

Mayor Johnnie Greene

Christopher Todd, Town Administrator

ATTEST:

Clerk

Annual Budget for the 2019-2020 Fiscal Year

Honorable Mayor Johnnie Greene
And Members of the Town Council:

Town Staff is pleased to present the proposed budget for Fiscal Year 2019-2020, beginning July 1, 2019 and ending June 30, 2020. The budget is balanced in its entirety as required by the North Carolina Local Government Budget and Fiscal Control Act.

The Town of Sawmills' overall budget for FY 2019-2020 totals \$3,098,708 reflecting an overall decrease of \$477,086, or 13.34% decrease from FY 2018-2019.

The proposed budget includes:

- no tax increases;
- 0% increase of the sewer rates;
- an appropriation of Water and Sewer Fund reserves will be made this fiscal year;
- reduces current levels of service by discontinuing curbside recycling collection;
- maintains current levels of benefits for employees

Below is a brief budgetary summary of the various funds for the Town:

General Fund:

The proposed ad valorem tax rate for FY 2019-2020 is to remain at 20 cents per \$100 valuation with a collection rate of 93.8%. Each penny of the Town's property tax rate generates approximately \$20,767.00.

The General Fund currently remains debt free. The Town of Sawmills attempts to pay for capital outlay items from actual revenue sources and/or reserves rather than issuing bonds or borrowing funds and paying interest on debt. The Town will not need an appropriation of General Fund unrestricted reserves in order to balance the budget.

Anticipated State collected local revenues have been calculated utilizing data supplied by the North Carolina League of Municipalities and local economic data. The Town is anticipating small increases in most of these revenue sources as a result of the slowly improving local, state and national economy.

Some highlights in the General Fund Departmental budgets include:

- purchase of new modern ADA Inclusive Playground Equipment
- purchase of a radar sign to help aid in traffic and speed enforcement
- maintaining employee benefits at current levels;
- a 0% - 5% merit increase for employees;
- continued participation in the Caldwell County Sales Tax Reinvestment Program in the amount of \$194,000

General fund revenues and expenditures are balanced at \$2,075,458 This amount represents a decrease of \$469,277, or a decrease of 18.44%, from the previous 2018-2019 Fiscal Year Budget.

Enterprise Fund:

Due to the increased cost of service and desire to maintain our infrastructure, the Town Council and Staff annually review the water and sewer rate structure. For the upcoming fiscal year there are no recommended increases. This recommendation balances both the need to continue providing the highest quality service possible, with the desire to provide the most economical cost to our customers.

In light of the need to maintain Enterprise Fund reserves to address anticipated system improvements, maintain solvency and meet unanticipated emergencies, both staff and the Town Council are urged to maintain adequate financial planning for the future. This may require adjusting water and sewer rates in the 2020-2021 Fiscal Year's Budget.

The Water Department, reflects a total of \$260,000 in expenses for the replacement of the Russell Drive and Mission Road waterlines

Revenues for the Enterprise Fund for FY 2019-2020 are approximately \$1,023,250 reflecting a decrease of 7,859, or 0.76%, from the FY 2018-2019 budget.

Water Rates:

Water Base Rate: \$20.60

Water Volumetric Rate: \$6.00 per 1,000 gallons 1,000 - 10,000 gallons

Water Volumetric Rate: \$7.00 per 1,000 gallons 10,001 - 20,000 gallons

Water Volumetric Rate: \$4.50 per 1,000 gallons 20,001 - 30,000 gallons

Water Volumetric Rate: \$3.50 per 1,000 gallons > 30,000 gallons

Sewer Rates:

Sewer Base Rate: \$27.15

Sewer Volumetric Rate: \$7.60 per 1,000 gallons

Conclusion:

It is with great pride, and a lot of hard work, that we present the proposed budget for FY 2019-2020. The total budget estimates for FY 2019-2020 (across all funds) totals \$3,098,708 versus \$3,575,794 for FY 2017-2018. Staff did a great job in realizing the Town's monetary parameters and making adjustments accordingly. General Fund balance percentage is anticipated to improve this year.

I would like to thank the dedicated employees of the Town for their hard work and good stewardship of the Town's resources. These people work hard and take pride in carrying out their duties. I would like to thank the Mayor and Council for their dedication in carrying out their responsibilities in providing leadership and guidance in these times of budgetary stress and economic uncertainty.

Respectfully,

Christopher Todd
Town Administrator

Town of Sawmills
Fee Structure
FY 2019 – 2020
7/01/2019 – 6/30/2020

Public Works:

Items not picked up – building materials,
electronics and automobile parts.

Small brush pick up fee:	No charge (30 minutes or less)
Large brush pick up fee:	\$75.00 (per hour)- see policy for guidelines
White goods pick up fee:	No charge
Special (bulky item) pick up fee:	No charge
Purchase of Speed Limit or other Traffic signs:	\$75.00

Water/Sewer Department:

Water Deposit	\$100.00 <i>If SS# provided \$50.00 (a 50% discount)</i>
Sewer Deposit	\$100.00 <i>If SS# provided \$50.00 (a 50% discount)</i>
Water Tap (3/4 inch tap)	Inside Town \$750.00
Water Tap (3/4 inch tap)	Outside Town \$1,500.00
Water Tap (2 inch or greater)	Inside Town \$750.00 plus 15%
Water Tap (2 inch or greater)	Outside Town \$1,500.00 plus 15%
Sewer Tap (4-6 inch)	Inside Town \$1,000.00
Sewer Availability Fee	\$27.15 (current rate)

*****NO OUTSIDE SEWER TAPS*****

Water Rates (Inside Town)	\$20.60 min charge per month up to 2,000 gals \$6.00 per each additional 1,000 gals up to 10,000 gals \$7.00 per each additional 1,000 gals from 10,001 gals to 20,000 gals \$4.50 per each additional 1,000 gals from 20,001 gals to 30,000 gals \$3.50 per each additional 1,000 gals after 30,000 gals
Water Rates (Outside Town)	\$41.20 min charge per month up to 2,000 gals \$12.00 per additional 1,000 gals up to 10,000 gals \$14.00 per each additional 1,000 gals from 10,001 gals to 20,000 gals \$9.00 for each additional 1,000 gals from 20,001 gals to 30,000 gals \$7.00 for each additional 1,000 gals after 30,000 gals

Sewer Rates (Inside Town)	\$27.15 min charge per month up to 2,000 gals
NO OUTSIDE SEWER	\$7.60 per additional 1,000 gals
Meter Tampering Fee	\$75.00
Fire Hydrant Access Deposit (Contractors Only)	\$150.00

Sanitation Department:

Sanitation Deposit	\$20.00
Sanitation Fee	\$ 8.00 per month
	\$96.00 per year
Extra Trash Can (rental fee)	\$70.00 (<i>per can</i>)
Sanitation Availability Fee	\$ 8.00 per month

Planning:

Zoning Permit:	\$25.00
Zoning Permit -- Accessory structures	\$5.00
Rezoning Application:	\$200.00
(Includes Public Notice advertising/certified letters)	
Special Use Permit:	\$150.00
Family or Minor Subdivision Review:	\$25.00
Major Subdivision Review:	\$200.00
	(<i>plus \$5.00 per lot after 25 lots</i>)
Copy of Subdivision Ordinance:	\$10.00 (<i>per copy</i>)
Request for Variance:	\$200.00
Encroachment Fee	\$750.00

Parks and Recreation

Baird Park -- Baseball Fields	\$150.00 per field
	\$250.00 both fields
	\$300 multi day tournament
Veterans Park -- Baseball Fields	\$100.00 per field
	\$175.00 both fields
	\$225.00 multi day tournament
Soccer Field	\$100.00

Farmers Market Field

\$150.00

Miscellaneous Fees

Black & white copies:	.10 per page
Color copies:	.20 per page
Insufficient Funds (NSF Check Return)	\$30.00
	(\$25.00 bank fee + \$5.00 processing fee)



**Town of Sawmills
Annual Budget Estimates - Revenues**

**Fiscal Year: 2019 - 2020
Summary**

Budget Page:
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Fund	Fund #	Last Year	Current Year		Estimated Entire Year	Budget 2019-2020 Estimate
		Actual 2017-2018	Budget 2018-2019	Actual to February 2019		
General Fund	1	\$2,502,519	\$2,164,685	\$1,542,918	\$2,123,650	\$2,075,458
Utility Fund	2	\$1,089,192	\$1,422,109	\$661,470	\$991,298	\$1,023,250
TOTALS:		\$3,591,711	\$3,586,794	\$2,204,388	\$3,114,948	\$3,098,708

Town of Sawmills
Annual Budget Estimates - Revenues

Fiscal Year: 2019 - 2020
General Fund

Budget Page:
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Account Name	Fund 1	Last Year	Current Year			Budget
	Account #	Actual 2017-2018	Budget 2018-2019	Actual to February 2019	Estimated Entire Year	2019-2020 Estimate
Ad Valorem Current Year	1-00-3101	\$408,964	\$405,000	\$406,953	\$409,000	\$409,000
Ad Valorem Prev Year	1-00-3102	\$15,301	\$20,000	\$31,010	\$31,800	\$20,000
Ad Valorem Refunds	1-00-3103	\$0	(\$250)	\$0	\$0	(\$250)
Ad Valorem Collection Fees	1-00-3104	(\$10,634)	(\$15,000)	(\$11,183)	(\$11,500)	(\$12,000)
Vehicle Interest	1-00-3105	\$548	\$150	\$2,984	\$3,100	\$500
Vehicle Taxes	1-00-3110	\$70,244	\$55,000	\$39,177	\$40,200	\$65,000
Vehicle Taxes Prev Year	1-00-3111	\$98	\$100	\$16	\$50	\$100
Vehicle Refunds	1-00-3112	(\$564)	(\$500)	(\$219)	(\$275)	(\$500)
Vehicle Collection Fees	1-00-3113	(\$3,016)	(\$3,000)	(\$1,392)	(\$1,500)	(\$3,000)
Interest on Ad Valorem	1-00-3114	\$4,225	\$5,000	\$4,637	\$6,400	\$5,000
Ad Valorem Late List Rev	1-00-3115	\$282	\$300	\$144	\$200	\$250
NSF fees	1-00-3116	\$690	\$400	\$390	\$600	\$500
Hold Harmless	1-00-3229	\$291,147	\$250,000	\$181,802	\$250,000	\$250,000
Article 44 1/2% Sales tax	1-00-3230	\$65,930	\$46,000	\$40,648	\$65,000	\$62,500
Article 39 1% Sales Tax	1-00-3231	\$324,676	\$315,000	\$205,675	\$320,000	\$320,000
Article 40 1/2 % Sales Tax	1-00-3232	\$260,516	\$255,000	\$163,128	\$250,000	\$255,000
Article 42 1/2 % Sales Tax	1-00-3233	\$157,502	\$150,000	\$99,756	\$150,000	\$150,000
Sales Tax on Telecommunications	1-00-3234	\$21,243	\$15,000	\$11,121	\$20,000	\$20,000
Excise Tax on Piped Natural Gas	1-00-3235	\$3,060	\$500	\$820	\$2,500	\$2,000
Powell Bill Funds	1-00-3316	\$146,798	\$146,000	\$146,007	\$146,007	\$142,000
Wellness Grant	1-00-3319	\$1,460	\$0	\$0	\$0	\$0
Cable Franchise Fees	1-00-3323	\$27,815	\$15,000	\$13,452	\$25,000	\$25,000
Utility Franchise Fees	1-00-3324	\$152,254	\$150,000	\$75,519	\$150,000	\$150,000
Veteran's Memorial Engraving/Misc	1-00-3333	\$75	\$250	\$100	\$125	\$150
Planning & Zoning Fees	1-00-3340	\$950	\$750	\$440	\$750	\$750
Sale of Recyclable Materials	1-00-3351	\$192	\$0	\$0	\$0	\$0
Investment Earnings	1-00-3831	\$4,492	\$2,750	\$2,830	\$3,200	\$4,000
Investment Earnings - Powell Bill	1-00-3832	\$154	\$127	\$101	\$125	\$100
Mowing/Snow Removal	1-00-3833	\$3,358	\$3,358	\$3,358	\$3,358	\$3,358
Solid Waste Fee	1-00-3834	\$210,045	\$185,000	\$122,866	\$200,000	\$200,000
Solid Waste Revenue	1-00-3835	\$3,425	\$3,000	\$1,922	\$3,500	\$3,000
Parks/Rec (Misc)	1-00-3836	\$450	\$500	\$425	\$410	\$500
Parks/Rec Fee	1-00-3837	\$275	\$500	\$0	\$0	\$500
Miscellaneous Revenue	1-00-3839	\$1,918	\$1,500	\$348	\$400	\$1,000
Farmers Market Fees	1-00-3841	\$1,245	\$1,000	\$85	\$1,200	\$1,000
Veteran's Park/Rec Fee	1-00-3842	\$2,400	\$2,250	\$0	\$0	\$0
Over/Under Cash Reconciliation	1-00-3843	\$0	\$0	\$0	\$0	\$0
NC Debt Setoff	1-00-3845	\$0	\$0	\$0	\$0	\$0
Transfer from Capital Reserve	1-00-3860	\$335,000	\$0	\$0	\$0	\$0
Powell Bill Reserve	1-00-3889	\$0	\$54,000	\$0	\$54,000	\$0
Fund Balance Appropriated	1-00-3990	\$0	\$100,000	\$0	\$0	\$0
TOTALS:		\$2,502,519	\$2,164,685	\$1,542,918	\$2,123,650	\$2,075,458

**Town of Sawmills
Annual Budget Estimates - Revenues**

**Fiscal Year: 2019 - 2020
Utility Fund**

Budget Page:
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	Fund 2	Last Year	Current Year			Budget
Department	Dept #	Actual 2017-2018	Budget 2018-2019	Actual to February 2019	Estimated Entire Year	2019-2020 Estimate
Water	80	\$888,865	\$783,709	\$535,248	\$791,298	\$787,500
Sewer	90	\$200,327	\$638,400	\$126,221	\$200,000	\$235,750
TOTALS:		\$1,089,192	\$1,422,109	\$661,470	\$991,298	\$1,023,250

Town of Sawmills
Annual Budget Estimates - Revenues

Fiscal Year: 2019 - 2020
Utility Fund - Water Department

Budget Page:

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Account Name	Fund 2	Last Year	Current Year			Budget
	Account #	Actual 2017-2018	Budget 2018-2019	Actual to February 2019	Estimated Entire Year	2019-2020 Estimate
Water Tank Cell Tower Lease	1-00-3120	\$6,440	\$19,000	\$21,239	\$21,239	\$21,000
Water Sales	2-00-3710	\$767,388	\$655,000	\$440,519	\$660,000	\$655,000
Water Taps & Connections	2-00-3711	\$4,750	\$5,000	\$5,250	\$5,250	\$5,000
Reconnection Fees	2-00-3713	\$2,200	\$2,500	\$1,450	\$2,000	\$2,500
Late Charges	2-00-3714	\$15,047	\$15,000	\$11,883	\$15,000	\$15,000
Investment Earnings	2-00-3831	\$2,887	\$2,000	\$2,040	\$2,100	\$2,000
Miscellaneous Revenue	2-00-3839	\$4,153	\$1,000	\$1,151	\$1,500	\$1,000
NC Debt Setoff	2-00-3845	\$0	\$0	\$0	\$0	\$0
Capital Contributions	2-00-3850	\$86,000	\$0	\$0	\$0	\$86,000
AIA Grant - Waterlines GIS	2-00-3861	\$0	\$84,209	\$51,715	\$84,209	\$0
Operating Transfer from General Fund	2-00-3900	\$0	\$0	\$0	\$0	\$0
Appropriated Net Assets	2-00-3990	\$0	\$0	\$0	\$0	\$0
TOTALS:		\$888,865	\$783,709	\$535,248	\$791,298	\$787,500

Town of Sawmills
Annual Budget Estimates - Revenues

Fiscal Year: 2019 - 2020
Utility Fund - Sewer Department

Budget Page:
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	Fund 2	Last Year	Current Year			Budget
Account Name	Account #	Actual 2017-2018	Budget 2018-2019	Actual to February 2019	Estimated Entire Year	2019-2020 Estimate
Sewer Charges	2-00-3750	\$200,327	\$187,000	\$126,221	\$200,000	\$200,000
Sewer Tap & Connections	2-00-3751	\$0	\$0	\$0	\$0	\$0
Capital Contributions	2-00-3850	\$0	\$100,000	\$0	\$0	\$0
Sewer Net Funds Appropriated	2-00-3991	\$0	\$351,400	\$0	\$0	\$35,750
TOTALS:		\$200,327	\$638,400	\$126,221	\$200,000	\$235,750

Town of Sawmills
Annual Budget Estimates - Expenditures/Expenses

Fiscal Year: 2019 - 2020
Summary

Budget Page:
6

Fund	Fund #	Last Year	Current Year		Estimated Entire Year	Budget
		Actual 2017-2018	Budget 2018-2019	Actual to February 2019		2019-2020 Estimate
General Fund	1	\$1,905,873	\$2,544,685	\$1,711,433	\$2,274,627	\$2,075,458
Utility Fund	2	\$767,832	\$1,031,109	\$448,803	\$658,685	\$1,023,250
TOTALS:		\$2,673,705	\$3,575,794	\$2,160,236	\$658,685	\$3,098,708

