

**COLUMBUS COUNTY**  
**BOARD OF COMMISSIONERS**

**MINUTES**

The Honorable Board of Columbus County Commissioners met in the Columbus County Courthouse Annex, Commissioners' Chambers, 112 West Smith Street, Whiteville, NC 28472, at 8:00 A.M., November 5, 2001 to hold their regularly scheduled meeting, it being the first Monday.

**BOARD MEMBERS PRESENT:**

Spruell R. Britt, Chairman

Sammie Jacobs, Vice Chairman

David L. Dutton, Jr.

Amon E. McKenzie

Bill Memory

Lynwood Norris

C.E. Wilson

James E. Hill, Jr.  
County Attorney

Billy Joe Farmer  
County Administrator

Ida L. Smith, Clerk to Board

**PUBLIC HEARING - U.S. DEPARTMENT OF JUSTICE LOCAL LAW  
ENFORCEMENT GRANT PROGRAM**

Chairman Britt called the Public Hearing to order and stated the purpose of holding the Public Hearing is to receive citizens' input regarding Columbus County applying for funding under the U.S. Department of Justice Local Law Enforcement Program.

Chairman Britt asked everyone present that was for or against the application to comment.

There were no comments.

At 8:03 A.M., Chairman Britt declared the Public Hearing closed.

**REGULARLY SCHEDULED BOARD MEETING COMMENCED**

Chairman Britt called the Board Meeting to order and Ed Worley, Aging Director, gave the invocation. Also, everyone in attendance pledged allegiance to the flag of the United States of America.

**BOARD MINUTES APPROVAL**

A motion was made by Commissioner McKenzie, seconded by Commissioner Norris and passed unanimously to approve the Public Hearing for September 25, 2001 and the Board Minutes for October 15, 2001, as recorded.

**CONSENT AGENDA ITEMS**

A motion was made by Commissioner Jacobs, seconded by Commissioner Norris and passed unanimously to approve the following Consent Agenda Items:

**Refunds:**

Request a refund in the name of Butler, Lonnie Dale, 2606 Smyrna Rd., Whiteville, NC 28472. Refund user fee that was paid on location that does not have a trash can. Amount \$125.00, Value \$0.00, Year 2000, Account # 01-04421, Bill # 84408.

Request a refund in the name of Johnson, Jodi Lyn, 9641 Granary Place, Bristow, VA 20136. Refund user fee that was paid on location that does not have a trash can. Amount \$165.00, Value \$0.00, Year 2001, Account # 03-01218, Bill # 99076.

Request a refund in the name of Rouse, Larry Raymond, 7910 Pireway Rd. NW, Ash, NC 28420. Refund user fee that was paid on vacant land. Amount \$125.00, Value \$0.00, Year 2000, Account # 07-00818, Bill # 9553.

Request a refund in the name of Stanley, J.A. (Heirs) & Delma Lois, 6488 Lebanon Church Rd., Clarendon, NC 28432. Refund user fee that was paid on location that does not have a trash can. Make check payable to Delma Lois Stanley. Amount \$165.00, Value \$0.00, Year 2001, Account # 09-28940, Bill # 14442.

**Releases:**

Release the Property Value in the name of Boone, Franklin L. Release requested because interest was not stopped on garnishment. Amount \$1.76, Value \$0.00, Year 2000, Account # 16-01280, Bill # 82312.

Release the Property Value in the name of Wright, Ethel Marie. Release the value of a mobile home and the Brunswick Fire fee (13.37) and the Whiteville Rescue fee (3.82). Home was listed as real and personal property. Amount \$166.17, Value \$19,100.00, Year 2001, Account # 02-09445, Bill # 21704.

Release the Property Value in the name of Barrett, Stacey S. Release a portion of the property value, and St. James District that was billed with incorrect land break down. There are no buildings on property. Amount \$58.14, Value \$7,700.00, Year 1997, Account # 14-01577, Bill # 34889.

Release the Property Value in the name of Barrett, Stacey S. Release a portion of the property value and the St. James District. Billed with incorrect land break down. No buildings on property. Amount \$58.14, Value \$7,700.00, Year 1998, Account # 14-01577, Bill # 38644.

Release the Property Value in the name of Barrett, Stacey S. Release a portion of the property value and the St. James District. Billed with incorrect land break down. There are no buildings on property. Amount \$58.14, Value \$7,700.00, Year 1999, Account # 14-01577, Bill # 76.

Release the Property Value in the name of Barrett, Stacey S. Release a portion of the property value and the St. James district. Billed with incorrect land break down. No buildings on the property. Amount \$64.68, Value \$7,700.00, Year 2001, Account # 14-01577, Bill # 80881.

Release the Property Value in the name of Boulder Capital Corp., Inc. Release a portion of the business personal value and the Columbus Rescue fee. Tax payer over reported value of business. Amount \$149.71, Value \$18,714.00, Year 2001, Account # 06-03949, Bill # 82521.

Release the Property Value in the name of Brown, Sylvia S. Release value of mobile home that is double listed in the name of Walter and Sylvia Brown. Amount \$292.52, Value \$24,689.00, Year 1999, Account # 08-01821, Bill # 2680.

Release the Property Value in the name of Caines, Jerry. Release the value of the old house and a portion of the Columbus Rescue fee. Housed was moved off the property in

2000. Amount \$230.56, Value \$26,200.00, Year 2001, Account # 07-01260, Bill # 84761.

Release the Property Value in the name of Gardner, Florence Raynette. Release the value of a single wide home and a portion of the Whiteville Rescue fee. Home was traded for a double wide and listed. Amount \$273.80, Value \$13,600.00, Year 2001, Account # 01-82683, Bill # 92201.

Release the Property Value in the name of Horne, Byron & Suzanne. Release value of double wide home and the Klondyke fee that was repossessed prior to 1996. Amount \$360.90, Value \$35,400.00, Year 1996, Account # 13-20110, Bill # 51394.

Release the Property Value in the name of Horne, Byron & Suzanne. Release the value of a double wide home and a portion of the Klondyke fee. Home was repossessed prior to 1996. Amount \$453.43, Value \$46,200.00, Year 1997, Account # 13-20110, Bill # 49449.

Release the Property Value in the name of Horne, Byron & Suzanne. Release the value of a double wide home and a portion of the Klondyke fee. Home was repossessed prior to 1996. Amount \$453.43, Value \$46,200.00, Year 1998, Account # 13-20110, Bill # 54032.

Release the Property Value in the name of Smith, Susan. Release requested because interest was not stopped on garnishment. Amount \$79.29, Value \$0.00, Year 2000, Account # 03-22961, Bill # 12423.

Release the Property Value in the name of White, Lawrence & Rhonda. Release the value of a boat and a mobile home and the Columbus Rescue fee. Both items were sold prior to 1-1-2001. Amount \$91.94, Value \$10,447.00, Year 2001, Account # 03-29189, Bill # 19902.

Release the Property Value in the name of Barrett, Stacey S. Release a portion of the property value and the St. James District. Billed with incorrect land break down. There are no buildings on property. Amount \$60.06, Value \$7,700.00, Year 2000, Account # 14-01577, Bill # 80874.

Release the Property Value in the name of Horne, Byron & Suzanne. Release the value of a double wide home and a portion of the Klondyke fee. Home was repossessed prior to 1996. Amount \$453.43, Value \$46,200.00, Year 1999, Account # 13-20110, Bill # 15944.

Release the Property Value in the name of Walker, Terry & Cherly. Release the value

of a double wide and the Brunswick Fire fee (26.04) and the Whiteville Rescue fee (7.44). Home was repossessed in 2000. Amount \$488.64, Value \$37,200.00, Year 2001, Account # 01-03416, Bill # 18082.

Release the Property Value in the name of Textron Financial Corp. Release the business personal value and the Whiteville Rescue fee. Property is double listed in Brunswick County. Amount \$716.24, Value \$89,530.00, Year 2001, Account # 01-92715, Bill # 16208.

Release the Property Value in the name of Simpson, Gregory & Phyllis. Release requested because interest was not stopped on garnishment. Amount \$1.09, Value \$0.00, Year 2000, Account # 15-34123, Bill # 11380.

Release the Property Value in the name of Martin, Lori W. Release the value of a mobile home and a portion of the Cerro Gordo Fire (2.39) and a portion of the Columbus Rescue fee (.48). Home was traded for a double wide and listed. Amount \$188.66, Value \$2,390.00, Year 2001, Account # 16-10863, Bill # 2524.

Release the Property Value in the name of McCrea, Earlene. Release the value of a single wide home and a portion of the Columbus Rescue fee. Home was traded for a double wide and listed. Amount \$283.78, Value \$15,202.00, Year 2001, Account # 06-24177, Bill # 2926.

Release the Property Value in the name of Johnson, Tanya. Release the value of a mobile home and a portion of the Columbus Rescue fee. Home is double listed in the name of Tonya Johnson. Amount \$198.11, Value \$3,763.00, Year 2001, Account # 14-05637, Bill # 99183.

Release the Property Value in the name of Johnson, Tanya. Release the value of a mobile home that is double listed in the name of Tonya Johnson. Amount \$155.38, Value \$3,836.00, Year 2000, Account # 14-05637, Bill # 98728.

Release the Property Value in the name of Johnson, Tanya. Release the value of a mobile home that is double listed in the name of Tonya Johnson. Amount \$126.83, Value \$3,509.00, Year 1999, Account # 14-05637, Bill # 17543.

Release the Property Value in the name of Johnson, Tanya. Release the value of a

mobile home and a portion of the Welches Creek fee. Home is double listed in the name of Tonya Johnson. Amount \$131.12, Value \$3,650.00, Year 1998, Account # 14-05637, Bill # 57192.

Release the Property Value in the name of Horne, Byron & Suzanne. Release the value of a double wide home and a portion of the Klondyke Fire fee. Home was repossessed prior to 1996. Amount \$489.98, Value \$46,200.00, Year 2000, Account # 13-20110, Bill # 97094.

Release the User Fee in the name of Horne, Thomas G. & Lottie. Release user fee on location that does not have a trash can. Amount \$60.00, Value \$0.00, Year 2000, Account # 01-43740, Bill # 97164.

Release the User Fee in the name of Blackman, James Gary. Release one of two user fees. Service station is vacant. Amount \$165.00, Value \$0.00, Year 2001, Account # 03-01350, Bill # 81969.

Release the User Fee in the name of Deal, Daisy Lee & Gary. Release user fee on vacant house. Amount \$165.00, Value \$0.00, Year 2001, Account # 12-06414, Bill # 88325.

Release the User Fee in the name of Hinson, Charles. Release user fee on location that is serviced by a commercial hauler. Amount \$165.00, Value \$0.00, Year 2001, Account # 01-41240, Bill # 96915.

Release the User Fee in the name of Hinson, Charles. Release user fee on location that is serviced by a commercial hauler. Amount \$100.00, Value \$0.00, Year 1999, Account # 01-41240, Bill # 15395.

Release the User Fee in the name of Hilburn, Steve. Release user fee on location that does not have a trash can. Amount \$165.00, Value \$0.00, Year 2001, Account # 09-13580, Bill # 96666.

Release the User Fee in the name of Gore, Michael. Release user fee on vacant single wide mobile home. Amount \$165.00, Value \$0.00, Year 2001, Account # 15-15860, Bill # 93594.