**Town of Sawmills
Annual Budget Estimates - Expenditures**

**Fiscal Year: 2019 - 2020
General Fund**

Budget Page:

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Account	Dept #	Last Year		Current Year		Budget 2019-2020 Estimate
		Actual 2017-2018	Budget 2018-2019	Actual to February 2019	Estimated Entire Year	
Governing Body	10	\$39,936	\$49,450	\$26,391	\$35,759	\$50,450
Administration	20	\$381,135	\$419,100	\$239,381	\$351,229	\$461,258
Finance	30	\$74,380	\$82,450	\$52,785	\$78,350	\$90,000
Public Works	40	\$330,179	\$506,185	\$261,591	\$420,250	\$457,400
Community Development	45	\$66,993	\$96,200	\$71,894	\$89,381	\$123,850
Parks and Recreation	46	\$130,938	\$663,450	\$483,446	\$638,613	\$376,550
Streets & Highways	50	\$229,530.69	\$200,000.00	\$202,681.00	\$195,000.00	\$62,000.00
Sanitation and Recycling	60,70	\$458,782.62	\$333,850.00	\$179,264.60	\$272,045.00	\$259,950.00
Operating Transfers	00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interlocal Transfer to Caldwell County	20	\$194,000.00	\$194,000.00	\$194,000.00	\$194,000.00	\$194,000.00
TOTALS:		\$1,905,873	\$2,544,685	\$1,711,433	\$2,274,627	\$2,075,458

**Town of Sawmills
Annual Budget Estimates - Expenses**

**Fiscal Year: 2019 - 2020
Utility Fund**

Budget Page:
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Dept	Dept #	Last Year	Current Year		Estimated Entire Year	Budget
		Actual 2017-2018	Budget 2018-2019	Actual to February 2019		2019-2020 Estimate
Water	80	\$520,201	\$783,709	\$310,678	\$440,781	\$787,500
Sewer	90	\$247,632	\$247,400	\$138,125	\$217,904	\$235,750
TOTALS:		\$767,832	\$1,031,109	\$448,803	\$658,685	\$1,023,250

**Town of Sawmills
Annual Budget Estimates - Expenditures**

**Fiscal Year: 2019 - 2020
General Fund - Governing Body**

Budget Page:
9

Account Name	Fund 1	Last Year	Current Year			Budget
	Account #	Actual 2017-2018	Budget 2018-2019	Actual to February 2019	Estimated Entire Year	2019-2020 Estimate
Wages	1-10-4100	\$13,800	\$14,000	\$9,200	\$13,800	\$14,000
Workers Compensation	1-10-4104	\$108	\$200	\$53	\$53	\$200
FICA & Medi Taxes	1-10-4106	\$1,056	\$1,150	\$704	\$1,056	\$1,150
Community Assistance Program	1-10-4109	\$1,000	\$1,000	\$0	\$1,000	\$1,000
Donations	1-10-4110	\$15,500	\$16,000	\$15,100	\$16,000	\$16,000
Payments Board of Elections	1-10-4111	\$5,241	\$7,000	\$0	\$0	\$7,000
Uniforms	1-10-4125	\$0	\$500	\$0	\$0	\$500
Office Supplies	1-10-4126	\$173	\$500	\$0	\$250	\$500
Freight IN	1-10-4130	\$102	\$100	\$0	\$50	\$100
Travel & Schools	1-10-4131	\$40	\$5,000	\$44	\$50	\$5,000
Fuel	1-10-4225	\$0	\$500	\$0	\$0	\$500
Miscellaneous Exp	1-10-4295	\$2,916	\$3,000	\$1,289	\$3,000	\$3,000
Town Promotion Materials & Supplies	1-10-4515	\$0	\$500	\$0	\$500	\$1,500
TOTALS:		\$39,936	\$49,450	\$26,391	\$35,759	\$50,450

Town of Sawmills
Annual Budget Estimates - Expenditures

Fiscal Year: 2019 - 2020
General Fund - Administration

Budget Page:
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Account	Fund 1	Last Year	Current Year			Budget
	Account #	Actual 2017-2018	Budget 2018-2019	Actual to February 2019	Estimated Entire Year	2019-2020 Estimate
Wages	1-20-4100	\$136,074	\$140,000	\$90,290	\$140,000	\$140,000
Overtime	1-20-4101	\$6	\$500	\$0	\$0	\$500
Employee Benefits	1-20-4103	\$30,178	\$50,000	\$32,788	\$40,000	\$55,000
Workers Compensation	1-20-4104	\$581	\$5,500	\$401	\$500	\$2,000
FICA & Medi Taxes	1-20-4106	\$2,972	\$5,000	\$1,721	\$3,500	\$9,500
Professional Fee's Accounting	1-20-4118	\$10,710	\$15,000	\$11,100	\$11,100	\$15,000
Professional Fee's Legal	1-20-4119	\$29,567	\$40,000	\$16,935	\$35,000	\$40,000
Professional Fee's Engineer	1-20-4120	\$1,208	\$1,000	\$0	\$0	\$4,408
Uniforms	1-20-4125	\$515	\$1,000	\$0	\$500	\$1,000
Office Supplies	1-20-4126	\$3,825	\$8,000	\$2,067	\$5,000	\$8,000
Office Equipment	1-20-4127	\$2,651	\$2,500	\$730	\$1,500	\$2,500
Wellness and Health	1-20-4128	\$0	\$0	\$0	\$0	\$1,500
Safety Equipment and Materials	1-20-4129	\$1,500	\$0	\$0	\$0	\$0
Freight IN	1-20-4130	\$116	\$1,000	\$73	\$150	\$750
Travel & Schools	1-20-4131	\$2,333	\$12,000	\$2,308	\$5,000	\$10,000
Telephone	1-20-4132	\$3,491	\$4,500	\$2,409	\$3,500	\$8,500
Utilities	1-20-4133	\$4,668	\$6,000	\$3,243	\$5,500	\$6,500
Permits and Fees	1-20-4134	\$390	\$1,000	\$170	\$250	\$1,000
Repairs & Maintenance	1-20-4135	\$16,699	\$16,000	\$8,191	\$12,000	\$36,000
Postage	1-20-4136	\$618	\$1,000	\$452	\$1,000	\$1,000
Advertising	1-20-4137	\$1,817	\$4,000	\$2,810	\$4,000	\$7,000
Printing	1-20-4138	\$0	\$1,000	\$0	\$0	\$1,000
Insurance and Bonds	1-20-4145	\$14,999	\$21,000	\$16,979	\$16,979	\$21,000
Dues and Subscriptions	1-20-4148	\$12,287	\$14,000	\$13,023	\$14,000	\$15,000
Unemployment Benefits	1-20-4149	\$0	\$500	\$0	\$0	\$500
Non Refundable Taxes Expense	1-20-4150	\$924	\$1,000	\$639	\$1,000	\$1,000
Capital Outlay	1-20-4151	\$63,442	\$0	\$0	\$0	\$0
Bank Service Charge	1-20-4170	\$583	\$1,000	\$381	\$750	\$1,000
Computer Expense	1-20-4180	\$23,102	\$33,000	\$19,408	\$28,000	\$36,000
Town Website Maintenance	1-20-4181	\$544	\$1,000	\$151	\$750	\$1,000
Prior Year Expenditures	1-20-4199	\$0	\$0	\$0	\$0	\$0
Fuel	1-20-4225	\$102	\$500	\$128	\$250	\$500
Leases & Maint	1-20-4243	\$455	\$1,000	\$669	\$1,000	\$1,000
Caldwell Railroad Commission	1-20-4244	\$0	\$100	\$0	\$0	\$100
Miscellaneous Exp	1-20-4295	\$2,191	\$8,000	\$1,071	\$2,000	\$8,000
Contract Services	1-20-4760	\$12,587	\$23,000	\$11,245	\$18,000	\$25,000
TOTALS:		\$381,135	\$419,100	\$239,381	\$351,229	\$461,258

Town of Sawmills
Annual Budget Estimates - Expenditures

Fiscal Year: 2019 - 2020
General Fund - Finance

Budget Page:
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Account	Fund 1	Last Year	Current Year		Budget
	Account #	Actual 2017-2018	Budget 2018-2019	Actual to February 2019	2019-2020 Estimate
Wages	1-30-4100	\$51,331	\$55,000	\$36,522	\$55,000
Overtime	1-30-4101	\$0	\$0	\$0	\$0
Employee Benefits	1-30-4103	\$16,821	\$17,000	\$11,722	\$17,000
FICA & Medi Taxes	1-30-4106	\$3,927	\$4,250	\$2,794	\$4,000
Office Supplies	1-30-4126	\$919	\$750	\$639	\$1,000
Office Equipment	1-30-4127	\$0	\$500	\$630	\$700
Frieght IN	1-30-4130	\$0	\$100	\$0	\$0
Travel & Schools	1-30-4131	\$517	\$2,500	\$25	\$100
Permits and Fees	1-30-4134	\$50	\$50	\$50	\$50
Dues and Subscriptions	1-30-4148	\$320	\$300	\$0	\$0
Unemployment Benefits	1-30-4149	\$0	\$0	\$0	\$0
Computer Expense	1-30-4180	\$496	\$1,000	\$404	\$500
Miscellaneous Exp	1-30-4295	\$0	\$1,000	\$0	\$0
TOTALS:		\$74,380	\$82,450	\$52,785	\$78,350
					\$90,000

Town of Sawmills
Annual Budget Estimates - Expenditures

Fiscal Year: 2019 - 2020
General Fund - Public Works

Budget Page:
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Account	Fund 1	Last Year	Current Year		Budget
	Account #	Actual 2017-2018	Budget 2018-2019	Actual to February 2019	2019-2020 Estimate
Wages	1-40-4100	\$160,709	\$180,000	\$102,070	\$170,000
Overtime	1-40-4101	\$1,742	\$3,400	\$1,233	\$2,500
Wages Part Time	1-40-4102	\$0	\$0	\$0	\$0
Employee Benefits	1-40-4103	\$63,024	\$65,000	\$36,662	\$65,000
Workers Compensation	1-40-4104	\$5,847	\$6,500	\$6,067	\$7,000
FICA & Medi Taxes	1-40-4106	\$12,428	\$13,750	\$7,903	\$13,000
Professional Fee's Engineer	1-40-4120	\$0	\$1,000	\$0	\$1,000
Steets and Lights	1-40-4124	\$15,914	\$21,000	\$8,909	\$18,000
Uniforms	1-40-4125	\$1,460	\$6,000	\$1,098	\$2,000
Equipment and Materials	1-40-4129	\$5,351	\$4,000	\$1,062	\$3,500
Freight IN	1-40-4130	\$222	\$300	\$314	\$400
Travel & Schools	1-40-4131	\$194	\$1,000	\$363	\$500
Telephone	1-40-4132	\$1,822	\$2,500	\$1,165	\$2,000
Utilities	1-40-4133	\$7,903	\$8,000	\$4,176	\$8,000
Permits and Fees	1-40-4134	\$0	\$0	\$0	\$0
Repairs & Maintenance	1-40-4135	\$3,157	\$65,000	\$24,950	\$40,000
Non Refundable Taxes Expense	1-40-4150	\$420	\$400	\$540	\$600
Capital Outlay	1-40-4151	\$35,807	\$44,000	\$42,633	\$42,633
Computer Expense	1-40-4180	\$1,623	\$11,500	\$360	\$2,000
Prior Year Expenditures	1-40-4199	\$0	\$0	\$0	\$0
Fuel	1-40-4225	\$1,668	\$3,000	\$2,069	\$2,750
Leases & Maint	1-40-4243	\$0	\$1,000	\$178	\$300
Miscellaneous Exp	1-40-4295	\$7,057	\$13,835	\$5,911	\$8,000
Materials & Supplies	1-40-4515	\$3,114	\$15,000	\$2,966	\$10,000
Paving-Speed humps	1-40-4559	\$0	\$12,000	\$0	\$12,000
Contract Services	1-40-4760	\$718	\$28,000	\$10,961	\$11,000
TOTALS:		\$330,179	\$506,185	\$261,591	\$420,250
					\$457,400

Town of Sawmills
Annual Budget Estimates - Expenditures

Fiscal Year: 2019 - 2020
General Fund - Streets/Highways

Budget Page:
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Account	Fund 1	Last Year	Current Year		Budget
	Account #	Actual 2017-2018	Budget 2018-2019	Actual to February 2019	2019-2020 Estimate
Wages	1-50-4100	\$0	\$0	\$0	\$0
Overtime	1-50-4101	\$0	\$0	\$0	\$0
Employee Benefits	1-50-4103	\$0	\$0	\$0	\$0
Workers Compensation	1-50-4104	\$0	\$0	\$0	\$0
FICA & Medi Taxes	1-50-4106	\$0	\$0	\$0	\$0
Equipment Purchases	1-50-4117	\$0	\$0	\$0	\$0
Professional Fee's Engineer	1-50-4120	\$10,719	\$25,000	\$8,417	\$10,000
Safety Equipment and Materials	1-50-4129	\$0	\$0	\$0	\$0
Freight IN	1-50-4130	\$209	\$0	\$200	\$0
Repairs & Maintenance	1-50-4135	\$23,871	\$0	\$1,815	\$20,000
Capital Outlay	1-50-4151	\$0	\$0	\$0	\$0
Miscellaneous Exp	1-50-4295	\$0	\$0	\$0	\$0
Materials & Supplies	1-50-4515	\$9,374	\$0	\$6,892	\$20,000
Drainage	1-50-4558	\$0	\$0	\$0	\$0
Paving	1-50-4559	\$185,357	\$175,000	\$185,357	\$12,000
Right of Way	1-50-4600	\$0	\$0	\$0	\$0
TOTALS:		\$229,531	\$200,000	\$202,681	\$195,000
					\$62,000

Town of Sawmills
Annual Budget Estimates - Expenditures

Fiscal Year: 2019 - 2020
General Fund - Sanitation

Budget Page:
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		Last Year	Current Year			Budget
		Actual 2017-2018	Budget 2018-2019	Actual to February 2019	Estimated Entire Year	2019-2020 Estimate
Wages	1-60-4100	\$45,703	\$70,000	\$32,260	\$50,000	\$75,000
Overtime	1-60-4101	\$264	\$1,000	\$0	\$0	\$500
Wages Part Time	1-60-4102	\$0	\$0	\$0	\$0	\$0
Employee Benefits	1-60-4103	\$16,286	\$30,000	\$11,287	\$18,000	\$35,000
Workers Compensation	1-60-4104	\$3,603	\$3,000	\$3,476	\$3,476	\$4,000
FICA & Medi Taxes	1-60-4106	\$3,516	\$6,000	\$2,468	\$4,000	\$7,000
Recycle Rewards	1-60-4110	\$100	\$100	\$100	\$100	\$100
Equipment and Materials	1-60-4129	\$0	\$1,200	\$870	\$1,000	\$0
Freight IN	1-60-4130	\$58	\$200	\$13	\$50	\$200
Permits and Fees	1-60-4134	\$0	\$50	\$0	\$0	\$50
Repairs & Maintenance	1-60-4135	\$17,914	\$50,800	\$5,870	\$30,000	\$50,000
Postage	1-60-4136	\$3,445	\$3,500	\$1,445	\$3,750	\$3,600
Printing	1-60-4138	\$0	\$4,000	\$143	\$1,000	\$1,000
Unemployment Benefits	1-60-4149	\$0	\$0	\$0	\$0	\$0
Non Refundable Taxes Expense	1-60-4150	\$0	\$0	\$0	\$0	\$0
Capital Outlay	1-60-4151	\$281,432	\$70,000	\$69,419	\$69,419	\$0
Capital Reserve	1-60-4152	\$0	\$0	\$0	\$0	\$50,000
Fuel	1-60-4225	\$13,409	\$16,000	\$8,825	\$14,000	\$16,000
Allowance For Bad Debt	1-60-4285	\$978	\$1,000	\$0	\$1,000	\$1,000
Miscellaneous Exp	1-60-4295	\$510	\$1,000	\$17	\$750	\$5,000
Materials & Supplies	1-60-4515	\$80	\$1,000	\$106	\$500	\$1,000
Contracted Services	1-60-4760	\$0	\$0	\$0	\$0	\$0
Landfill Expenses	1-60-4761	\$6,391	\$7,000	\$4,154	\$7,000	\$10,500
Contracted Services Recycle	1-70-4762	\$65,096	\$68,000	\$38,812	\$68,000	\$0
TOTALS:		\$458,783	\$333,850	\$179,265	\$272,045	\$259,950