Release the User Fee in the name of Hinson, R. C., Jr. Release a portion of the user fee. They did not have the trash can for a full year. Amount \$123.75, Value \$0.00, Year

2001, Account # 03-11447, Bill # 97087.

Release the User Fee in the name of Dale, James D. & Linda. Release one of five user fees. They only have four trash cans. Amount \$165.00, Value \$0.00, Year 2001, Account # 15-11219, Bill # 87786.

Release the User Fee in the name of Creech, Wayne & Janice. Release one of two user fees. One rental house is vacant. Amount \$75.00, Value \$0.00, Year 2001, Account # 01-18183, Bill # 87435.

Release the User Fee in the name of Chandler, Thomas J., Jr. Release user fee on house that is vacant. Amount \$165.00, Value \$0.00, Year 2001, Account # 14-03441, Bill # 85861.

Release the User Fee in the name of Caines, Jerry. Release user fee. Old house torn down and trash can picked up. Amount \$165.00, Value \$0.00, Year 2001, Account # 07-01260, Bill # 84761.

Release the User Fee in the name of Butler, Lonnie Dale. Release a portion of the user fee. Did not have trash can for a full year. Amount \$137.50, Value \$0.00, Year 2001, Account # 01-04421, Bill # 84495.

Release the User Fee in the name of Brown Keyo (Heirs). Release two user fees. One house is vacant and the other did not have the trash can for a full year. Amount \$206.25, Value \$0.00, Year 2001, Account # 12-03700, Bill # 83442.

Release the User Fee in the name of Horne, Thomas G. & Lottie. Release a portion of the user fee. They did not have the trash can for a full year. Amount \$90.00, Value \$0.00, Year 2001, Account # 01-43740, Bill # 97570.

Release the User Fee in the name of Williams, J.C. Release user fee on vacant mobile home. Amount \$165.00, Value \$0.00, Year 2001, Account # 09-33540, Bill # 32406.

Release the User Fee in the name of Butler, Lakeshelia. Release user fee. No trash can at this address. Amount \$165.00, Value \$0.00, Year 2001, Account # 07-03628, Bill # 84491.

Release the User Fee in the name of Strickland, Betty M. Release user fee on vacant house. Amount \$165.00, Value \$0.00, Year 2001, Account # 12-00457, Bill # 15201.

Release the User Fee in the name of Young, James Leon. Release one of two user

fees. They only have one trash can. Amount \$165.00, Value \$0.00, Year 2001, Account # 08-21420, Bill # 22047.

Release the User Fee in the name of Yoder, Cecil R. III. Release user fee on storage building. Amount \$165.00, Value \$0.00, Year 2001, Account # 02-09717, Bill # 21979.

Release the User Fee in the name of Williams, J.C. Release user fee on vacant mobile home. Amount \$125.00, Value \$0.00, Year 2000, Account # 09-33540, Bill # 32407.

Release the User Fee in the name of Webb, Emmer. Release user fee on house that is vacant. Amount \$165.00, Value \$0.00, Year 2001, Account # 08-20420, Bill # 19488.

Release the User Fee in the name of Beatty, Marvin, Jr. No trash can at this location. Amount \$165.00, Value \$0.00, Year 2001, Account # 04-01736, Bill # 81207.

Release the User Fee in the name of Wayne, William A. Release a portion of the user fee. They did not have the trash can for a full year. Amount \$41.25, Value \$0.00, Year 2001, Account # 11-01927, Bill # 19434.

Release the User Fee in the name of Webb, Emmer. Release user fee on house that is vacant. Amount \$125.00, Value \$0.00, Year 2000, Account # 08-20420, Bill # 18465.

Release the User Fee in the name of Summersette, Alene D. Release user fee on location that has never received a trash can. Amount \$125.00, Value \$0.00, Year 2000, Account # 15-35702, Bill # 14867.

Release the User Fee in the name of Lennon, Isadora (Heirs). Release user fee on vacant house Amount \$165.00, Value \$0.00, Year 2001, Account # 14-08840, Bill # 914.

Release the User Fee in the name of Smith, Margaret. Release two user fees on houses that are vacant due to flooding. Amount \$150.00, Value \$0.00, Year 2001, Account # 01-84480, Bill # 13118.

Release the User Fee in the name of Smith, Margaret S. Release all user fees. Houses are vacant due to flooding. Amount \$300.00, Value \$0.00, Year 2000, Account # 01-84480, Bill # 12228.

Release the User Fee in the name of Sellers, Tony Mark. Release the user fee that is double listed in the name of Mark Sellers. Amount \$165.00, Value \$0.00, Year 2001, Account # 01-81160, Bill # 11334.

Release the User Fee in the name of Rouse, Larry Raymond. Release user fee on old house that has been torn down. Amount \$165.00, Value \$0.00, Year 2001, Account # 07-00818, Bill # 10375.

Release the User Fee in the name of Powell, William D. Release user fee on vacant house. Amount \$165.00, Value \$0.00, Year 2001, Account # 15-03019, Bill # 8356.

Release the User Fee in the name of Long, John Delbert. Release user fee on vacant house. Amount \$165.00, Value \$0.00, Year 2001, Account # 07-10760, Bill # 1676.

Release the User Fee in the name of Lewis, Reginald M. Release one of two user fees. They only have one trash can. Amount \$165.00, Value \$0.00, Year 2001, Account # 15-23977, Bill # 1268.

Release the User Fee in the name of Summersette, Alene D. Release user fee on location that never received a trash can. Amount \$165.00, Value \$0.00, Year 2001, Account # 15-35702, Bill # 15767.

**Budget Amendments:**

Appropriate	10-399-0000 Fund Balance	(\$ 500.00)
Expend	10-495-2600 EDC Advertising	\$ 500.00
Accept	10-348-0906 Health Summer Food Program	\$ 511.00
Expend	10-575-6000 Environmental Health	\$ 511.00
Accept	10-348-0601 Childhood Lead Poisoning	\$4,000.00
Expend as follows:		
	10-576-0200 Salaries	\$1,500.00
	10-576-0500 FICA	120.00
	10-576-0600 Insurance	80.00
	10-576-0700 Retirement	75.00
	10-576-3300 Departmental	2,225.00
Accept	10-348-0709 Maternity Care Coordination	\$7,500.00
Expend	10-592-0200 Salaries	\$7,500.00

**AGING - COG FUNDING APPROVAL**

Ed Worley, Aging Director, requested the Board approve Fiscal Year 2001-2002 Senior Center General Purpose Funding from the Cape Fear Council of Governments in the amount of \$39,769.00 with the County providing a 10% match.

A motion was made by Commissioner McKenzie, seconded by Commissioner Norris

and passed unanimously to approve the Senior Center to accept funding from the Cape Fear Council of Governments in the amount of \$39,769.00 with the County providing a 10% match equating to \$4,418.00, for a total of \$44,187.00, which is to be absorbed within the Department of Aging's Budget.

**EMERGENCY SERVICES - TABLED THE ESTABLISHMENT OF AN EMS STEERING COMMITTEE**

John H. Moore, Jr., Emergency Services Director, requested the Board to allow him to establish an EMS Steering Committee for the purpose of creating a plan for the States Model EMS System for Columbus County which will be comprised of: representatives from the North Carolina Emergency Management Services, Medical Director, Columbus County Hospital, Columbus County Rescue and Columbus County Emergency Services.

A motion was made by Commissioner McKenzie, seconded by Commissioner Memory and passed unanimously to table the request to establish an EMS Steering Committee to allow Billy Joe Farmer, County Administrator, and John H. Moore, Emergency Services Director, to meet with the Columbus County Rescue Departments to receive their input on the Rescue Squads' representation on the Committee and bring back to the Board for their consideration of approval.

**EMERGENCY SERVICES - COLUMBUS COUNTY HELICOPTER UTILIZATION PROTOCOL**

John H. Moore, Jr., Emergency Services Director, requested the Board to adopt the Columbus County Helicopter Utilization Protocol as the prescribed procedures for Columbus County.

Dr. William F. Obrecht stated that he feels that a emergency medical doctor needs to be in the decision making tree regarding the Helicopter Utilization Protocol which is inclusive of the proposal.

A motion was made by Commissioner Wilson, seconded by Commissioner Dutton and passed unanimously to adopt the Columbus County Helicopter Utilization Protocol as presented by John H. Moore, Jr., Emergency Services Director, as follows:

**Columbus County Helicopter**

### Utilization Protocol

On scene EMS personnel may consider Helicopter Transport of a critically ill patient if it appears likely that the patient would arrive at a hospital sooner with helicopter transport than with the ground unit already present. Additionally, if there are no paramedic level rescuers at the scene and if paramedic skills are required then helicopter assistance may be reasonable if this is the fastest way to get paramedic rescue personnel to the scene.

Critically ill patients may include (but are not limited to) those with:

- (1) Systolic BP less than 90, Resp rate less than 8 or greater than 30, Pulse greater than 130 or SpO<sub>2</sub> less than 85% on room air.
- (2) An unconscious patient or the presence of spine injuries with neurologic involvement. Additionally consider patients with paraplegia, quadriplegia, pupillary inequality > 2mm with altered mental status, depressed skull fractures, open cranial wounds with exposed brain or severe head trauma.
- (3) Patient entrapment and expected long extrication time (greater than 20 minutes).
- (4) Major burns greater than 20% TBA.
- (5) Amputation or near amputation of an extremity.
- (6) Multi casualty incidents or high-speed accidents with patient ejected.
- (7) Airway compromise not correctable with usual support measures or impending respiratory failure.
- (8) Massive bleeding that cannot be controlled.
- (9) A critically ill patient with Ground Transport time greater than 30 minutes.
- (10) The patient must not be in cardiac arrest to be eligible for helicopter transport.

Consider the scene, transport time and weather variables.

Remember:

- (1) A safe landing zone is required.
- (2) Acceptable flight weather is required (this is a Flight Control decision).
- (3) A critically ill patient must be packaged prior to flight as support measures such as Endotracheal Intubation; etc. cannot be performed in flight.

- (4) Only 1 patient at a time can be transported by most helicopter services.
- (5) Patient care is best accomplished by transporting the critically injured without delay to a facility where definitive (not only supportive) care can be given. Delaying transport until helicopter service arrives delays definitive care. Definitive care (such as operations to stop bleeding) can only be provided in a hospital, not a helicopter.

Procedure to request helicopter transport:

- (1) The EMS officer in charge may immediately place the helicopter on Standby by direct call to the helicopter service. Medical Control is not required for this decision.
- (2) The EMS officer in charge will contact Columbus Central by phone. Central will patch to the ER Physician (Medical Control) who will speak with the EMS Officer in charge and either approve or deny helicopter transport. Medical control may consult with the on call trauma surgeon if desired.
- (3) If helicopter service is approved by Medical Control then Columbus Central will contact the appropriate helicopter service and provide dispatch information for scene transport.
- (4) Field providers will initiate the procedure for establishing a safe landing zone.
- (5) If the helicopter is not on scene when the patient is ready for transport, then transport by a ground unit to the nearest facility able to provide care is to be initiated.

Definitions and Phone Numbers:

Medical Control- The On Duty ER Physician at Columbus County Hospital.

Stand-By- The air medical crew will be standing by the aircraft ready to lift off pending Medical Control approval.