Town of Sawmills
Annual Budget Estimates - Expenditures

Fiscal Year: 2019 - 2020
General Fund - Community Development

Budget Page:
15

Account	Fund 1	Last Year	Current Year		Budget
	Account #	Actual 2017-2018	Budget 2018-2019	Actual to February 2019	2019-2020 Estimate
Wages	1-45-4100	\$75	\$200	\$50	\$200
Workers Compensation	1-45-4104	\$0	\$0	\$0	\$0
FICA & Medi Taxes	1-45-4106	\$6	\$50	\$4	\$50
Office Supplies	1-45-4126	\$0	\$0	\$0	\$100
Freight IN	1-45-4130	\$110	\$100	\$90	\$100
Utilities	1-45-4133	\$282	\$250	\$232	\$300
Permits and Fees	1-45-4134	\$0	\$0	\$0	\$2,000
Contractors	1-45-4135	\$0	\$10,000	\$20,596	\$20,000
Postage	1-45-4136	\$26	\$100	\$0	\$100
Advertising - Community Development	1-45-4137	\$1,583	\$1,500	\$1,321	\$1,500
Capital Reserve	1-45-4152	\$0	\$0	\$0	\$15,000
Miscellaneous Exp	1-45-4295	\$193	\$1,000	\$570	\$1,000
Materials & Supplies	1-45-4515	\$20,770	\$27,000	\$14,510	\$27,000
Paving	1-45-4559	\$0	\$0	\$0	\$0
Contract Services	1-45-4760	\$43,948	\$56,000	\$34,522	\$56,500
Plat & Zoning Fees	1-45-4980	\$0	\$0	\$0	\$0
TOTALS:		\$66,993	\$96,200	\$71,894	\$123,850

Town of Sawmills
Annual Budget Estimates - Expenditures

Fiscal Year: 2019 - 2020
General Fund - Parks & Recreation

Budget Page:
16

Account	Fund 1	Last Year	Current Year		Budget	
	Account #	Actual 2017-2018	Budget 2018-2019	Actual to February 2019	Estimated Entire Year	2019-2020 Estimate
Wages	1-46-4100	\$59,548	\$63,000	\$41,492	\$61,000	\$67,000
Overtime	1-46-4101	\$147	\$1,250	\$291	\$500	\$1,000
Wages Part Time	1-46-4102	\$0	\$0	\$0	\$0	\$0
Employee Benefits	1-46-4103	\$29,420	\$35,000	\$20,297	\$31,000	\$35,000
Workers Compensation	1-46-4104	\$801	\$2,000	\$650	\$650	\$3,500
FICA & Medi Taxes	1-46-4106	\$4,566	\$6,000	\$3,197	\$5,500	\$6,000
Veteran's Memorial Engraving	1-46-4122	\$0	\$1,000	\$75	\$75	\$1,000
Veteran's Park Flood Lights	1-46-4124	\$578	\$1,000	\$188	\$750	\$1,000
Equipment and Materials	1-46-4129	\$0	\$0	\$6,558	\$6,558	\$0
Freight IN	1-46-4130	\$15	\$500	\$60	\$100	\$500
Telephone-Cell phone	1-46-4132	\$527	\$650	\$280	\$480	\$500
Utilities	1-46-4133	\$19,230	\$20,000	\$11,031	\$20,000	\$20,000
Permits and Fees	1-46-4134	\$0	\$0	\$0	\$0	\$0
Repairs & Maintenance	1-46-4135	\$8,403	\$25,000	\$4,199	\$10,000	\$25,000
Unemployment Benefits	1-46-4149	\$0	\$0	\$0	\$0	\$0
Non Refundable Taxes Expense	1-46-4150	\$0	\$50	\$0	\$0	\$50
Capital Outlay	1-46-4151	\$0	\$490,000	\$390,419	\$490,000	\$200,000
Capital Reserve	1-46-4152	\$0	\$0	\$0	\$0	\$0
Fuel	1-46-4225	\$3,034	\$4,000	\$2,494	\$3,500	\$4,000
Miscellaneous Exp	1-46-4295	\$100	\$3,000	\$0	\$500	\$1,000
Materials & Supplies	1-46-4515	\$4,193	\$10,000	\$1,865	\$7,500	\$10,000
Water Purchases	1-46-4558	\$377	\$1,000	\$349	\$500	\$1,000
Contract Services	1-46-4760	\$0	\$0	\$0	\$0	\$0
TOTALS:		\$130,938	\$663,450	\$483,446	\$638,613	\$376,550

Town of Sawmills
Annual Budget Estimates - Expenditures

Fiscal Year: 2019 - 2020
General Fund - Operating Transfers

Budget Page:
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Account	Fund 1	Last Year	Current Year		Budget
	Account #	Actual 2017-2018	Budget 2018-2019	Actual to February 2019	2019-2020 Estimate
Operating Transfer to Water/Sewer	1-00-4490	\$0	\$0	\$0	\$0
Operating Transfer to Capital Projects	1-00-4493	\$0	\$0	\$0	\$0
Operating Transfer to CDBG	1-00-4494	\$0	\$0	\$0	\$0
Operating Transfer	1-00-4495	\$0	\$0	\$0	\$0
TOTALS:		\$0	\$0	\$0	\$0

Town of Sawmills
Annual Budget Estimates - Expenditures

Fiscal Year: 2019 - 2020
General Fund - Interlocal Transfer

Budget Page:
18

	Fund 1	Last Year	Current Year			Budget
Account	Account #	Actual 2017-2018	Budget 2018-2019	Actual to February 2019	Estimated Entire Year	2019-2020 Estimate
Interlocal Trans Caldwell County	1-20-4296	\$194,000	\$194,000	\$194,000	\$194,000	\$194,000
TOTALS:		\$194,000	\$194,000	\$194,000	\$194,000	\$194,000

Town of Sawmills
Annual Budget Estimates - Expense

Fiscal Year: 2019 - 2020
Utility Fund - Water Department

Budget Page:
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Account Name	Fund 2	Last Year	Current Year			Budget
	Account #	Actual 2017-2018	Budget 2018-2019	Actual to February 2019	Estimated Entire Year	2019-2020 Estimate
Wages	2-80-4100	\$48,258	\$70,000	\$32,411	\$51,000	\$55,000
Overtime	2-80-4101	\$2,695	\$4,000	\$1,262	\$3,000	\$3,000
Wages Part Time	2-80-4102	\$0	\$0	\$0	\$0	\$0
Employee Benefits	2-80-4103	\$11,261	\$35,000	\$13,304	\$15,000	\$23,000
Workers Compensation	2-80-4104	\$1,792	\$5,000	\$3,611	\$3,611	\$5,000
FICA & Medi Taxes	2-80-4106	\$3,741	\$6,000	\$2,576	\$4,500	\$5,000
Professional Fee's Legal	2-80-4119	\$0	\$5,000	\$0	\$5,000	\$5,000
Professional Fee's Engineer	2-80-4120	\$21,150	\$20,000	\$7,945	\$10,000	\$30,000
Equipment and Materials	2-80-4129	\$0	\$30,000	\$3,955	\$5,000	\$7,000
Freight IN	2-80-4130	\$39	\$500	\$195	\$250	\$500
Travel & Schools	2-80-4131	\$540	\$1,000	\$0	\$250	\$1,000
Telephone	2-80-4132	\$633	\$1,500	\$678	\$1,000	\$1,000
Utilities	2-80-4133	\$969	\$1,500	\$173	\$500	\$750
Permits and Fees	2-80-4134	\$5,258	\$5,000	\$2,765	\$3,000	\$5,000
Repairs & Maintenance	2-80-4135	\$162,370	\$50,000	\$10,356	\$20,000	\$324,000
Postage	2-80-4136	\$6,034	\$8,000	\$3,631	\$7,000	\$7,500
Printing	2-80-4138	\$5,834	\$10,000	\$3,441	\$6,500	\$7,000
Unemployment Benefits	2-80-4149	\$0	\$0	\$0	\$0	\$0
Non Refundable Taxes Expense	2-80-4150	\$0	\$709	\$77	\$100	\$150
Capital Outlay	2-80-4151	\$5,311	\$88,500	\$54,659	\$54,659	\$15,000
Capital Reserve	2-80-4152	\$0	\$100,000	\$0	\$0	\$0
Bank Service Charge	2-80-4170	\$4,690	\$3,500	\$3,168	\$5,000	\$5,000
Computer Expense	2-80-4180	\$0	\$400	\$0	\$0	\$400
Prior Year Expenditures	2-80-4199	\$0	\$0	\$0	\$0	\$0
Fuel	2-80-4225	\$7,663	\$7,000	\$4,783	\$8,000	\$8,500
Debt Service Payment-Cajah's Mtn W	2-80-4270	\$5,881	\$6,000	\$0	\$5,881	\$5,881
Penalties and Interest	2-80-4275	\$0	\$0	\$0	\$0	\$0
Cash Over/Short	2-80-4280	\$42	\$100	\$30	\$30	\$100
Allowance For Bad Debt	2-80-4285	\$3,541	\$5,000	\$0	\$4,000	\$5,000
Miscellaneous Exp	2-80-4295	\$3,604	\$5,000	\$22	\$1,500	\$3,500
Materials & Supplies	2-80-4515	\$14,055	\$25,000	\$5,426	\$10,000	\$20,000
Water Purchases	2-80-4558	\$189,106	\$260,000	\$141,984	\$195,000	\$216,219
Tech Support	2-80-4560	\$2,150	\$5,000	\$738	\$3,000	\$10,000
Contracted Services	2-80-4760	\$13,585	\$25,000	\$13,489	\$18,000	\$18,000
TOTALS:		\$520,201	\$783,709	\$310,678	\$440,781	\$787,500

Town of Sawmills
Annual Budget Estimates - Expense

Fiscal Year: 2019 - 2020
Utility Fund - Sewer Department

Budget Page:
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Account Name	Fund 2	Last Year	Current Year			Budget
	Account #	Actual 2017-2018	Budget 2018-2019	Actual to February 2019	Estimated Entire Year	2019-2020 Estimate
Wages	2-90-4100	\$29,190	\$32,500	\$20,591	\$32,000	\$34,000
Overtime	2-90-4101	\$1,724	\$2,000	\$626	\$2,000	\$2,000
Wages Part Time	2-90-4102	\$0	\$0	\$0	\$0	\$0
Employee Benefits	2-90-4103	\$12,021	\$13,000	\$8,285	\$13,000	\$16,000
Workers Compensation	2-90-4104	\$1,500	\$1,500	\$1,204	\$1,204	\$2,000
FICA & Medi Taxes	2-90-4106	\$2,365	\$2,500	\$1,623	\$2,500	\$4,000
Professional Fee's Legal	2-90-4119	\$0	\$6,000	\$0	\$0	\$0
Professional Fee's Engineer	2-90-4120	\$36,971	\$10,000	\$0	\$0	\$5,000
Equipment and Materials	2-90-4129	\$0	\$4,000	\$0	\$4,000	\$2,500
Freight IN	2-90-4130	\$385	\$500	\$0	\$100	\$500
Travel & Schools	2-90-4131	\$0	\$500	\$0	\$100	\$500
Telephone	2-90-4132	\$2,124	\$2,200	\$968	\$2,200	\$2,300
Utilities	2-90-4133	\$9,749	\$10,000	\$7,528	\$11,000	\$12,000
Permits and Fees	2-90-4134	\$180	\$1,000	\$390	\$500	\$10,000
Repairs & Maintenance	2-90-4135	\$13,092	\$30,000	\$12,856	\$15,000	\$17,000
Postage	2-90-4136	\$200	\$0	\$0	\$0	\$0
Unemployment Benefits	2-90-4149	\$0	\$0	\$0	\$0	\$0
Non Refundable Taxes Expense	2-90-4150	\$196	\$200	\$173	\$200	\$200
Capital Outlay	2-90-4151	\$0	\$27,000	\$17,891	\$27,000	\$0
Capital Reserve	2-90-4152	\$86,000	\$0	\$0	\$0	\$0
Prior Year Expenditures	2-90-4199	\$0	\$0	\$0	\$0	\$0
Allowance For Bad Debt	2-90-4285	\$904	\$2,000	\$0	\$1,500	\$2,000
Miscellaneous Exp	2-90-4295	\$88	\$1,000	\$21	\$100	\$500
Materials & Supplies	2-90-4515	\$1,315	\$1,500	\$26	\$500	\$1,500
Contracted Services	2-90-4760	\$0	\$0	\$0	\$0	\$0
Sewer Charges	2-90-4558	\$49,627	\$100,000	\$65,948	\$105,000	\$123,750
Sewer Easements/RoW	2-90-4600	\$0	\$0	\$0	\$0	\$0
TOTALS:		\$247,632	\$247,400	\$138,125	\$217,904	\$235,750

AGENDA ITEM 9A

MEMO

DATE:

May 21, 2019

SUBJECT:

Discussion:
Veteran's Memorial Park
Lease

Discussion:

The Town of Sawmills currently lease the property known as Veteran's Memorial Park through an agreement with Duke Energy. There are currently twelve (12) years remaining on the current lease agreement. Duke Energy offers this agreement in order to meet its Federal Energy Regulatory Commission (FERC) requirements as an energy provider.

FERC and Duke Energy entered into a new 40-year agreement outlining Duke Energy's requirements to operate as an energy provider in 2015. Since 2015, Duke and Energy and FERC have been working to draft lease agreements that met the new requirements.

Attached is the new lease and memorandum of lease provided by Duke Energy which addresses their current FERC requirements. This new lease would with duke would be effective from the time approved until the year 2055. The new lease would allow the town to continue to operate the park as currently designed and would not change the general operations of the facilities. Additionally, by having more than 20 years on the lease, the town will become eligible for more recreation-based grants at Veteran's Memorial Park.

Included in this lease is the construction of a walking path encircling the park property, which will be provided by and paid for by Duke Energy. This project is expected to begin in 2020-2021.

Recommendation:

Staff recommends Council approve the lease as drafted extending the lease until the year 2055.

PREPARED BY: Karol P. Mack, Deputy General Counsel, Duke Energy Corporation

Mail To: Duke Energy Corporation

c/o Kimberly Walton (DEC 45A)

550 South Tryon Street

Charlotte, North Carolina 28202

Site: 008310

Land Unit: 0060680

Project No.: 008310-459421

STATE OF NORTH CAROLINA

MEMORANDUM OF LEASE

COUNTY OF CALDWELL

**Conley Creek Access Area
Lake Rhodhiss, FERC Catawba-Wateree Project (2232)**

KNOW ALL MEN BY THESE PRESENTS, that for and in consideration of the rents and covenants set forth in a certain Lease Agreement (the "Lease") by and between **DUKE ENERGY CAROLINAS, LLC**, a North Carolina limited liability company ("Lessor"), and **TOWN OF SAWMILLS**, a municipality of the State of North Carolina ("Lessee"), Lessor has leased to Lessee that property located in Caldwell County, North Carolina, hereinafter referred to as the "Leased Premises" to wit:

All that tract of land containing 67.90 ± acres (comprised of 63.48 acres and 4.42 acres), lying within and adjoining Lake Rhodhiss, as shown and described on that certain plat entitled "Composite Map of Conley Creek Access Area," dated 1991 & 1997, marked Project Number: 8310, attached hereto as **Exhibit A** and incorporated herein by reference.

The Leased Premises may be used by Lessee for the development, maintenance and operation of a public park and/or public recreation area.

The Leased Premises is part of Lessor's Catawba-Wateree Hydroelectric Project (FERC NO. 2232) (the "Project"), for which Lessor holds a license to operate (the "License") and which Project is subject to regulatory oversight by the Federal Energy Regulatory Commission ("FERC").

The Lease shall begin on _____, 20__ (the "Effective Date"), and shall expire at the end of the term of the License granted to Grantor by the FERC effective November 1, 2015 (including any extension periods of the License as may be granted by the FERC through annual licenses or otherwise, but not including the next new or subsequent license the FERC may issue after the expiration of the License), unless

terminated sooner pursuant to Paragraphs 28, 29 or 31 of the Lease. Lessor may terminate the Lease at any time if directed to do so by FERC or its successor agency having jurisdiction over hydroelectric reservoirs that are subject to the Federal Power Act or if necessary to comply with FERC requirements.

The provisions set forth in the aforementioned Lease are hereby incorporated in this Memorandum as though stated herein.

IN WITNESS WHEREOF, the parties hereto have duly executed this instrument under seal as of this _____ day of _____, 20____.

LESSOR:
Duke Energy Carolinas, LLC
a North Carolina limited liability company

By: _____
Name: Eric J. Rouse
Title: Manager, Leasing and Property Management

STATE OF NORTH CAROLINA

COUNTY OF _____

I certify that the following person personally appeared before me this day, acknowledging to me that he signed the foregoing document: **Eric J. Rouse**

Date: _____

Notary Public

My Commission Expires: _____

Notary Name Typed/Printed

(Notary Seal)

[Signatures Continue on Following Page]

LESSEE:
Town of Sawmills
a municipality of the State of North Carolina

By: _____
Print Name: _____
Title: _____

STATE OF NORTH CAROLINA

COUNTY OF _____

I certify that _____ personally appeared before me this day, acknowledging to me that he or she signed the foregoing Memorandum of Lease.