Airlink-1-800-282-5465 (24 hours a day).

Columbus Central- 911 or 640-1428

**Procedures for Establishing Safe Landing Zone**

1. Locate a 100-ft. By 100-ft. unobstructed level area as close to the scene as

possible.

2. Request site safety form the Fire Service if possible.
3. Any auxiliary lighting should be directed at the ground in order not to blind the pilot. Never shine lights toward the helicopter.
4. Never mark the area with loose objects, but utilize 4 point guard or 3-4 vehicles.
5. At night park vehicles so headlights make an X in the middle of the landing zone, and continue utilizing emergency lights.
6. Secure the landing zone from unauthorized personnel.
7. Never approach the aircraft until instructed to do so by the flight crew. Never approach the aircraft from an uphill slope.
8. Loading and unloading of patient will always be at the direction of the Flight Team.
9. Ambulances must stay at least 150 feet from the helicopter and doors closed during landing and take off.
10. Establish a communication link with the pilot to provide landing instructions and patient information.
11. Notify the pilot of any obstacles, such as overhead wires, poles, trees, antennas, and water towers.

Implemented: 10-2001

/s/ W. Fred Obrecht, Jr. MD

Emergency Medical Services Director

**HABITAT FOR HUMANITY OF COLUMBUS COUNTY - PARTNERSHIP WITH CHAF TABLED**

A motion was made by Commissioner McKenzie, seconded by Commissioner Jacobs and passed unanimously to table the request for approval of a partnership between CHAF and Habitat for Humanity of Columbus County to build replacement housing for families affected by Hurricane Floyd until the November 19, 2001 Board Meeting.

**TRANSPORTATION - SUBSTANCE ABUSE POLICY ADOPTED**

A motion was made by Commissioner Jacobs, seconded by Commissioner Dutton and

passed unanimously to adopt the Transportation's Substance Policy as presented by Charles Patton, Transportation Director as follows:

## **COLUMBUS COUNTY TRANSPORTATION**

### **Substance Abuse Policy**

#### **1.0 POLICY**

Columbus County is dedicated to providing safe, dependable, and economical transportation services to our transit system passengers. Transit system employees are our most valuable resource and it is our goal to provide a healthy, satisfying working environment which promotes personal opportunities for growth. In meeting these goals, it is our policy to (1) assure that employees are not impaired in their ability to perform assigned duties in a safe, productive, and healthy manner; (2) create a workplace environment free from the adverse effects of drug abuse and alcohol misuse; (3) prohibit the unlawful manufacture, distribution, dispensing, possession, or use of controlled substances; and (4) to encourage employees to seek professional assistance anytime personal problems, including alcohol or drug dependency, adversely affect their ability to perform their assigned duties.

All safety-sensitive employees will undergo a minimum of 60 minutes of training on the signs and symptoms of drug use including the effects and consequences of drug use on personal health, safety, and the work environment. The training must also include manifestations and behavioral cues that may indicate prohibited drug use.

Supervisors will also receive 60 minutes of reasonable suspicion training on the physical, behavioral, and performance indicators of probable drug use and 60 minutes of additional reasonable suspicion training on the physical, behavioral, speech, and performance indicators of probable alcohol misuse.

#### **2.0 PURPOSE**

The purpose of this policy is to assure worker fitness for duty and to protect employees, passengers, and the public from the risks posed by the misuse of alcohol and use of prohibited drugs. This policy is also intended to comply with all applicable Federal regulations governing workplace anti-drug and alcohol programs in the transit industry. The Federal Transit Administration (FTA) of the U.S. Department of Transportation has

published 49 CFR Part 655, and Part 40, as amended, that mandate urine drug testing and breath alcohol testing for safety-sensitive positions and prohibits performance of safety-sensitive functions when there is a positive test result. The U.S. Department of Transportation (DOT) has also published 49 CFR Part 655 and Part 40, as amended, that sets standards for the collection and testing of urine and breath specimens. In addition, the Federal government published 49 CFR Part 29, "The Drug-Free Workplace Act of 1988," which requires the establishment of drug-free workplace policies and the reporting of certain drug-related offenses to the FTA. This policy incorporates those requirements for safety-sensitive employees and others when so noted.

### **3.0 APPLICABILITY**

**This policy applies to all safety-sensitive and/or non-safety-sensitive transit system employees, paid part-time employees, contract employees, and contractors when performing any transit-related safety-sensitive or non-safety-sensitive business. This policy applies to off-site lunch periods or breaks when an employee is scheduled to return to work. Visitors, vendors, and contractor employees are governed by this policy while on transit premises and will not be permitted to conduct transit business if found to be in violation of this policy.**

**A safety-sensitive function is any duty related to the safe operation of mass transit service including the operation of a revenue service vehicle (whether or not the vehicle is in revenue service), dispatch, maintenance of a revenue service vehicle or equipment used in revenue service, security personnel who carry firearms, and any other employee who holds a Commercial Driver's License. A list of safety-sensitive positions is attached.**

### **4.0 PROHIBITED SUBSTANCES**

"Prohibited substances" addressed by this policy include the following:

- Marijuana
- Cocaine
- Amphetamines
- Opiates
- Phencyclidine
- Alcohol

#### **4.1 Illegally Used Controlled Substances or Drugs**

The use of an illegal drug or any substance identified in Schedules I through V of Section 202 of the Controlled Substance Act (21 U.S.C. 812), as further defined by 21CFR 1300.11 through 1300.15 is prohibited at all times unless a legal prescription has been written for the substance. This includes, but is not limited to: marijuana, amphetamines, opiates, phencyclidine (PCP), and cocaine, as well as any drugs not approved for medical use by the U.S. Drug Enforcement Administration or the U.S. Food and Drug Administration. Illegal use includes use of illegal drug, misuse of legally prescribed drugs, and use of illegally obtained prescription drugs.