Date: _____

Notary Public

My Commission Expires: _____

Notary Name Typed/Printed

(Notary Seal)

Certified by:

By: _____
Print Name: _____
Title: Town Clerk of Sawmills

PREPARED BY: Karol P. Mack, Deputy General Counsel, Duke Energy Corporation

Site: 008310

Land Unit: 0060680

Project No: 008310-459421

STATE OF NORTH CAROLINA

**PUBLIC ACCESS AREA
LEASE AGREEMENT WITH
TOWN OF SAWMILLS**

COUNTY OF CALDWELL

Conley Creek Access Area

Lake Rhodhiss, FERC Project Number 2232

THIS LEASE is made and entered into by and between **DUKE ENERGY CAROLINAS, LLC**, a North Carolina limited liability company ("Lessor"), and **TOWN OF SAWMILLS**, a municipality of the State of North Carolina ("Lessee");

W I T N E S S E T H:

WHEREAS, Lessor holds a license ("License") from the Federal Energy Regulatory Commission ("FERC") to operate the Catawba-Wataree Hydroelectric Project, FERC Project No. 2232 ("Project"), which impounds the waters of the Catawba River, including Lake James, Lake Rhodhiss, Lake Hickory, Lookout Shoals Lake, Lake Norman, Mountain Island Lake and Lake Wylie in North Carolina and including Fishing Creek Lake, Cedar Creek Lake, Great Falls Lake, Lake Wataree and Lake Wylie in South Carolina, and which Project is subject to regulatory oversight by the FERC; and

WHEREAS, Lessor owns that certain property described herein lying within and adjoining the bed of Lake Rhodhiss (the "Lake") in Caldwell County, North Carolina, which is part of the Project; and

WHEREAS, Lessee desires to lease a portion of said Project on the Lake for the purpose of constructing and maintaining a public park and/or public recreational area, containing 67.90 ± acres (comprised of 63.48 acres and 4.42 acres), lying within and adjoining the Lake as more particularly shown on that certain plat of survey entitled "Composite Map of Conley Creek Access Area," dated 1991 & 1997, marked Project Number: 8310, attached hereto as **Exhibit A** and incorporated herein by reference (the "Leased Premises"), and as described in detail on the Site Plan attached hereto as **Exhibit B** and incorporated herein by reference; and

WHEREAS, Lessor desires to accommodate Lessee's construction, operation and maintenance of a public park and/or public recreation area provided such use does not interfere with Lessor's ability to operate and maintain the Project in accordance with its operating license, other FERC requirements, and its business operations; and

WHEREAS, Article 411 of the License for the Project grants Lessor (as the licensee of the Project) the authority to grant permission for certain types of use and occupancy of Project lands and waters and to convey certain interests in Project lands and waters for certain types of use and occupancy as long as the proposed use and occupancy is consistent with the purposes of protecting and enhancing the scenic, recreational and environmental values of the Project.

NOW, THEREFORE, the Lessor, for and in consideration of the covenants and agreements hereinafter expressed to be kept and performed by Lessee, hereby leases to Lessee and Lessee hereby leases from Lessor, subject to the exceptions and reservations and upon the terms and conditions and for the purposes in this instrument set out, the Leased Premises.

1) Term: This Lease shall begin on the ____ day of _____, 20__ (the "Effective Date"), and shall expire at the end of the term of the License granted to Grantor by the FERC effective November 1, 2015 (including any extension periods of the License as may be granted by the FERC through annual licenses or otherwise, but not including the next new or subsequent license the FERC may issue after the expiration of the License), unless terminated sooner pursuant to Paragraphs 28, 29 or 31 of this Lease. Lessor may terminate this Lease at any time if directed to do so by the FERC or its successor agency having jurisdiction over hydroelectric reservoirs that are subject to the Federal Power Act or, if necessary, to comply with FERC requirements.

2) Warranties: In order to induce Lessor to enter into this Lease, Lessee warrants and represents that it has authority to enter into this Lease under or by NCGS Chapter 160A, Article 19. Lessor represents that it has full and lawful authority to enter into this Lease for lands dedicated to public use by terms of the License for the Project issued by the FERC pursuant to the Federal Power Act.

a) Disclaimer of Warranties of Condition: Lessee accepts the Leased Premises "AS IS." Lessor makes no warranties or representations as to the conditions of the Leased Premises or any improvements thereon, whether open and obvious or concealed. Lessor makes no representation or warranty, express or implied, and will bear no responsibility as to the existing or future water

quality or quantity in Lake Rhodhiss or its tributaries, or the sufficiency or suitability of the Leased Premises for use as a public park and or public recreation area.

- b) Assignment of Contractor and Vendor Warranties: Lessor agrees to Lessee's rights under all assignable contractor or vendor warranties relating in any way to any building, fixture or other improvement located on the Leased Premises, as permitted by the terms and conditions of contractor or vendor warranties.

3) Rent and/or Other Consideration: The consideration flowing to Lessor for this Lease is the Lessee's assumption of responsibility for construction, maintenance and operation of present and future recreation facilities permitted under the terms of the License. Failure by Lessee to maintain and operate the permitted facilities and the Leased Premises to the standards reasonably required by the FERC shall constitute a default under the terms of this Lease pursuant to Paragraph 28 herein. Should the FERC require additional public recreation facilities within the Leased Premises, Lessor and Lessee shall hold a meeting to discuss the requirement. The procedures set forth in Paragraph 6, Site Plan, shall be followed.

4) Permitted Uses: The Leased Premises may be used by Lessee for the development, maintenance and operation of a public park and/or public recreation area and for no other purpose unless it is a compatible use, such as the provision of recreation-related goods and services, which may be permitted on site when authorized in advance in writing by Lessor. Any public park and/or public recreation area may include, but is not limited to, the following types of area development:

- a) Public Park or Recreation Areas –
 - i) Areas that have developed recreational facilities, such as picnic tables, picnic pavilions, swimming beaches, bath houses, restrooms, campgrounds, concessions, waste pump out facilities, challenge courses, maintenance and related structures or facilities that directly support park operations and maintenance, and other related facilities or amenities; and
 - ii) Recreation uses such as picnicking, tent camping, hiking, wildlife viewing, boating, fishing, swimming, and other related outdoor activities.
- b) Access and/or Trail Areas – areas that enable water access via boat launches or piers, or land access via pedestrian, bike or horse trails.

- c) Nature Preserve/Research Areas – areas that provide land for and promote the development of cooperative partnerships to enable preservation activities, conservation easements and/or research.

5) Public Use of Facilities: Use of any and all public park and/or public recreation area facilities, including such public service/convenience facilities as restrooms, water faucets, public communications equipment, trash receptacles, etc., constructed or placed on the Leased Premises by the Lessee will be open to use by boaters, bank fishing persons and all other public recreation users of the public recreation facilities, during the times and for the applicable fees stipulated in Exhibit B. Lessee shall allow public boat launching at the required public boating access areas free of charge, except where fees have been agreed upon with Lessor.

6) Site Plan: The Site Plan submitted by the Lessee for development of recreation facilities on the Leased Premises, attached hereto as Exhibit B, shall be implemented by Lessee. Any changes to the Site Plan require prior written approval of the Lessor. Additions to, modifications or removal of any facilities will require the submittal to Lessor of detailed plans, including but not limited to, construction plans and elevation drawings. Major additions, modifications or removal may require review by other entities and may require FERC approval, as provided in Article 411 of the License and the FERC approved Catawba-Wateree Recreation Management Plan.

If, as part of this Lease, Lessor approves construction of new facilities, such facilities must be constructed within the timelines set out in the Site Plan. A one (1) year or other appropriate time extension may be considered if the Lessee files a written request with Lessor at least 60 days prior to the construction deadline for any specific facility or facilities, setting forth the reasons why the facility or facilities will not be completed within the allotted timeframe. If an extension of time to complete construction of the facilities is granted by Lessor, additional requirements may be required of Lessee to meet revised regulations or shoreline development guidelines.

Should FERC require additional recreation facilities to be located at the Leased Premises, Lessor will contact Lessee and arrange a meeting to discuss the required additional recreation facilities. At the meeting the specifics of what facilities must be added, where the facilities can be added, an estimated cost for adding the facilities, and the timing of adding additional facilities should be determined. Lessor and Lessee will then evaluate their available resources to determine how and when the required additional recreation facilities will be

constructed, and if those resources will be in dollars, 'in-kind' services or a combination thereof. A revised Site Plan will be developed based on the results of the meeting. Once Lessor and Lessee are in agreement with the revised plan, at Lessor's option, Lessor and Lessee shall enter into a revised lease or amendment to lease.

7) User Fees and Hours of Operation: Lessee agrees that Lessor's employees, third party contractor employees, local law enforcement officials, local environmental and public health officials, and local emergency response crews operating in his/her official capacity will be exempt from user fees. Any proposed changes in the schedule of fees or hours of operation by the Lessee must be submitted in writing to the Lessor at least sixty (60) days prior to proposed implementation and must be approved in writing. Contracts or leases between Lessee and third parties regarding the sale of goods or services on the Leased Premises must be submitted to Lessor at least sixty (60) days prior to proposed implementation; and must not be executed until Lessee receives written approval from the Lessor. Lessee agrees that user fees as well as any proceeds it collects from third party contracts or leases associated with the Leased Premises will be used exclusively to:

- a) offset Lessee's costs of operation, maintenance, and capital improvements of the Leased Premises or other public recreation facilities for which Lessee is responsible that are also within or adjoining the Project Boundary or within or adjoining a free-flowing section of the Catawba River, or
- b) offset Lessee's cost of improving its own public recreation department in specific areas that benefit public recreation users of the Project or the aforementioned free-flowing section of the Catawba River, or

Lessee agrees to submit an Annual Operational Report to assist Lessor in its reporting on shoreline activities and planning efforts to the FERC.

8) Joint Annual Inspection: Lessor and Lessee will perform a joint annual physical inspection of the Leased Premises each year for the term of this Lease to ensure the Leased Premises are being maintained in a safe manner and to the maintenance levels mutually acceptable to Lessor and Lessee.

9) Entry by Lessor: Lessor, its agents and representatives, at all reasonable times may enter the Leased Premises to examine same, and any such entry by or on behalf of Lessor shall not be or constitute an eviction, partial eviction or deprivation of any right of Lessee and shall not alter the obligations of the Lessee

hereunder or create any right in Lessee adverse to the interest of the Lessor. In the event that Lessee is temporarily unable to operate the recreation facilities, Lessor shall have the right to enter the Leased Premises and operate the recreation facilities until such time as Lessee is able to resume operation. Any such entry by or on behalf of Lessor for temporary operation shall not be or constitute an eviction, partial eviction or deprivation of any right of Lessee and shall not alter the obligations of the Lessee hereunder or create any right in Lessee adverse to the interest of the Lessor.

10) Maintenance: Lessee recognizes it has the continuing responsibility to ensure the constructed and placed facilities are maintained in good repair, including, but not limited to, maintenance of those facilities in the Site Plan and proper erosion control within the Leased Premises and along the shoreline, and agrees to take all reasonable steps necessary to meet this responsibility. Lessee is to maintain all structures and improvements within the Leased Premises in a sound condition and in neat appearance and pay all costs for said maintenance. In the event Lessee fails to properly maintain all buildings and improvements or Lessee fails to obtain budgetary appropriations for the maintenance of the Leased Premises, then Lessor may terminate this Lease and retake possession of the Leased Premises, as set forth in Paragraphs 28 and 29.

Lessor has entered into a Public Access Area Agreement with the North Carolina Wildlife Resources Commission, attached hereto as Exhibit D for the maintenance of certain portions of established public access areas including the Leased Premises and for the provision of additional public recreation facilities of such areas. Lessee understands and agrees that Lessee shall not have exclusive control of the Leased Premises and shall coordinate with the Lessor and the North Carolina Wildlife Resources Commission for the operation and maintenance of the Leased Premises.

11) Signage: Lessor will provide to Lessee all information required for signage at the entrance to boat access ramps or other signage as required by the License. Lessee shall erect the signs within 30 days of receipt of said information and maintain the signs during the term of this Lease.

12) Improvements: Lessee shall have the right at its own expense to make additions or modifications to those facilities and improvements existing upon the Leased Premises at the commencement of the Lease term. However, Lessee shall submit to Lessor for Lessor's review detailed plans, including but not limited to construction plans and elevation drawings of all proposed material alterations or improvements and receive the

written approval of Lessor prior to initiating work on proposed alterations or improvements. Dependent on the scope and substance of the proposed alterations or improvements, modification of the Site Plan may be required. Additionally, certain substantive changes may require the approval of applicable local, state and federal agencies prior to submittal of the request to Lessor and in certain situations the Lessor will need to submit Lessee's application to the FERC for approval, prior to issuance of approval by Lessor.

13) Illegal and Prohibited Uses: Lessee shall not make or permit to be made any illegal or prohibited use of the Leased Premises or any use thereof constituting a public nuisance, and shall keep the Leased Premises in a neat and orderly manner and shall comply with all applicable building codes and health regulations and with the rules and regulations of any and all applicable governmental authorities. All water and sanitary sewer facilities shall be designed, installed, constructed, maintained and operated only with the approval of the applicable governmental authority. Prohibited uses under the terms of the Lease include but are not limited to the following:

- a) Sale of alcoholic beverages or drugs;
- b) Gambling (e.g., installation of video gaming machines that pay off, etc.);
- c) Creation or installation of firearm or shooting ranges;
- d) Charging excessive fees;
- e) Establishing predetermined user groups that use specific facilities; and
- f) Excluding any user on the basis of age, sex, race, color, religion, national origin, handicap/disability, or familial status.

14) Fire Protection: In the event of a fire within or threatening to the lands or facilities of any park or recreation area which is a part of this Lease, Lessee agrees to assist Lessor with the protection of the park or recreation area against such fire.

15) Leased Premises Subject to FERC Oversight: Lessee agrees its use of the Leased Premises will comply with FERC Order No. 313, attached hereto as Exhibit C, and all regulations or directives issued by the FERC. Lessee's use of the aforesaid lands will not endanger health or safety, create a nuisance or otherwise be incompatible with the overall recreational use of the Project. Failure by Lessee to maintain and operate the FERC required facilities and the Leased Premises to the standards reasonably required by the FERC shall constitute a default under the terms of this Lease pursuant to Paragraph 28. If the Lessee becomes temporarily unable to operate FERC required recreation facilities, the Lessor retains the right to enter the Leased Premises and operate,

or arrange for the operation of, Project-related recreation facilities in accordance with the FERC approved Catawba-Wateree License and Recreation Management Plan. Lessee must obtain written approval from Lessor to take out of service any non-Project recreation facility, operated as part of the Access Area Improvement Initiative, for any period of time other than as required for routine maintenance.

16) Compliance with State, Federal and Local Laws: Lessee agrees that its use of the Leased Premises as herein provided shall be consistent with all applicable state, federal and local laws as well as all ordinances, rules, regulations and sanctions of any regulatory body or governmental agency (state, federal or local) having jurisdiction in the Leased Premises, and Lessee's use of the Leased Premises shall comply with all applicable Duke Energy Shoreline Management Guidelines and the Shoreline Management Plan. Upon request by Lessor, Lessee shall re-enter the Leased Premises at any time after the termination or expiration of this Lease and perform such operations necessary for compliance with then applicable law, ordinances or regulations at the termination date. Lessee shall be relieved of any responsibility for compliance under this Paragraph 16 if during the Lease term Lessor causes noncompliance by changing conditions upon the Leased Premises, including but not limited to, land use pattern, or causing or allowing any third party to do so.

17) Protection of Environment: All necessary precautions shall be taken during construction and subsequent operation and maintenance of the facilities to protect and enhance the scenic, environmental, recreational and cultural values of any affected lands and waters of the Project.

18) Archaeological Resources: Lessee shall comply with the cultural resources consultation requirements specified in the Lessor's Historic Properties Management Plan for the Project regarding any ground-disturbing activities, inadvertent discoveries, treatment of human remains and funerary objects or significant modifications to the leased facilities and lands. If any archaeological resources are discovered during construction or maintenance activities, such activities shall be halted and the State Historic Preservation Officer shall be contacted to determine what measures, if any, are needed to protect or salvage the resources and the Lessor shall be notified. Written notice shall be given to Lessor and all other appropriate agencies of any such discovery and the measures being implemented, if any are required.

19) Utility Easement: Lessor for itself, successors and assigns, reserves an easement to build, construct, maintain and operate electric distribution/transmission lines on, over, under, along and above the

Leased Premises. Lessor also reserves the right, privilege and easement to erect, construct, reconstruct, replace, maintain and use towers, poles, wires, crossarms and other appliances and fixtures for the purpose of transmitting or distributing electric power, for Lessor's communication purposes, and for any other purpose that is, in Lessor's sole discretion, consistent with its business operations, together with the right to keep said lines, appliances, and fixtures free of structures, trees and other objects that may endanger or interfere with same. Lessor will notify and consult with the Lessee as to the plans for the construction of any buildings or structures to be placed within the Leased Premises, necessary to conduct Lessor's business.

20) Reservation of Use: The right to use the Leased Premises for Project purposes (not inconsistent with the activities and purposes of this Lease) is hereby reserved to the Lessor, its successors and assigns.

21) Reservation of Authority: No terms or conditions herein contained shall be construed as limiting or affecting in any way the authority of Lessor in connection with its exercise of proper protection and administration of the Public Access Areas or its License.

22) Response to Increase in Recreation Use: Lessor will in good faith, for the included lakes aforementioned in the Project, endeavor to accommodate future increases in public recreation use of the lakes by arranging for the designation of lands for recreation use that are or may become available for such purposes and when such land areas are consistent with the Shoreline Management Plan and/or the operation of Lessor's business.

23) FERC License Conflicts: This Lease is subject to the terms and conditions of the License for the Project. In the event of any conflict between the terms and conditions of this Lease and the terms of the License, it is agreed that the terms of the License shall prevail.

24) Transfer or Assignment: The Lessee may not transfer or assign this Lease or let or sublet the whole or any part of the Leased Premises to anyone without the prior written consent of the Lessor.

25) Insurance by Lessee: Lessee agrees that, at its own cost and expense, it shall obtain and maintain in force during the term of this Lease the following insurance coverage and minimum insurance limits:

- a) Commercial General liability insurance from a reputable insurance company authorized to do business in North Carolina, providing coverage for any and all risks of liability associated with Lessee's occupancy and use of the Leased Premises and the activities authorized hereunder, with limits of at least \$2,000,000 per occurrence.
- b) Workers' Compensation (including U.S. Longshoremen & Harbor Workers Act) meeting statutory limits
- c) Employers' Liability Insurance (including Maritime Employers Liability) of not less than \$1,000,000 each accident.
- d) Automobile Liability Insurance of not less than \$1,000,000 each occurrence.

The Lessee must meet the following additional insurance-related requirements:

- 1. Insurance coverage must be from the State Insurance Reserve Fund, or where applicable and authorized, with insurance companies with a minimum A.M. Best Rating of A-VII.
- 2. Lessee shall deliver to Lessor certificates of insurance prior to the beginning of the Lease and within 30 days of each insurance renewal. The certificates of insurance shall list the coverages and limits, the expiration dates and terms of policies and all endorsements whether or not required by Lessor, and listing all carriers issuing said policies. Lessor shall not be obligated to review any of Lessee's certificates of insurance, insurance policies and/or endorsements or advise the Lessee of any deficiencies in such documents, and any receipt of copies or review by Lessor shall not relieve the Lessee from or be deemed a waiver of Lessor's right to insist on strict fulfillment of the Lessee's obligations. The Lessee shall deliver a certified copy of each insurance policy including all endorsements upon request by Lessor.
- 3. Lessee shall name Lessor as an additional insured, using Insurance Services Office, Inc. (ISO) additional insured (CG 20 10) or equivalent, under all required policies of liability insurance. (Except Worker's Compensation Insurance). All policies shall include waivers of any right of subrogation of the insurers using standard ISO forms. The certificate(s) of insurance shall specifically confirm the "waiver of subrogation" and "additional insured" obligations.
- 4. All insurance policies shall each contain a provision that coverage will not be cancelled, not renewed or materially modified unless at least thirty (30) days' prior written notice has

been given but, in any event, if Lessee becomes aware of any such cancellation, reduction in coverage or non-renewal, Lessee shall provide written notice to Lessor of such action within ten (10) days of receipt of notice of any such action from its carrier. All policies of insurance required shall be endorsed or shall otherwise provide that Lessee's insurance shall be primary with respect to their own acts or omissions and not be in excess of, or contributing with, any insurance maintained by Lessor. Lessee will be responsible for their own respective deductibles, self-insured retentions, and self-insurance under its insurance program.

5. Should Lessee fail to provide or maintain any required insurance, Lessor shall have the right, but not the obligation, to provide or maintain any such insurance, and to invoice the cost to the Lessee whereupon Lessee shall reimburse Lessor annually within forty-five (45) days following the request for payment.
6. Upon Lessee's contracting with an entity for the purpose of constructing any facilities on the Leased Premises, Lessor shall be named as an additional insured on a policy of insurance covering the scope of such activity prior to the commencement of any activity by Lessee, its agents or contractors. All policies shall include waivers of any right of subrogation of the insurers using standard ISO forms. Any contractor or subcontractor performing work on property that is the subject of this Lease shall have in place prior to commencement of any activity and during the performance of any activity, the following types of insurance and minimum coverage limits:
 - Commercial General Liability Coverage – \$2 million per occurrence.
 - Workers Compensation – Within statutory limits.
 - Employer's Liability – \$1 million each accident.
 - Automobile Liability – \$1 million per occurrence.

26) Hazard Insurance: Lessee shall also, at all times during the term of this Lease, keep all improvements which are now or hereafter a part of the Leased Premises insured against loss or damage by fire and the extended coverage hazards for one hundred percent (100%) of the full replacement value of such improvements of like kind and quality. Any loss adjustment shall require the written consent of both Lessor and Lessee. In the event any improvements upon the Leased Premises shall be damaged or destroyed by fire or other casualty, then Lessee shall promptly restore same to the condition existing before such loss or damage.

27) Hazardous Materials: The following items are to be implemented by the Lessee for the Leased Premises:

- a) Lessee shall not bring to or handle, store, dispense, transport or locate on or about the Leased Premises any chemical substances, oil, gasoline, other petroleum products, formaldehyde, PCBs, or any toxic, carcinogenic, radioactive or hazardous wastes, materials, substances or contaminants (known collectively "Hazardous Materials") for purposes other than construction, maintenance or repair of the recreation facilities, without Lessor's prior written authorization. Notwithstanding the foregoing, Lessee shall not bring to or handle, store, dispense, transport or locate on or about the Leased Premises any materials that contain asbestos, methylene chloride, or hexavalent chromium. For primers or coatings suspected of containing lead, Lessee shall ensure the lead content of such products or materials is no more than the current Consumer Product Safety Commission threshold.
- b) While handling, transporting or storing any Hazardous Materials on or about the Leased Premises, Lessee shall act in full compliance with all applicable federal, state and local laws, ordinances and regulations.
- c) Lessee shall give Lessor immediate written notice of any problem, spill, discharge or threatened discharge of or relating to Hazardous Materials on or about the Leased Premises, and of any private or governmental investigation relating to Hazardous Materials on or about the Leased Premises. Lessor shall have the right to participate in and approve any environmental assessment or environmental clean-up plan for the Leased Premises. Lessee, its employees, agents and contractors, shall fully cooperate with any and all federal, state and local governmental officials having jurisdiction over the Leased Premises in resolving any environmental problem.
- d) Lessee's failure to comply strictly with the provisions and mandates of this Paragraph 27 shall constitute a breach of this Lease, entitling Lessor to terminate this Lease and to exercise any other rights and remedies available to Lessor hereunder or otherwise.

28) Events of Default; Termination:

- a) The following events shall be deemed to be events of default by Lessee under this Lease (each singularly referred to herein as an "Event of Default"):

- i) If Lessee fails to comply with any term, provision or covenant of this Lease other than the payment of any sum of money, and shall not cure such failure within sixty (60) days after due written notice thereof to Lessee; provided, however, if Lessor, in its sole discretion, determines that such failure cannot be cured within sixty (60) days, Lessee shall be in default under this Lease if Lessee fails to commence to cure such failure within the same sixty (60) day period or thereafter fails to act to diligently and promptly cure such failure; or
 - ii) If Lessee voluntarily discontinues or voluntarily ceases to use the Leased Premises and the improvements for the permitted use or closes its operations on the Leased Premises for any period greater than ninety (90) days; or
 - iii) If Lessee fails to satisfy the timelines established in the Site Plan or if an extension is granted by Lessor, Lessee fails to meet the extended timeline and any requirements set by Lessor as a condition of the extension, and fails to notify Lessor and follow the requirements as set out in this Lease; or
 - iv) Any other event of default as specifically addressed in the paragraphs contained herein.
- b) Upon the occurrence of an Event of Default hereunder, Lessor shall be entitled to pursue any one or more of the following remedies without notice or demand:
- i) Terminate this Lease and Lessee's right of possession of the Leased Premises in which event Lessee shall immediately surrender the Leased Premises to Lessor, and if Lessee fails to do so, Lessor may, without prejudice to any other remedy which it may have for such Event of Default, enter upon and take possession of the Leased Premises, and expel or remove Lessee and any other person or entity who may be occupying the Leased Premises or any part thereof, by force, if necessary, without being liable for prosecution or any claim for damages therefore;
 - ii) Without having terminated this Lease, terminate Lessee's right of possession of the Leased Premises, by force, if necessary, without being liable for prosecution of any claim for damages therefore, and perform Lessee's obligations under this Lease, and Lessee shall reimburse Lessor upon demand for any expenses which Lessor may incur in effecting compliance with the terms of the Lease and Lessor shall not be liable for any damages resulting to Lessee from such actions;

- iii) Bring suit for the collection of any amounts for which Lessee is then in default, or for the performance of any other covenant or lease by which Lessee is bound, with or without entering into possession or terminating this Lease.
- c) In the event Lessor elects to terminate this Lease by reason of the occurrence of an Event of Default, this Lease shall terminate and come to an end as if that were the date originally fixed herein for the expiration of the term hereof. Notwithstanding such termination, Lessee shall be liable for and shall pay to Lessor all indebtedness accrued hereunder to the date of such termination.
- d) In case of any Event of Default or breach by Lessee, Lessee shall also be liable for the costs of removing and storing Lessee's or any other occupant's personal property and all expenses incurred by Lessor in enforcing or defending Lessor's rights and/or remedies, including reasonable attorneys' fees.

Lessee acknowledges that, upon the termination of this Lease by Lessor upon an Event of Default or termination by the Lessee, the FERC has authority to reclassify non-Project recreation facilities permitted by this Lease (as identified on Exhibit B) as Project facilities and to require the Lessor to operate and maintain all recreation facilities. In such event, all buildings, improvements, fixtures and other items of real property shall become the property of the Lessor. At the option of Lessor, Lessee shall remove all personal property of Lessee located upon the Leased Premises. If Lessee shall not have removed its personal property within thirty (30) days of the termination or expiration of the Lease as directed by Lessor, Lessor may at its option retain and use any portion of same or remove and dispose of any portion of same without liability to Lessor and shall be reimbursed by Lessee for its cost thereof.

29) Termination for Lack of Funding: Notwithstanding any other provision of this Lease, it is understood and agreed by and between the parties that in the event Lessee is unable to obtain funding by appropriation or otherwise to operate and maintain the recreational facilities herein provided beyond the end of any then-current State fiscal year and so notifies Lessor thereof within sixty (60) days of the final approval of Lessee's appropriations for that coming fiscal year, this Lease shall be considered canceled. Such cancellation shall cause the Lease to terminate as if that was the date originally affixed herein for the expiration of the term hereof and shall not constitute an "Event of Default" as defined herein. Notwithstanding such cancellation, Lessee shall be liable for and shall pay to Lessor all indebtedness accrued hereunder to the date of such cancellation. Lessee

agrees to utilize its best efforts throughout the term of this Lease to obtain adequate appropriations or other funding to accomplish the purposes of this Lease.

30) Surrender of Lease: The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation thereof, shall not work a merger and shall, at the option of Lessor, terminate all or any existing subleases or subtenancies, or may at the option of Lessor, operate as an assignment to it of any or all such subleases or subtenancies.

31) Condemnation: If the whole or any part of the Leased Premises is taken or condemned by any competent authority for any public use or purpose, then this Lease shall automatically terminate as to the portion taken as of the date said title shall be taken. If a portion of the Leased Premises shall be taken so as to render the remainder thereof unusable for the purposes for which the Leased Premises were leased, then this Lease shall terminate as of the date said title shall be taken. In the event that any portion of the Leased Premises shall be taken or this Lease shall be terminated as a result of a taking of the whole or a portion of the Leased Premises, Lessee shall have no claim against Lessor for the value of any unexpired portion of the Lease term. Lessor shall be entitled to the entire award given, including any special damages, except that, as to any portion of payment received by way of just compensation which is attributable to the value, if any, of any capital improvements, taken or damaged, Lessee shall be entitled to receive a pro-rata share thereof based on the percentage that its funding contribution therein bears to the total capital costs thereof. In the event that either party should disagree with the valuation given within any award to any improvements taken or damaged, or be unable to agree between themselves as to such value, the parties agree to arbitrate such question of valuation and to apportion their award so as to separately set forth the contributing value, if any, of each improvement taken or damaged.

32) Severability: The provisions hereof are independent covenants and should any provision or provisions contained in this Lease be declared by a court or other tribunal of competent jurisdiction to be void, unenforceable or illegal, then such provision or provisions shall be severable and the remaining provisions hereof shall remain at Lessor's option in full force and effect.

33) Flooding: Lessor reserves the unlimited right to back or flood the waters of the Project, the Catawba River and its tributaries from time to time and at any and all times over and upon the Leased Premises or any portion of the same, to such extent the flooding may be necessary or convenient in connection with the

practical operation of its hydroelectric power plants located or to be located in the future upon the Catawba River. Lessee agrees that any damage it may suffer as a result of such flooding shall not be claimed or charged against Lessor. Lessee hereby waives all claims against Lessor for damages resulting from floods that may occur on the Catawba River or any tributary thereof.

34) FERC Project Restoration: Lessor shall be under no obligation to Lessee to maintain or continue to operate the Project and should said Project be damaged, destroyed or removed, the Lessor shall be under no obligation to restore or rebuild same, and Lessee hereby waives all claims against Lessor for damages to or destruction or removal of the Project.

35) Parties Bound: The covenants and conditions herein contained shall, subject to the provisions as to assignment, transfer and subletting, apply to and bind the heirs, successors, executors, administrators and assigns of all the parties hereto; provided, however, that neither this Lease nor any provisions therein may be assigned by Lessee except with the prior written consent of the Lessor.

36) Survival: Provisions of this Lease for Termination (Paragraph 28) and Survival (Paragraph 36) shall survive the termination or cancellation of this Lease and shall remain in effect.

37) Notices: Wherever in the Lease it shall be required or permitted that notice be given by either party to this Lease to the other, such notices must be in writing and must be given personally or forwarded by certified mail addressed as follows:

To Lessor: Duke Energy Carolinas, LLC
Director – Public Safety & Recreation Strategy Planning Services
Water Strategy, Hydro Licensing and Lake Services – EC12K
526 South Church Street
Charlotte, NC 28202

With copy to: Duke Energy Carolinas, LLC
Attn: Real Estate, Leasing & Property Management
550 South Tryon Street, DEC 22A
Charlotte, North Carolina 28202

To Lessee: Town of Sawmills
Attn: Christopher Todd
4076 US Highway 321-A
Sawmills, North Carolina 28630

and

Town of Sawmills
Attn: Terry Taylor
858 2nd Street NE Suite 200
Hickory, North Carolina 28601

Such addresses may be changed from time to time by notice given hereunder.

38) Recordation: In no event shall this Lease be recorded in any Public Registry or other public records by Lessee or on Lessee's behalf. Violation of the provisions in the immediately preceding sentence shall entitle Lessor to terminate the lease rights granted herein. Lessor and Lessee acknowledge and agree Lessor shall record a Memorandum of Lease in the Public Registry in the county where the Leased Premises is located, and Lessor shall provide Lessee with a recorded-copy of said Memorandum of Lease.

39) Existing Lease Amended and Superseded: Beginning on the Effective Date, this Lease shall amend, restate, replace and supersede all previous leases or other agreements between Lessor and Lessee, or their respective predecessors in interest, for the use of the Leased Premises, and such prior leases or other agreements are of no further force or effect.

(Signatures on Following Page)

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their duly authorized officials this the day and year first above written.

LESSOR:

Duke Energy Carolinas, LLC

a North Carolina limited liability company

By: _____

Print Name: Eric J. Rouse

Title: Manager, Leasing and Property Management

LESSEE:

Town of Sawmills

a municipality of the State of North Carolina

By: _____

Print Name: _____

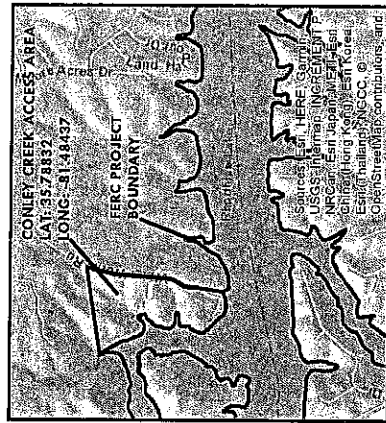
Title: _____

Certified by:

By: _____

Print Name: _____

Title: Town Clerk of Sawmills



NOTES:

FERC PROJECT BOUNDARY AND ACCESS AREA BOUNDARY ARE SHOWN AS REFERENCE ONLY. FOR EXACT LOCATION SEE EXHIBIT G DRAWINGS. AERIAL PHOTOGRAPHY OF EXISTING CONDITIONS IS SHOWN FOR REFERENCE ONLY.

PROPOSED ENHANCEMENTS SHOWN ARE CONCEPTUAL IN NATURE. ACTUAL NUMBER, SIZE AND LOCATION OF FACILITIES AND ADJUNCTS MAY VARY BASED ON ENGINEERING DESIGN, SITE CONSTRAINTS AND PERMITTING REQUIREMENTS. AS-BUILT DRAWINGS SHOWING ALL ENHANCEMENTS WILL BE FILED IN ACCORDANCE WITH THIS PLAN AND CURRENT FERC GUIDELINES.