#### **4.2 Legal Drugs**

The appropriate use of legally prescribed drugs and non-prescription medications is not prohibited. However, the use of any substance which carries a warning label that indicates that mental functioning, motor skills, or judgement may be adversely affected must be reported to a transit system supervisor. In addition, the employee must obtain a written release from the attending physician releasing the person to perform their job duties any time they obtain a performance-altering prescription.

A legally prescribed drug means that individual has a prescription or other written approval from a physician for the use of a drug in the course of medical treatment. It must be in the original container and include the patient's name, the name of the substance, quantity/amount to be taken, and the period of authorization. The misuse or abuse of legal drugs while performing transit business is prohibited.

#### **4.3 Alcohol**

The use of beverages containing alcohol or substances including any medication, mouthwash, food, candy, or any other substance such that alcohol is present in the body while performing transit business is prohibited.

#### **5.0 PROHIBITED CONDUCT**

The consumption of alcohol is prohibited for:

1. All covered employees reporting for duty or remaining on duty requiring the performance of safety-sensitive functions if such consumption will result in an

alcohol concentration of 0.02 or greater.

2. On duty while performing safety-sensitive functions.
3. 4 hours prior to duty requiring the performance of a safety-sensitive function.
4. 8 hours following an accident.
5. While on call.
6. Consumption of illegal drugs is prohibited at all times.

#### **5.1 Manufacture, Trafficking, Possession, and Use**

*Transit system employees are prohibited from engaging in the unlawful manufacture, distribution, dispensing, possession, or use of prohibited substances on transit authority premises, in transit vehicles, in uniform or while on transit authority business. Employees who violate this provision will be discharged. Law enforcement shall be notified, as appropriate, where criminal activity is suspected.*

#### **5.2 Intoxication/Under the Influence**

Any safety-sensitive or non-safety-sensitive employee who is reasonably suspected of being intoxicated, impaired, under the influence of a prohibited substance, or not fit for duty shall be suspended from job duties pending an investigation and verification of condition. Employees found to be under the influence of prohibited substance or **who fail to pass a drug or alcohol test shall be removed from duty and subject to disciplinary action. A drug or alcohol test is considered positive if the individual is found to have a quantifiable presence of a prohibited substance in the body above the minimum thresholds defined in 49 CFR Part 655, and Part 40, as amended.**

#### **5.4 Compliance with Testing Requirements**

**All safety-sensitive and non-safety-sensitive employees will be subject to urine drug testing as a condition of employment. Any safety-sensitive or non-safety-sensitive employee who refuses to comply with a request for testing shall be immediately removed from duty and their employment terminated. Any safety-sensitive or non-safety-sensitive employee who is suspected of providing false information in connection with a test, or who is suspected of falsifying test results through tampering, contamination, adulteration, or substitution will be required to undergo an observed collection.**

Verification of these actions will result in the employee's removal from duty and their employment terminated. **Refusal can include an inability to provide a sufficient urine specimen or breath sample without a valid medical explanation, as well as a verbal declaration, obstructive behavior, or physical absence resulting in the inability to conduct the test.**

#### **5.5 Treatment Requirements**

All employees are encouraged to make use of the available resources for treatment for alcohol misuse and illegal drug use policies. Under certain circumstances, employees may be required to undergo treatment for substance abuse or alcohol misuse. Any employee who refuses or fails to comply with transit system requirements for treatment, after care, or return to duty shall be subject to disciplinary action, up to and including termination. The cost of any treatment or rehabilitation services will be paid for directly by the employee or their insurance provider. Employees will be allowed to take accumulated sick leave and vacation leave to participate in the prescribed rehabilitation program.

#### **5.6 Notifying the Transit System of Criminal Drug Conviction**

*All employees are required to notify the transit system of any criminal drug statute conviction for a violation occurring in the workplace within five days after such conviction. Failure to comply with this provision shall result in disciplinary action, up to and including termination.*

#### **5.7 Proper Application of the Policy**

The transit system is dedicated to assuring fair and equitable application of this substance abuse policy. Therefore, supervisors/managers are required to use and apply all aspects of this policy in an unbiased and impartial manner. Any supervisor/manager who knowingly disregards the requirements of this policy, or who is found to deliberately misuse the policy in regard to subordinates, shall be subject to disciplinary action, up to and including termination.

#### **6.0 TESTING PROCEDURES**

Analytical urine drug testing and breath testing for alcohol may be conducted when circumstances warrant or as required by Federal regulations. **All safety-sensitive and non-safety-sensitive employees shall be subject to testing prior to employment, for**

reasonable suspicion, and following an accident as defined in Section 6.2, 6.3, and 6.4 of this policy. In addition, all safety-sensitive and non-safety-sensitive employees will be tested prior to returning to duty after failing a drug or alcohol test and after completion of the Substance Abuse Professional's recommended treatment program. Follow-up testing will also be conducted following return to duty for a period of one to five years, with at least six tests performed during the first year.

Those employees who perform safety-sensitive functions as defined in the attachment to this policy shall also be subject to testing on a random, unannounced basis.

Testing shall be conducted in a manner to assure a high degree of accuracy and reliability and using techniques, equipment, and laboratory facilities which have been approved by the U.S. Department of Health and Human Service (DHHS). All testing will be conducted consistent with the procedures put forth in 49 CFR Part 655 and Part 40, as amended.

The drugs that will be tested for include marijuana, cocaine, opiates, amphetamines, and phencyclidine. An initial drug screen will be conducted on each urine specimen. For those specimens that are not negative, a confirmatory Gas Chromatography/Mass Spectrometry (GC/MS) test will be performed. The test will be considered positive if the amounts present are above the minimum thresholds established in 49 CFR Part 655 and Part 40, as amended. In instances where there is a reason to believe an employee is abusing a substance other than the five drugs listed above, the transit system reserves the right to test for additional drugs under the transit system's own authority using standard laboratory testing protocols.