PROPOSED ENHANCEMENTS

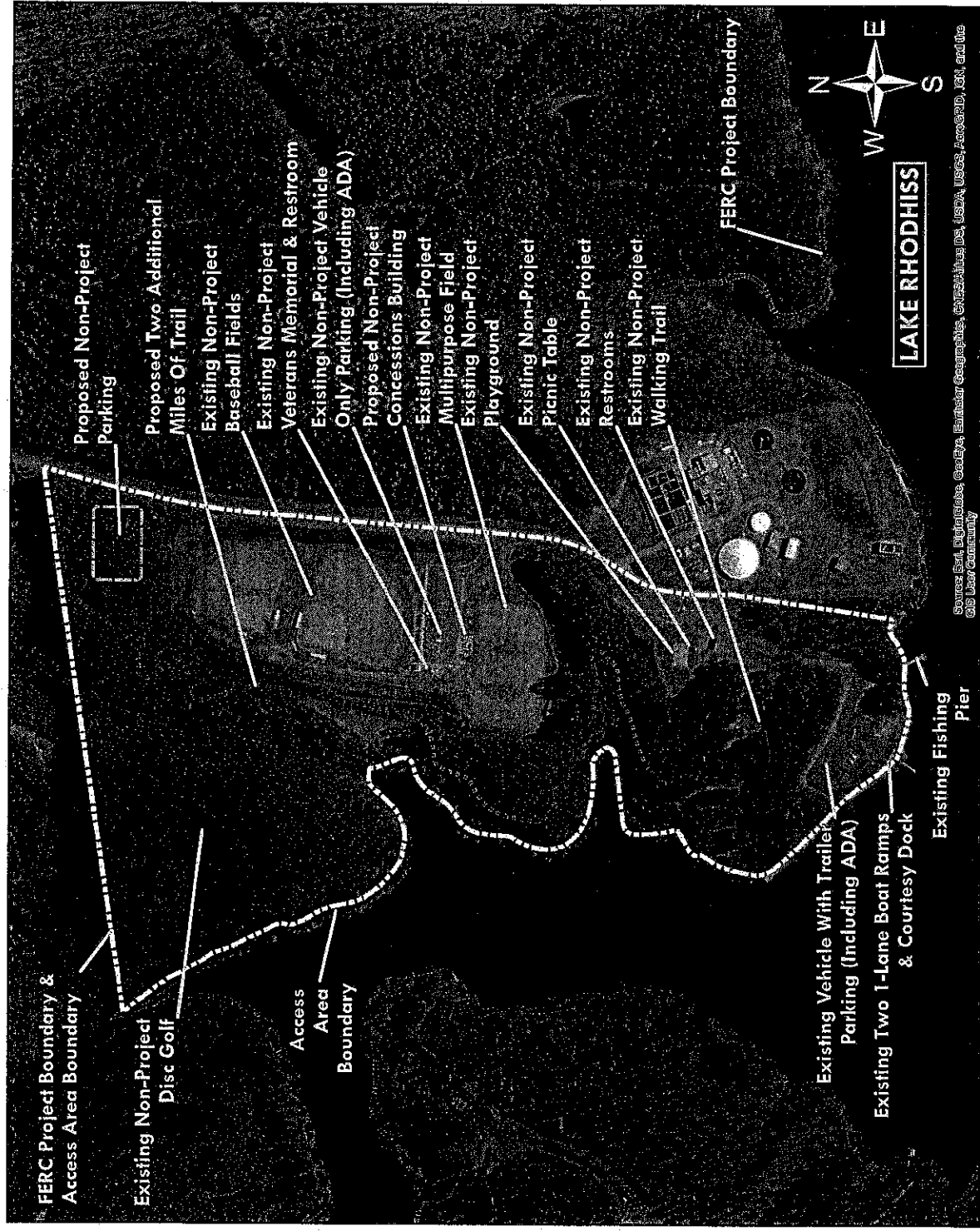
- PROJECT _____
- RECREATION _____
- NON-PROJECT _____
- RECREATION _____



CONLEY CREEK ACCESS AREA
(SAWMILLS VETERANS
MEMORIAL PARK)
RHODISS DEVELOPMENT
FERC NO. 2232

0 150 300 600
 Feet

EXHIBIT:
RH06



FERC Order No. 313

TITLE 18 - CONSERVATION OF POWER AND WATER RESOURCES

CHAPTER I - FEDERAL ENERGY REGULATORY COMMISSION, DEPARTMENT OF ENERGY

SUBCHAPTER A - GENERAL RULES

PART 2 - GENERAL POLICY AND INTERPRETATIONS

2.7 - Recreational development at licensed projects.

The Commission will evaluate the recreational resources of all projects under Federal license or applications therefor and seek, within its authority, the ultimate development of these resources, consistent with the needs of the area to the extent that such development is not inconsistent with the primary purpose of the project. Reasonable expenditures by a licensee for public recreational development pursuant to an approved plan, including the purchase of land, will be included as part of the project cost. The Commission will not object to licensees and operators of recreational facilities within the boundaries of a project charging reasonable fees to users of such facilities in order to help defray the cost of constructing, operating, and maintaining such facilities. The Commission expects the licensee to assume the following responsibilities: (a) To acquire in fee and include within the project boundary enough land to assure optimum development of the recreational resources afforded by the project. To the extent consistent with the other objectives of the license, such lands to be acquired in fee for recreational purposes shall include the lands adjacent to the exterior margin of any project reservoir plus all other project lands specified in any approved recreational use plan for the project.

(b) To develop suitable public recreational facilities upon project lands and waters and to make provisions for adequate public access to such project facilities and waters and to include therein consideration of the needs of persons with disabilities in the design and construction of such project facilities and access.

(c) To encourage and cooperate with appropriate local, State, and Federal agencies and other interested entities in the determination of public recreation needs and to cooperate in the preparation of plans to meet these needs, including those for sport fishing and hunting.

(d) To encourage governmental agencies and private interests, such as operators of user-fee facilities, to assist in carrying out plans for recreation, including operation and adequate maintenance of recreational areas and facilities.

(e) To cooperate with local, State, and Federal Government agencies in planning, providing, operating, and maintaining facilities for recreational use of public lands administered by those agencies adjacent to the project area.

(f)(1) To comply with Federal, State and local regulations for health, sanitation, and public safety, and to cooperate with law enforcement authorities in the development of additional necessary regulations for such purposes.

(2) To provide either by itself or through arrangement with others for facilities to process adequately sewage, litter, and other wastes from recreation facilities including wastes from watercraft, at recreation facilities maintained and operated by the licensee or its concessionaires.

(g) To ensure public access and recreational use of project lands and waters without regard to race, color, sex, religious creed or national origin.

(h) To inform the public of the opportunities for recreation at licensed projects, as well as of rules governing the accessibility and use of recreational facilities.

[Order 313, 30 FR 16198, Dec. 29, 1965, as amended by Order 375B, 35 FR 6315, Apr. 18, 1970; Order 508, 39 FR 16338, May 8, 1974; Order 2002, 68 FR 51115, Aug. 25, 2003]

STATE OF NORTH CAROLINA)	
)	
COUNTIES OF ALEXANDER, BURKE,)	DUKE ENERGY CATAWBA-
CALDWELL, CATAWBA,)	WATEREE PUBLIC ACCESS
GASTON, IREDELL, LINCOLN,)	AREA AGREEMENT
MCDOWELL AND MECKLENBURG)	

**NORTH CAROLINA WILDLIFE RESOURCES COMMISSION
DUKE ENERGY CATAWBA-WATEREE FERC HYDROELECTRIC PROJECT**

THIS PUBLIC ACCESS AREAS AGREEMENT (this "Agreement") is made this ____ day of _____, 2008, between **DUKE ENERGY CAROLINAS, LLC**, a North Carolina limited liability company (hereinafter referred to as "Grantor"), and the **NORTH CAROLINA WILDLIFE RESOURCES COMMISSION (NCWRC)**, an Agency of the State of North Carolina (hereinafter referred to as "Grantee") and which may be referred to individually or collectively as "Party" or "Parties";

WITNESSETH:

WHEREAS, Grantor has been licensed by the Federal Energy Regulatory Commission (FERC), to operate the Catawba-Waterree Project (License Number 2232), which impounds the waters of the Catawba River, including Lake James, Lake Rhodhiss, Lake Hickory, Lookout Shoals Lake, Lake Norman, Mountain Island Lake and Lake Wylie in North Carolina; and, which may be referred to individually or collectively as the "Project" or "Projects," and,

WHEREAS, Grantor has entered into a Comprehensive Relicensing Agreement with the signatory stakeholders dated October 20, 2006, which provides the terms, conditions, and limitations specific to resolution of all of the material matters at issue in the FERC relicensing of the Catawba-Waterree Project; and,

WHEREAS, Grantor's existing license to operate the Project will expire on August 31, 2008, and Grantor is in the process of seeking a new license from the FERC authorizing Grantor to continue operation of the Project for an additional term (the "New License"); and,

WHEREAS, Grantor owns, leases, or has a current operational agreement with the owner of the tracts of land, referred to as "Public Access Areas" (hereinafter referred to as "Public Access Areas"), more specifically described on Exhibit A attached hereto, adjacent to the Project waters and rivers which provide access for public recreation; and,

WHEREAS, Grantor desires to lease portions of the Public Access Areas that it owns or leases to state and local governmental agencies, commercial vendors or other interested parties, through its "Access Area Improvement Initiative", which is designed to ensure the development and maintenance of a variety of high quality recreational opportunities for the general public;

WHEREAS, Grantee agrees to: (1) enforce the laws and regulations of the State of North Carolina within its subject matter jurisdiction on the Public Access Areas; and (2) maintain those portions of the Public Access Areas designated by Grantor, in coordination with Grantee, including those portions of Public Access Areas that have been or may be leased in the future by Grantor to another entity, so long as the Public Access Areas continue to be open to the public; and,

WHEREAS, the terms of this Agreement shall be binding upon and inure to the benefit of Grantor and Grantee and their respective successors and assigns.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein, the Parties agree as follows:

1. Term: This Agreement shall become effective on July 1st, 2008 and shall expire at the end of the term of the New License, including any extension periods of the New License as may be granted by the FERC through annual Licenses or otherwise, but not including the next new subsequent license that the FERC may issue after the expiration of the New License unless terminated sooner pursuant to Paragraph 5 of this Agreement. This Agreement may be renewed if the Parties mutually agree, but neither Party shall not be obligated to renew.

2. Previous Agreements: Except for "authorization to act as agent" agreements between Grantor and Grantee, this Agreement replaces and supersedes any and all prior agreements between Grantor and Grantee for maintenance and enforcement activities on any of the Public Access Areas for the Projects, and such prior Agreement(s) shall be of no further force or effect.

3. FERC License Conflicts: This Agreement is subject to the terms and conditions of the licenses issued by the FERC for the Project. In the event of any conflict between the terms and conditions of this Agreement and the Project license, it is agreed that the terms of the applicable Project license shall prevail. In addition, in the event of any conflict between the terms and conditions of this Agreement and the Catawba-Wateree Comprehensive Relicensing Agreement, it is agreed that the terms of the Comprehensive Relicensing Agreement shall prevail.

4. Amendments: Amendments to this Agreement may be proposed by either Party upon thirty (30) days written notice to the other. Such amendments, when agreed to by both Parties, shall become effective on the date such Amendment is last signed by the Parties hereto.

5. Termination: This Agreement or any part thereof may be terminated by either Party upon one hundred and twenty (120) days written notice to the other. Grantor may also terminate this Agreement at any time if directed to do so by the FERC or its successor agency having jurisdiction over hydroelectric reservoirs which are subject to the Federal Power Act. Upon termination or expiration of this Agreement, Grantee shall have the right to remove its personal property and any and all buildings, apparatus and materials supplied by it for the purpose of this Agreement for a period of one hundred and eighty (180) days. If Grantee does not remove such items within this period, such items shall become the property of the Grantor.

6. Public Access Facilities: Grantor will provide public access facilities where such facilities are indicated on Exhibit A, for the duration of this Agreement.

7. Changes to Public Access Areas: Grantor reserves the right to move, alter or change the location, boundaries or layout of any Public Access Area or private road access to any Public Access Area, wherever and whenever it shall become necessary, in order to insure full public utilization of the area or to prevent any noxious or offensive use of any area, or whenever the land then occupied by such Public Access Area or road is necessary to the operations of Grantor. In the event the relocation of any Public Access Area becomes necessary, Grantor will provide a minimum of 30 days notice to Grantee and will attempt to relocate the affected Public Access Area on land owned or leased by Grantor and at a location satisfactory to the Grantee. Subject to approval by the FERC and consistent with the Catawba-Wateree Comprehensive Relicensing Agreement, Grantor may add, remove or close all or any portion of any Public Access Area, at any time, after providing a minimum of 30 days notice of the proposed action to Grantee.

8. Leases of Portions of the Public Access Areas: Grantor reserves the right to lease or sublease portions of the Public Access Areas to state or local agencies, third parties, or individuals for the provision of additional public recreation facilities, and the terms of this Agreement shall be incorporated into the lease or sublease for said portions of the Public Access Area, subject to the approval of all parties.

9. Notice of Changes to Design or Operation: Grantor will provide written notice to Grantee of all new orders issued by the FERC that may impact the existing or future design and/or use of the Public Access Areas.

10. Response to Increase in Recreation Use: Grantor will in good faith endeavor to accommodate future increases in public recreation demand on any or all of the Projects consistent with the provisions of the Catawba-Wateree Comprehensive Relicensing Agreement and the operation of Grantor's business.

11. Compensation for Maintenance: Grantor agrees to pay Grantee \$210,000 per year, as adjusted annually per Paragraph 4 to update Exhibit A as new Public Access Areas or amenities are provided, and as adjusted annually per Paragraph 14, to maintain the Public Access Areas which are the subject of this Agreement ("Maintenance Fee").

12. Cost-Share Funding for Capital Improvement: Grantee agrees to provide up to \$210,000 per year toward capital improvements, major repairs or replacement (see Paragraph 16) for the Public Access Areas, provided that Grantee has sufficient funds and matching funds are available to Grantee on a "50-50" matching basis. Any portion of Grantee's cost-share funding that was available in a given year but was not utilized will not accumulate for potential use at a later date. Matching funds may come from numerous sources, including but not limited to (1) Grantor, (2) a state, local, or other non-federal governmental agency, (3) a third party lessee, or (4) donation from an individual or organization. That portion of the funding provided for capital improvements to match Grantee's funds may only be utilized for improvements that directly benefit boating access users or public fishing area users. The annual cost-share amount can exceed \$210,000 if the Grantee has additional funds available for improvements to the Public Access Areas. Further, to insure Grantee retains the potential to utilize "U.S. Fish and Wildlife Sportfish Restoration Funds", the source of matching funds shall not be a federal government source. All capital improvements constructed with these matching funds that are located within the physical boundaries of the portion of the Public Access Area maintained by Grantee must remain accessible and free of charge to boating access facility users and public fishing area users for the duration of this Agreement, except as provided for in Paragraph 30. The Grantee's contribution towards capital improvements, (which may include materials and/or labor in lieu of dollars), will be described in detail in an annual report which must be submitted to Grantor prior to the Annual Coordination Meeting (see Paragraph 26). If Grantee's contribution will be in materials and/or labor, such activities may not proceed until approved by Grantor.

13. Additional Services: In the event that Grantor requests in writing that the Grantee perform services or provide products over, above, and beyond the basic services described in this agreement, then the Grantee may be paid for such additional services as herein provided. Additional services, for which additional compensation may be allowed, must first be agreed upon by both parties in writing and will be billed by Grantee to Grantor as "Additional Services".

14. Adjustment for Inflation / Deflation: Unless otherwise indicated in this Agreement, all costs or payment amounts in this Agreement that are specified in dollars shall remain in effect until January 1, 2009 at which time these dollar amounts shall be adjusted on an annual basis starting on January 1, 2009 and January 1 of each following year according to the following formula:

$$AD = (D \times (NGDP)) / IGDP$$

Where:

AD = Adjusted dollar amount as of January 1 of the year in which the adjustment is made (or, in the case of the first adjustment, 2009).

D = Dollar amount prior to adjustment.

NGDP = GDP-IPD for the third quarter of the year before the adjustment date (or, in the case of the first adjustment, 2008).

IGDP = GDP-IPD for the third quarter of the year before the previous adjustment date (or, in the case of the first adjustment, 2007).

"GDP-IPD" is the value published for the Gross Domestic Product Implicit Price Deflator by the U.S. Department of Commerce, Bureau of Economic Analysis in the publication "Survey of Current Business" (being on the basis of 2000 = 100), in the third month following the end of the applicable quarter. If that index ceases to be published, any reasonably equivalent index published by the Bureau of Economic Analysis may be substituted. If the base year for GDP-IPD is changed or if publication of the index is discontinued, the Licensee shall promptly make adjustments or,

if necessary, select an appropriate alternative index to achieve the same economic effect. Adjusted amounts will be rounded to the nearest whole dollar.

15. No Commitment of Government Funds: Nothing in this Agreement shall be construed as obligating Grantee to expend in any fiscal year any sum in excess of appropriations made by Congress or the North Carolina legislature or administratively allocated for the purpose of this Agreement for the fiscal year or to involve Grantee in any contract or obligations for the future expenditure of money in excess of such appropriations or allocations nor shall it be construed to require the transfer or use of any government lands or other resources (including personnel) except as authorized by law.

16. Maintenance: Grantee shall provide routine maintenance and repairs at all the Public Access Areas, including but not limited to, those items specified in 'a' through 'p' below.

a. Entrance Road: Entrance roads are to be maintained in a safe, open, and clear condition and repaired on an as needed basis to ensure that a good quality surface and drainage are maintained. Repairs may include, but are not limited to: repairing asphalt and maintaining gravel drives clear of ruts by grading and/or adding stone, keeping side ditches, water bars and culverts clear of water flow impediments, painting lines, and repairing guardrails.

b. Parking Lots and Turnarounds: Parking lots and turnarounds are to be maintained in a safe condition and repaired on an as needed basis to ensure good drainage. Repairs may include, but are not limited to: repairing asphalt, repainting faded lines and letters, painting new lines and letters, repairing curbing, applying asphalt sealer, maintaining gravel areas clear of ruts, ensuring proper drainage by grading and/or adding stone, and keeping all areas clear of debris, weeds, trees, and grass.

c. Courtesy Docks and Fishing Piers/Platforms: Courtesy docks and fishing piers/platforms are to be maintained in a safe condition and repaired as needed to ensure user safety. Repairs may include, but are not limited to: replacing broken or defective parts, replacing broken or loose pilings, replacing defective floats, insuring dock sections remain attached to each other, maintaining stone level around dock abutments and ramps, insuring nails and fastening devices are flush with dock surfaces, ensuring reflectors and boat bumpers remain in sound condition, and maintaining handrails free of any rough or sharp areas.

d. Boat Launch Ramps: Boat launch ramps are to be maintained in a safe condition and repaired as needed to ensure user safety. Repairs may include, but are not limited to: removal of debris and silt or any items that could hinder boat launching, maintaining stone at a sufficient level along edges and ends of ramps to ensure safety, and repairing any holes in ramps.

e. Drainage Control Devices: Drainage control devices provided to eliminate or minimize erosion problems are to be maintained in a safe condition and repaired as needed to ensure good drainage. Repairs may include, but are not limited to: correcting erosion problems and keeping drainage ditches and culverts clear of all debris, trees, and other drainage impediments.

f. Access Area Shoreline: The entire shoreline of all Public Access Areas is to be maintained in a safe condition and repaired as needed to ensure safety of recreation users and to maintain effective erosion control. Repairs may include, but are not limited to: maintaining or adding erosion control materials and removing brush or trees that threaten to displace erosion control materials or threaten the integrity of the bank. Maintenance and construction activities along the shoreline will comply with the FERC-approved Shoreline Management Plan and Guidelines. All such activities will be designed and carried out such that the environmental resources of the shoreline are protected.

g. Dead or Diseased Tree Removal: All dead or diseased trees or fallen tree and limbs that impact or could impact the use or maintenance of the Public Access Areas are to be removed in a timely manner. In accordance with the Shoreline Management Plan and Guidelines, the trees should be added to the lake or shoreline to provide fish and wildlife habitat.

h. Tree Maintenance: Ensure that all trees bordering parking areas, roads and/or walkways do not block driver vision; do not interfere with the movement of pedestrians, vehicles, and boats; and do not impede mowing and maintenance of the Public Access Area. Trees that may block vision or interfere with vehicle and boat movement or that have dead limbs that could injure recreation users if they fall will be promptly removed from the site. In accordance with the Shoreline Management Plan and Guidelines, the trees should be added to the lake to provide fish and wildlife habitat.

i. Trash Removal: Trash receptacles placed in Public Access Areas will be maintained in a safe and sanitary condition and must be sized to adequately handle the volume of debris normally disposed of in the area. All trash receptacles should be emptied on a predetermined schedule so that the accumulation of trash and refuse generated by regular and customary use of the Public Access Area does not present a safety or health hazard. Heavily used Public Access Areas may require more frequent trash removal and frequency of trash removal may need to be increased during peak recreation seasons. All refuse and trash scattered around the Public Access Areas should be removed as often as needed to ensure a safe and hazard free area.

j. Grass and Ground Cover: Ground cover, such as shrubs, grass, or mulch, will be provided as needed throughout the Public Access Areas and should be maintained in a safe, environmentally sound, and aesthetically pleasing condition. Mulch and/or grass areas should be maintained at a height of not less than three (3) inches and not more than eight (8) inches. Where appropriate, native plants and grasses may be used as ground cover as an alternative to turf grass. Such areas would be allowed to exceed the height specifications. All refuse and trash should be removed from the grounds before mowing. Turf grass is to be mowed to the ditch or tree line along roadways, to the tree line around parking lots and to the tree line in open areas. Mowing an additional four (4) feet (or one mower width of at least three [3] feet) on the opposite side of the ditch line should be done in May, August and November or whenever appropriate to maintain sufficient water flow through the ditch and control woody vegetation.

k. Use of Herbicides: Environmentally acceptable herbicides approved by the Environmental Protection Agency and/or the North Carolina Department of Agriculture may be utilized in Public Access Areas as needed to control unwanted vegetation in driveways, parking lots, turnaround areas, designated foot paths, stabilized shoreline areas and on boat launch ramps. Except in areas that may be designated as "Do Not Spray". Herbicide may be applied to the first 6 (six) inches of grass around the edges of the parking lots, turnarounds and roads and around signposts, trash can pads, light poles and culverts and other structures to minimize the amount of trimming needed.

l. Use of Fertilizer: Use of fertilizer is permitted on a seasonal basis as needed. Grassed portions of Public Access Areas should be fertilized twice per year or at the times recommended and with the type of fertilizer recommended by the manufacturer for the type and location of material being treated.

m. Use of Grass Seed: The timing of, preparation for, and application of grass seed will be dependent on the manufacturer's recommendations for the type of seed being applied.

n. Signage: All signage provided by the Grantee must be approved by both parties prior to installation and may be submitted in electronic mail or letter with the correct spelling of the text, translation if other than English and a description of the sign. All signs must be maintained in safe and readable form.

o. Lighting and Utility Lines: All lighting will be shielded and otherwise designed to minimize any negative impacts to fish and wildlife resources to the maximum extent feasible. All lighting will be installed by Grantor in conformance with current building and electrical code requirements. Grantee shall assume all post-installation costs associated with any lighting and its maintenance, including but not limited to, payment of power bills. To the maximum extent practicable, new or modified utility lines and/or boating facilities should be designed so that overhead utility lines do not cross boat access roads, parking lots, turn-around areas, or boat launch ramps. Any overhead utility lines that have no other practical alternative to being located within the areas defined above, must be designed with the height clearances required by the then current National Electric Safety Code or any other applicable electrical safety codes, whichever is the most restrictive and provides for the greatest height.

p. Sanitary Facilities: Pump-and-Haul toilets will be installed by Grantor at Public Access Areas as designated on Exhibit A. Grantor shall assume all post-installation costs associated with Pump-and-Haul toilets and their maintenance, including but not limited to periodic pumping as needed. Grantee shall assume all installation costs and shall assume all post-installation costs associated with any portable sanitary facilities and their maintenance, including but not limited to periodic pumping as needed. At Public Access Areas where the Grantor arranges for the construction of conventional sanitary facilities (building, toilets, sinks, water system and septic system) the Grantor shall assume all post-installation costs associated with the conventional sanitary facilities.

17. Major Repair or Replacement Costs: When major "non-routine" repairs or replacement of any facilities becomes necessary, Grantor and Grantee will consult to identify the resources necessary to make such repairs, and then determine the availability of the necessary resources and/or funding including the cost-share funding as defined in Paragraph 12. Approval by both Parties will be required prior to work being initiated. Major repairs may include, but are not limited to repair or replacement of docks, piers, boat launch ramps, access roads, or parking lots.

18. Improvements: Grantee shall have the right, at its own expense, to make additions or modifications to facilities at the Public Access Areas, to change operating hours of such facilities, and to implement or modify user fees consistent with the purpose of the Public Access Areas. However, Grantee shall submit such requests in writing to Grantor and shall receive written approval from Grantor prior to initiating any construction or equipment mobilization or instituting changes to the hours or user fees at the Public Access Areas. Additions to or modifications of any facilities will require the submittal of detailed plans, including but not limited to, construction plans and elevation drawings. Major additions or modifications may require the approval of applicable local, state, and federal agencies prior to submittal of the request to Grantor. In certain situations, Grantor will need to submit Grantee's written request to the FERC for approval, prior to issuance of approval by Grantor. All proposals by the Grantee to construct improvements at the Public Access Areas must include, among other things, descriptions of how the proposed improvements (a) comply with the requirements of the Americans with Disabilities Act and (b) use reasonable best efforts to implement Low Impact Development practices for storm water management.

19. Protection of Environment: Grantee shall take all required precautions during the Grantee's construction, modification, operation and maintenance of facilities at the Public Access Areas to protect and enhance the environmental values of affected lands and waters of the Project.

20. Cultural Resources: If any cultural resources are discovered during the Grantee's construction, modification or maintenance of facilities at the Public Access Areas, the construction, modification or maintenance work shall be halted, and Grantee shall contact the State Historic Preservation Officer and Grantor to determine what measures, if any, are required to protect or recover the resources. Written notice shall be given by Grantee to Grantor and all other appropriate agencies informing them of any such discovery and identifying the protective or recovery measures being implemented, if any are required.

21. Wildlife Protection Access: Grantee, its agents and assigns, shall have the right of ingress and egress upon all of the Public Access Areas at any and all times for the protection and propagation of fish and wildlife.

22. Law Enforcement: Grantee shall enforce the laws and regulations of the State of North Carolina within its subject matter jurisdiction, on all portions of the Public Access Areas.

23. Fire Protection: In the event of a fire within or threatening to the lands or facilities of any of the Public Access Areas, Grantee agrees to assist Grantor with fire protection.

24. Transfer or Assignment: Grantee shall not transfer or assign this Agreement to any other party or entity.

25. User Fees: Grantee may charge user fees at the Public Access Areas only under the following conditions:

a. Lawful Authority: Grantee must be given Authority by the North Carolina General Assembly to promulgate rules allowing Grantee to impose user fees at areas managed by Grantee prior to the imposition of any fee. As of the date of the execution of this agreement, Grantee does not have such authority.

b. Review Process: Should Grantee receive authority to impose user fees as described in subparagraph a., Grantee shall provide Grantor a copy of the proposed administrative rule imposing a fee schedule at least sixty (60) days prior to initiation of the public hearing process. Such proposed rule shall describe how the fees will be collected and how the proceeds will be distributed and utilized. Grantor agrees not to propose any rule that would not utilize proceeds from user fees for site improvements or other enhancements to the Public Access Areas.

c. Prior Written Approval Required: Rulemaking may not be initiated until Grantor has provided written approval. Once approval has been given and rulemaking has been initiated, Grantor shall accept any rule in its final form as adopted by Grantee that does not impose an overall higher fee than that which was initially proposed.

d. Review of User Fees: User fees established for the Public Access Areas must be a reasonable and customary amount and are subject to review and approval by the FERC to ensure Project license compliance.

e. Exemptions from User Fees: Grantor's employees, Grantee's employees, third party lessee's employees, local law enforcement officials, local environment and public health officials, and local emergency response crews, or any other official representing the Grantor, Grantee or a governmental entity that require access to the facilities while operating in his/her official capacity must be exempt from user fees.

26. Coordination Meeting and Reporting: Each Party will prepare a report during the first quarter of each calendar year that summarizes expenditures and accomplishments during the previous calendar year. Subsequent to the report preparation, Grantor and Grantee will meet to discuss and coordinate development plans and schedules for improvements to the Public Access Areas or any proposed leases to third parties. Additionally, the Parties will assess the overall performance of this Agreement and adjust it as necessary based on experience and any new information or changes to the FERC Licenses, Shoreline Management Plan and recreation plans for the Project. Decisions must be acceptable to both Grantor and Grantee in order to be implemented.

27. Joint Inspection: Grantor and Grantee will perform an annual joint physical inspection of each of the Public Access Areas to insure the Public Access Areas are being maintained in a safe manner and to the levels mutually acceptable to Grantor and Grantee.

28. Signage: Grantor and Grantee will work together to develop all information required for signage at the entrance of each Public Access Area, as set forth in the Project License or Catawba-Wateree Comprehensive Agreement. All signs shall be consistent with the National Water Safety Congress and FERC Public Safety Guidelines and will include international signage symbols where appropriate. Grantor and Grantee will erect and maintain all signage specific to each party's purpose and directives.

29. Temporary Closures: If, in the opinion of either Grantor or Grantee, it becomes necessary to temporarily close any Public Access Area or any portion thereof (e.g. if a lake level is too low to safely use the access area, if a boat ramp has failed, or for any other reason), Grantor or Grantee will provide written notice through electronic mail or by letter to the other party of such condition, and the Parties will jointly determine the appropriate course of action, including methods for closure, and public notification.

30. Public Use of Facilities: Grantee shall allow any recreational user of any leased portion of the Public Access Areas to cross and use the portion of the Public Access Area under the control of Grantee, for the purpose of viewing the lake or river or any other lawful recreation activity, so long as it does not interfere with the intended uses of the access area.

31. Bank Fishing: The Parties shall ensure that the shoreline of all Public Access Areas remains open for bank fishing for the term of this Agreement, except for those minimal shoreline areas where bank fishing is restricted for safety reasons, management problems or to avoid conflicts with other Public Access Area users. The Grantee, in consultation with Grantor, shall designate with appropriate signage those portions of shoreline at the Public Access Areas where bank fishing is prohibited.

32. Entry by Lessees: Lessees, their agents and representatives, who lease or sublease a portion of the Public Access Areas as provided in Paragraph 8 above, may at all reasonable times enter, cross and use the portion of the Public Access Areas maintained by the Grantee, for the purpose of installing and maintaining utility lines, roads and trails consistent with the previously approved facilities improvement plan for the Public Access Areas.

33. Reservation of Use: Grantor reserves for itself, subsequent FERC project licensees, and its successors and assigns, the right to temporarily use the Public Access Areas for Project purposes and for any other purpose consistent with Grantor's business operations. If such future change in use of the Public Access Areas eliminates or otherwise limits the full public use of the area, Grantor will replace the lost site or function elsewhere within the Project or at another appropriate site.

34. Reservation of Authority: No terms or conditions herein contained shall be construed as limiting or affecting in any way the authority of Grantor in connection with its exercise of proper protection and administration of the Public Access Areas or the Project.

35. Utility Easement: Grantor reserves an easement to build, construct, maintain and operate electric distribution/transmission lines on, over, under, along and above the Public Access Areas. Grantor also reserves the right, privilege and easement to erect, construct, reconstruct, replace, maintain and use towers, poles, wires, crossarms and other appliances and fixtures for the purpose of transmitting or distributing electric power, for said Grantor's communication purposes, and for any other purpose that is, in Grantor's sole discretion, consistent with Grantor's business operations, together with the right to keep said lines, appliances, and fixtures free of structures, trees and other objects that may endanger or interfere with same.

36. Flooding and Drawdown: Grantor reserves the unlimited right to back, flood or drawdown the waters or tributaries of the Project, from time to time and at any and all times, over and upon the Public Access Areas or any portion of the same, to such extent the flooding or drawdown may be necessary or convenient in connection with the practical operation of its hydroelectric power plants located or to be located in the future on the Catawba-Wateree chain and to the extent such flooding or drawdown is consistent with Grantor's obligations under its FERC licenses, other applicable easements and agreements, and applicable law. Grantee agrees that any damage it may suffer as a result of such flooding shall not be claimed or charged against Grantor.

37. FERC Project Restoration: Except as provided for by the Catawba-Wateree Comprehensive Relicensing Agreement, Grantor shall be under no obligation to Grantee to maintain or continue to operate the Projects and should said Project be damaged, destroyed or removed, Grantor shall be under no obligation to restore or rebuild same. Grantee hereby waives all claims against Grantor for damages to or destruction or removal of said Project.

38. Compliance with Federal, State and Local Laws: Grantee agrees that its use of the Public Access Areas as herein provided will be consistent with all FERC orders and regulations regarding recreation opportunities and development at FERC licensed hydro projects. Grantee agrees that its use of the Public Access Areas as herein provided will be consistent with all other applicable state, federal and local laws as well as all ordinances, rules, regulations and sanctions of any regulatory body or governmental agency (state, federal or local) having jurisdiction in the subject premises. Grantee's use of the aforesaid subject premises shall comply with all applicable Duke Energy Lake Services requirements and will not endanger health or safety, create a nuisance or otherwise be incompatible with the overall recreation use of the Projects.

39. Indemnity: Grantee, to the extent allowed by applicable North Carolina (State) law, specifically as may be authorized by the General Statutes of North Carolina, Article 31, Chapter 143-291, entitled "Tort Claims Against State Departments and Agencies", covenants to indemnify and save harmless Grantor from and against any and all claims, liability, loss or damage, arising from any conduct, work or thing done under the terms of this

Agreement, to include injury or damage to any person or persons, including Grantor, or to the property of any person, or persons or corporations occurring on or within the Public Access Areas which are the subject of this Agreement, as the result of any activity of Grantee, its agents, employees, or any other person or entity under the direction of the Grantee, and for any protection, mitigation and enhancement measures or activities required by FERC or its successor agency in connection with the activities conducted by Grantee hereunder. Upon the State contracting with an entity for the purpose of constructing any facilities on the Public Access Areas that are the subject of this Agreement, Grantor shall be named as an insured or an additional insured on a policy of insurance covering the scope of such activity prior to the commencement of any activity by the State, its agents or contractors. Any contractor or subcontractor performing work on property that is the subject of this Agreement shall have in place prior to commencement of any activity and during the performance of any activity, the following types of insurance and coverage limits:

- General Liability Coverage – Two million dollars per occurrence.
- Auto Liability – one million dollars per occurrence.
- Workers Compensation within statutory limits.
- Employer's Liability – five hundred thousand dollars each accident.
- Contractor's Pollution Liability Coverage – one million dollars per occurrence.