The test results from the laboratory will be reported to a Medical Review Officer. A MRO is a licensed physician with detailed knowledge of substance abuse disorders and drug testing. The MRO will review the results to ensure the scientific validity of the test and to determine whether there is a legitimate medical explanation for a confirmed positive test result. The MRO will contact the employee, notify the employee of the positive test result, and provide the employee with an opportunity to explain the confirmed test result. The MRO will subsequently review the employee's medical

history/medical records to determine whether there is a legitimate medical explanation for a positive laboratory result. If no legitimate medical explanation is found, the test will be verified positive and reported to the company program manager. If a legitimate explanation is found, the MRO will report the test result as negative.

Tests for breath alcohol concentration will be conducted utilizing a National Highway Traffic Safety Administration (NHTSA)-approved testing device operated by a trained technician. If the initial test indicates an alcohol concentration of 0.02 or greater, a second test will be performed to confirm the results of the initial test. The confirmatory test will be performed using a NHTSA-approved evidential breath testing device (EBT) operated by a trained breath alcohol technician (BAT). A safety-sensitive or non-safety-sensitive employee who has a confirmed alcohol concentration of greater than 0.02 will be removed from his/her position for eight hours unless a retest results in a concentration measure of less than 0.02. The inability to perform safety-sensitive duties due to an alcohol test result of greater than 0.02 will be subject to transit system disciplinary procedures. An alcohol concentration of 0.02 or greater will be considered a positive alcohol test and in violation of this policy and a violation of the requirements set forth in 49 CFR Part 655 and Part 40, as amended, for safety-sensitive employees.

The EBT will identify each test by a unique sequential number. This number, time, and unit identifier will be provided on each EBT printout. The EBT printout, along with an approved alcohol testing form will be used to document the test, the subsequent results, and to attribute the test to the correct employee. The test will be performed in a private, confidential manner as required by 49 CFR Part 655 and Part 40, as amended. The procedure will be followed as prescribed to protect the employee and to maintain the integrity of the alcohol testing procedures and validity of the test result. All drug and alcohol testing records will be maintained in a secure manner so that disclosure of information to unauthorized persons does not occur. Information will only be released in the following circumstances:

1. To a third party only as directed by specific, written instruction of the employee;

2. To the decision-maker in a lawsuit, grievance, or other proceeding initiated by or on the behalf of the employee tested;
3. To a subsequent employer upon receipt of a written request from the employee;
4. To the National Transportation Safety Board during an accident investigation;
5. To the DOT or any DOT agency with regulatory authority to oversee rail fixed-guideway systems; or
6. To the employee, upon written request.

Any safety-sensitive or non-safety-sensitive employee that has a confirmed positive drug or alcohol test will be removed from his/her position, informed of educational and rehabilitation programs available, and referred to a Substance Abuse Professional (SAP) for assessment. A positive drug and/or alcohol test will also result in disciplinary action up to and including termination.

The transit system affirms the need to protect individual dignity, privacy, and confidentiality throughout the testing process.

#### **6.1 Employee Requested Testing**

Any safety-sensitive or non-safety-sensitive employee who questions the results of a required drug test under paragraphs 6.2 through 6.7 of this policy may request that the split sample be tested. This test must be conducted at a different DHHS-certified laboratory. The test must be conducted on the split sample that was provided by the employee at the same time as the original sample. All costs for such testing are paid by the employee unless the result of the split sample test invalidates the result of the original test. The method of collecting, storing, and testing the split sample will be consistent with the procedures set forth in 49 CFR Part 40, and Part 655, as amended. The employee's request for a split sample test must be made to the Medical Review Officer within 72 hours of notice of the original sample verified test result. Requests after 72 hours will only be accepted if the delay was due to documentable facts that were beyond the control of the employee.

#### **6.2 Pre-Employment Testing**

All safety-sensitive and non-safety-sensitive position applicants shall undergo a

**mandatory urine drug testing immediately following the offer of employment or transfer into a safety-sensitive position. Receipt by the transit system of a negative drug test result is required prior to employment.** Failure of a pre-employment drug test will disqualify an applicant for employment for a period of 120 days. Evidence of the absence of drug dependency from a Substance Abuse Professional that meets with the approval of the company and a negative pre-employment drug test will be required prior to further consideration for employment. The cost for the assessment and any subsequent treatment will be the sole responsibility of the individual.

### **6.3 Reasonable Suspicion Testing**

**All safety-sensitive and non-safety-sensitive employees may be subject to a fitness for duty evaluation, and urine and/or breath testing when there are reasons to believe that drug or alcohol use is adversely affecting job performance. A reasonable suspicion referral for testing will be made on the basis of documented objective facts and circumstances which are consistent with the short-term effects of substance abuse or alcohol misuse.**

Examples of reasonable suspicion include, but are not limited to, the following:

1. Physical signs and symptoms consistent with prohibited substance use or alcohol misuse.
2. Evidence of the manufacture, distribution, dispensing, possession, or use of controlled substances, drugs, alcohol, or other prohibited substance.
3. Occurrence of a serious or potentially serious accident that may have been caused by prohibited substance abuse or alcohol misuse.
4. Fights (to mean physical contact), assaults, and flagrant disregard or violations of established safety, security, or other operating procedures.