40. Limitation of Liability: Grantor and Grantee agree and warrant that any and all work performed within the Public Access Areas will be performed with professional thoroughness and using acceptable standard business practices. Grantor's total cumulative liability to Grantee for claims of any kind whether based on contract, tort (including negligence and strict liability and excluding willful misconduct), under any warranty or otherwise, for any loss or damage relating to this Agreement, shall in no case exceed the cost of completing the work in accordance with acceptable business practice, and Grantee releases Grantor from all further liability in excess of this amount for any work performed under this Agreement. Grantee further releases Grantor from any and all liability resulting from any injury of any employee of Grantee or anyone performing any service at the direction of Grantee on the Public Access Areas, excluding any acts of willful misconduct by the Grantor.

Grantee's total cumulative liability to Grantor for claims of any kind whether based on contract, tort (including negligence and strict liability and excluding willful misconduct), under any warranty or otherwise, for any loss or damage relating to this Agreement, shall in no case exceed the cost of completing the work in accordance with acceptable business practice, and Grantor releases Grantee from all further liability in excess of this amount for any work performed under this Agreement. Grantor further releases Grantee from any and all liability resulting from any injury of any employee of Grantor or anyone performing any service at the direction of Grantor on the Public Access Areas, excluding any acts of willful misconduct by the Grantee.

Neither Party shall be liable, whether based on contract, tort (including negligence and strict liability), under any services or work performed relating to this Agreement, for any consequential, indirect, special, or incidental loss or damage, any damage (except to the extent damage resulted from willful misconduct) to or loss of any property or equipment.

This limitation of, or protection against liability shall also protect directors, officers, employees, agents, consultants, suppliers, subcontractors, and affiliated entities and their directors, officers, employees, agents, consultants, suppliers, subcontractors, parents, subsidiaries and affiliates of the Grantor or Grantee and shall apply regardless of the fault (excluding willful misconduct), negligence or strict liability of the respective party.

The limitation of liability in this provision shall apply notwithstanding any other provision of this Agreement.

41. Non-warranty: Grantor makes no representation or warranty, express or implied, and will bear no responsibility as to the existing or future water quality or quantity in the lakes and rivers associated with the Project or the sufficiency or suitability of the Public Access Areas for use as a public park and/or public recreation site.

42. Survival: Provisions of this Agreement for Termination (Paragraph 5), Limitation of Liability (Paragraph 40), Survival (Paragraph 42) and Indemnity (Paragraph 39) shall survive the termination or cancellation of this Agreement and shall remain in effect.

43. Recovery of Fees and Costs: If any action is taken by either Party to enforce any provision, covenant or agreement contained in this Agreement or if either Party is required to retain an attorney to enforce any provision, covenant or agreement contained in this Agreement (including, without limitation, the removal of an encroachment constructed by Grantee on the Public Access Areas in violation of this Agreement), then the aggrieved Party shall be entitled to recover from the other Party all aggrieved Party's reasonable costs, including but not limited to attorneys' fees and court costs incurred in such action and/or enforcement. In the occurrence of same, Grantee shall be entitled to recover from Grantor all of Grantee's reasonable costs, including but not limited to attorneys' fees and court costs incurred in such action and/or enforcement.

44. Severability of Terms: Unless provided otherwise in this Agreement, should any term of this Agreement or part thereof be held under any circumstances in any jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of any other term of this Agreement or other part of such term.

45. Notices: Wherever in this Agreement it shall be required or permitted that notice be given by either Party to this Agreement to the other, such notices must be in writing and must be given personally, provided by e-mail, or forwarded by certified mail addressed as follows:

To Grantor: Duke Energy Carolinas, LLC
Attn: Lake Services EC12Q
P.O. Box 1006
Charlotte, NC 28201-1006

To Grantee: North Carolina Wildlife Resources Commission
Division of Engineering Services
Attn: Division Chief
1720 Mail Service Center
Raleigh, NC 27699-1720

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be executed this the day and year first above written.

GRANTOR
DUKE ENERGY CAROLINAS, LLC

By: _____
Name: Steven D. Jester
Title: Vice President, Hydro Licensing and Lake Services

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

I, _____, a Notary Public for said County and State, certify that _____ personally came before me this day and acknowledged that he is _____ of Duke Energy Carolinas, LLC, a North Carolina limited liability company, and that he, as _____, being authorized to do so, executed the foregoing on behalf of the company.

WITNESS my hand and official seal, this the _____ day of _____, 200_.
[SEAL]

My Commission Expires: _____
Notary Public

GRANTEE
NORTH CAROLINA WILDLIFE RESOURCES COMMISSION

Attested By:

By: _____
Name: Fred Harris
Title: Executive Director
Title: _____

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public for the above State and County, hereby certify that _____ personally came before me this day and acknowledged that s/he is _____ of the North Carolina Wildlife Resources Commission and that by authority duly given and as the act of said corporation, the foregoing and annexed instrument was signed in its name by _____, its _____, sealed with its corporate seal and attested by _____ as its _____.

WITNESS my hand and official seal, this the _____ day of _____, 200_.
My Commission Expires: _____
Notary Public

EXHIBIT A

DUKE ENERGY CATAWBA-WATEREE AREA PUBLIC ACCESS AREAS AGREEMENT

Note: Items in italics have not been installed as of January 1, 2008. Items identified by asterisk (*) to be maintained by others.

LAKE JAMES

1) Black Bear Access Area

- Black Bear Access Area with the following amenities:
 - Six boat launch ramps;
 - Three courtesy piers;
 - *Restrooms*;
 - *One fishing pier, or*;
 - *Bank fishing trail**;
 - *Trails**;
 - *Overnight cabins**;
 - *Primitive camping**;
 - *Picnic areas**;
 - Paved parking area with lights; and
 - One hundred sixty five trailer parking spaces

2) Linville Access Area

- Linville Access Area with the following amenities:
 - Two boat launch ramps;
 - One courtesy pier;
 - *Restrooms**;
 - *Picnic facilities**;
 - Paved parking area with lights; and
 - Sixty trailer parking spaces

3) New Linville Access Area (Undeveloped)

- New Linville Access Area with the following amenities:
 - *Two boat launch ramps*;
 - *One courtesy pier*;
 - *Vault Toiler**;
 - *Picnic Area**;
 - *Paved parking area with lights; and*
 - *Undetermined trailer parking spaces*

4) Bridgewater Access Area

- Bridgewater Access Area with the following amenities:
 - Fishing Pier
 - *Boat launch ramp*;
 - *Restrooms**;
 - *Picnic area**;
 - *Parking area with lights; and*
 - *Undetermined additional trailer parking spaces*

5) Muddy Creek Access Area (undeveloped)

- Muddy Creek Access Area with the following amenities:
 - *Canoe/Kayak Access;*
 - *Parking area; and*
 - *Approximately 10 parking spaces*

LAKE RHODHISS

6) Johns River Access Area

- Johns River Access Area with the following amenities:
 - One boat launch ramp;
 - One courtesy pier;
 - Paved parking area with lights;
 - Fifteen trailer parking spaces; and
 - Six car parking spaces

7) Corpening Bridge Access Area (undeveloped)

- Corpening Bridge with the following amenities:
 - *Boat launch ramp;*
 - *Gravel parking area; and*
 - *Ten trailer parking spaces*

8) Huffman Bridge Access Area

- Huffman Bridge Access Area with the following amenities:
 - Bank Fishing Area
 - Paved parking area with lights; and
 - 24 parking spaces

9) Castle Bridge Access Area

- Castle Bridge Access Area with the following amenities:
 - Six boat launch ramps;
 - Three courtesy piers;
 - *Restrooms*;*
 - Paved parking area with lights; and
 - One hundred forty nine trailer parking spaces

10) Conley Creek Access Area (Sawmills Veterans Park leased by Town of Sawmills, NC)

- Conley Creek Access Area with the following amenities:
 - Two boat launch ramps;
 - One courtesy pier;
 - One fishing pier;
 - Paved parking area with lights; and
 - Seventy trailer parking spaces

11) Rhodhiss Access Area

- Rhodhiss Access Area with the following enhancements:
 - Two boat launch ramps;
 - One courtesy pier;
 - *Restrooms*;*
 - Paved parking areas with lights; and
 - One hundred trailer parking spaces

LAKE HICKORY

12) Gunpowder Access Area

- Gunpowder Access Area with the following amenities:
 - Two boat launch ramps;
 - One courtesy pier;
 - Paved parking area with lights; and
 - Sixty trailer parking spaces

13) Lovelady Access Area

- Lovelady Access Area with the following amenities:
 - Two boat launch ramps;
 - One courtesy pier;
 - *One fishing pier*;
 - Paved parking area with lights;
 - Forty trailer parking spaces; and
 - Ten car parking spaces

14) Wittenburg Access Area

- Wittenburg Access Area with the following amenities:
 - Six boat launch ramps;
 - Three courtesy piers;
 - Two fishing platforms;
 - *Restrooms**;
 - *Picnic area**;
 - *Swimming Area**;
 - Paved parking area (*add additional undetermined paved parking*);
 - One hundred sixty four trailer parking spaces with lights; and
 - Thirty four car parking spaces

15) Dusty Ridge Access Area (leased by Alexander County)

- Dusty Ridge Access Area with the following proposed amenities:
 - Two boat launch ramps;
 - One courtesy pier;
 - One trash bin;
 - *One mile of trail**;
 - *Restrooms**;
 - Paved parking area with lights; and
 - Forty trailer parking spaces

16) Oxford Access Area

- Oxford Access Area with the following proposed amenities:
 - Four boat launch ramps;
 - Two courtesy piers;
 - *Bank fishing**;
 - *Primitive camping**;
 - *picnic area**;
 - *Trails**;
 - *Restrooms**;
 - *Swimming Area**;
 - Paved parking area with lights (*additional paved parking to be added*); and
 - One hundred twenty trailer parking spaces

17) Oxford Tailrace Fishing Area

- Oxford Tailrace Fishing Area with the following proposed amenities:
 - *Fishing platform; and*
 - *Parking area with lights*

LOOKOUT SHOALS LAKE

18) Upper Lookout Shoals Access Area (undeveloped)

- Upper Lookout Shoals Access Area with the following amenities:
 - *Boat launch ramps;*
 - *Primitive camping*;*
 - *Restrooms*;*
 - *Paved parking area; and*
 - *Undetermined trailer parking spaces*

19) Sharon Access Area

- Sharon Access Area with the following amenities:
 - One boat launch ramp;
 - One courtesy pier;
 - One trash bin;
 - Paved parking area with lights; and
 - Twenty eight trailer parking spaces

20) Lookout Access Areas

- Lookout Access Area with the following amenities:
 - Two boat launch ramps;
 - One courtesy pier;
 - *Restrooms*;*
 - One trash bin;
 - Paved parking area with lights; and
 - Fifty three trailer parking spaces

21) Lookout Shoals Tailrace Fishing Area

- Lookout Shoals Tailrace Fishing Area with the following proposed amenities:
 - *Fishing platforms; and*
 - *Gravel Parking area with lights*

LAKE NORMAN

22) Long Island Access Area

- Long Island Access Area with the following amenities:
 - Two boat launch ramps;
 - One courtesy pier;
 - Paved parking area with lights; and
 - Forty eight trailer parking spaces

23) Island Point Access Area (undeveloped)

- Island Point Access Area with the following amenities:
 - *Boat launch ramps;*
 - *Courtesy piers;*
 - *Trails*;*

- *Pier or bank fishing*
- *Swimming area**;
- *Restrooms**;
- *Paved parking area with lights; and*
- *Undetermined trailer parking spaces*

24) Pinnacle Access Area

- Pinnacle Access Area with the following amenities:
 - Five boat launch ramps;
 - Two courtesy piers;
 - Four trash bins;
 - Paved parking area with lights;
 - One hundred thirty one trailer parking spaces; and
 - Nine car parking spaces

25) McCrary Creek Access Area

- McCrary Creek Access Area with the following amenities:
 - Four boat launch ramps;
 - Two courtesy piers;
 - Three trash bins;
 - Paved parking area with lights; and
 - Ninety eight trailer parking spaces

26) Marshall Fishing Area

- Marshall Fishing Area with the following amenities:
 - One to two portable toilets;
 - Four trash cans; and
 - Gravel parking area

27) Hager's Creek Access Area

- Hager's Creek Access Area with the following amenities:
 - Four boat launch ramps;
 - Two courtesy piers;
 - *Trails**;
 - *Bank fishing**;
 - *Picnic area**;
 - *Restrooms**;
 - *Fishing pier*;
 - Two trash bins
 - Paved parking area with lights (*additional paved area to be constructed*); and
 - One hundred twenty trailer parking spaces

28) Little Creek Access Area

- Little Creek Access Area with the following amenities:
 - Two boat launch ramps;
 - One courtesy pier;
 - *Restrooms**;
 - *Fishing pier(possibly maintained by leasee)*;
 - *Picnic shelter**;
 - Two trash bins;
 - Paved parking area with lights (*additional paved area to be constructed*); and
 - Fifty nine trailer parking spaces

29) Beatty's Ford Access Area

- Beatty's Ford Access Area with the following amenities:
 - Four boat launch ramps;
 - Two courtesy piers;
 - *Picnic area**;
 - *Fishing pier (possibly maintained by leasee)*;
 - *Swimming area**;
 - *Restroom**;
 - Four trash bins;
 - Paved parking area with lights; and
 - One hundred twenty trailer parking spaces

MOUNTAIN ISLAND LAKE

30) Hwy 73 Access Area

- Hwy 73 Access Area with the following amenities:
 - *Canoe Kayak access area*;
 - *Gravel parking area*; and
 - *Ten parking spaces*

31) Neck Road Access Area

- Neck Road Access Area with the following amenities:
 - Two boat launch ramps;
 - One courtesy pier;
 - Paved parking area with lights; and
 - Sixty one trailer parking areas

32) Riverbend Access Area

- Riverbend Access Area with the following amenities:
 - Four boat launch ramps;
 - Two courtesy piers;
 - *Fishing pier (possible maintained by leasee)*;
 - *Bank fishing**;
 - *Restroom**;
 - *Swimming area**;
 - One trash bin;
 - Paved and gravel parking areas with lights; and
 - One hundred trailer parking areas plus additional parking

33) Mountain Island Tailrace Fishing Area

- Mountain Island Tailrace Fishing Area with the following amenities:
 - One or two portable toilets (seasonal);
 - Two fishing platforms with ADA trail; and
 - *Gravel parking area*

LAKE WYLIE

34) Allen Fishing Area

- Allen Fishing Area with the following amenities:
 - Two fishing platforms with ADA trail;
 - Restrooms*;
 - Paved parking area with lights; and

- Twenty seven parking areas

35) South Point Access Area

- South Point Access Area with the following amenities:
 - Six boat launch ramps;
 - Four courtesy piers;
 - *Trails**;
 - *Bank fishing**;
 - *Fishing pier*;
 - *Picnic area**;
 - *Swimming area**;
 - *Restrooms**;
 - Eight trash bins;
 - Paved parking area with lights; and
 - One hundred sixty five trailer parking areas

AGENDA ITEM 11A

MEMO

DATE:

May 21, 2019

SUBJECT:

Updates:
Code Enforcement
Monthly Report

Discussion:

The attached report shows the progress that Planner Hunter Nestor continues to make throughout the town.

Recommendation:

No Council action required.

Code Enforcement Report			
Property Address	Property Owner	Issue	Notes
4361 Sawmills School Rd	Chenay Carter	Overgrown lot	Letter sent 7/19. Deadline 8/3. Nuisance abated by town on 8/10. Lien placed on property for cost of mowing. Hearing held on 9/6. Ms. Carter did not show so town will proceed to demolish house.
4215 Trojan Lane, Hudson, NC	Jessie Kristian Smith	Fowl running loose	Received a written complaint from James Fox 828-396-7506 adjacent property owner about neighbor with 1-15 chickens and 6 ducks running loose. Traveling public along Trojan Lane are constantly having to stop wait on ducks to cross the road or sunning on the road. School buses have needed to blow horns to get them to move. Also the fowl are digging up neighbors mulch. Certified letter sent 02/21/2019. Site visit showed fowl running loose in back yard and roosting. There are also materials accumulation surrounding home. Looks as though property owners are building fence. 2nd notice was sent on 4/16 and given till 4/27.
2570 Baker Circle, Granite Falls, NC 28630	Carolyn Bray/ Robyn Brittan	abandoned mobile home	Working with attorney to abate.
Horror Fields (4276 Helena St, Hudson, NC 28638)	KISER-SAWMILLS INC	Fence/Buffer	Complaint made on 4/10. Property is not in compliance with conditions set but CUP. Letter sent out on 4/11. Deadline 5/10
4011 BAIRD DR, Hudson, NC	RENT TO OWN PROPERTIES LLC	Discharging firearm near residential structures	Complaint made on 4/16. Warning letter was sent on 4/16. As of 5/7 no new complaints and activity has ceased.
2322 Eileen St	John Wilcox	Overgrown Vegetation	Complaint made on 4/22. Deadline 5/5. Nothing has been done as of 5/7. Notice of violation sent /