**Reasonable suspicion referrals must be made by a supervisor who is trained to detect the signs and symptoms of drug and alcohol use and who reasonably concludes that an employee may be adversely affected or impaired in his/her work performance due to possible prohibited substance abuse or alcohol misuse.**

### **6.4 Post-Accident Testing**

**All safety-sensitive employees will be required to undergo urine and breath testing if**

they are involved in an accident with a CCIT transit system vehicle (regardless of whether or not the vehicle is in revenue service) that results in a fatality. This includes all surviving safety-sensitive employees that are operating in the vehicle and any other whose performance could have contributed to the accident. In addition, a post-accident test will be conducted if an accident results in injuries requiring immediate transportation to a medical treatment facility; or one or more vehicles incurs disabling damage; unless the employee can be completely discounted as a contributing factor to the accident.

Following an accident, the safety-sensitive employees will be tested as soon as possible, but not to exceed eight hours for alcohol testing and 32 hours for drug testing. Any safety-sensitive employee involved in an accident must refrain from alcohol use for eight hours following the accident or until he/she undergoes a post-accident alcohol test. Any safety-sensitive employee who leaves the scene of the accident without justifiable explanation prior to submission to drug and alcohol testing will be considered to have refused the test and their employment terminated. Employees tested under this provision will include not only the operations personnel, but any other covered employee whose performance could have contributed to the accident.

#### **6.5 Random Testing**

Employees in safety-sensitive positions will be subjected to random, unannounced testing. The selection of safety-sensitive employees for random alcohol testing will be made using a scientifically valid method that ensures each covered employee that they will have an equal chance of being selected each time selections are made. The random tests will be unannounced and spread throughout the year.

#### **6.6 Return-To-Duty Testing**

All safety-sensitive and non-safety-sensitive employees who previously tested positive on a drug or alcohol test must test negative (below 0.02 for alcohol) on a return-to-duty test and be evaluated and released to duty by the Substance Abuse Professional before returning to work.

#### **6.7 Follow-Up Testing**

**Safety-sensitive and non-safety-sensitive employees will be required to undergo frequent, unannounced urine and/or breath testing following their return to duty. The follow-up testing will be performed for a period of one to five years with a minimum of six tests to be performed the first year.**

#### **6.0 PERIOD OF COVERAGE**

Drugs – drug testing performed only when the employee is on duty.

Alcohol – Alcohol testing can only be conducted while the employee is performing a safety-sensitive duty; just before or just after performing a safety-sensitive duty.

#### **7.0 EMPLOYMENT ASSESSMENT**

**Any safety-sensitive or non-safety-sensitive employee who tests positive for the presence of illegal drugs or alcohol above the minimum thresholds set forth in 49 CFR Part 40, as amended, will be referred for evaluation by a Substance Abuse Professional (SAP).**

**A SAP is a licensed or certified physician, psychologist, social worker, employee assistance professional, or addiction counselor with knowledge of and clinical experience in the diagnosis and treatment of alcohol-related disorders. The SAP will evaluate each employee to determine what assistance, if any, the employee needs in resolving problems associated with prohibited drug use or alcohol misuse.**

Assessment by a SAP or participation in a substance abuse treatment program does not shield an employee from disciplinary action or guarantee employment or reinstatement with the transit system.

**If a safety-sensitive or non-safety-sensitive employee is allowed to return-to-duty, he/she must properly follow the rehabilitation program prescribed by the SAP, the employee must have negative return-to-duty drug and alcohol tests, and be subject to unannounced follow-up testing for a period of one to five years. The cost of any treatment or rehabilitation services will be paid directly by the employee or their insurance provider.**

Employees will be allowed to take accumulated sick leave and vacation leave to participate in the prescribed rehabilitation program.

**8.0 RE-ENTRY CONTRACTS**

Employees who re-enter the workforce must agree to a re-entry contract. That contract may include (but is not limited to);

1. A release to work statement form the Substance Abuse Professional.
2. A negative test for drugs and/or alcohol.
3. An agreement to unannounced frequent follow-up testing for a period of one to five years with at least six tests performed the first year.
4. A statement of work-related behaviors.
5. An agreement to follow specified after care requirements with the understanding that violation of the re-entry contract is grounds for termination.

**CCIT Transit****Safety-Sensitive Functions**

Administrator (If Performs Dispatch Functions)

Operations Manager

Transportation Dispatcher (If Performs Dispatch or Driver Functions)

Full-time Van Drivers

Part-Time Van Drivers

Van Washer/Fueler

Mechanic

**SOIL AND WATER CONSERVATION - WATER MANAGEMENT PROGRAM****TABLED**

A motion was made by Commissioner McKenzie, seconded by Commissioner Dutton and passed unanimously to table the request regarding the Columbus County Water Management Program due to the absence of Donna Register, Soil and Water Conservation Director.

**ORDINANCE - RESORT VEHICLE PARK/CAMPGROUND REPLACED**

A motion was made by Commissioner Dutton, seconded by Commissioner Wilson and passed unanimously to adopt the following Resort Vehicle Park/Campground Ordinance to replace the original Ordinance that was adopted September 16, 1996.

**RESORT VEHICLE PARK/****CAMPGROUND ORDINANCE****COLUMBUS COUNTY, NORTH CAROLINA****ARTICLE I: PURPOSE**

The purpose of this **Ordinance** is to regulate and guide the establishment of campgrounds in order to promote the public health, safety and general welfare of the citizens of Columbus County, North Carolina. This **Ordinance** is designed to accomplish the following specific objectives: **(a)** to further the orderly layout of campgrounds; **(b)** to secure safety from fire, panic and other danger; **(c)** to provide adequate light and air; and **(d)** to ensure that facilities for transportation, parking, water, sewage and recreation are provided for campground visitors.

**ARTICLE II: AREA GOVERNED**

These regulations shall govern the establishment of each and every new campground and the alteration or expansion of existing campgrounds lying within the jurisdiction of Columbus County and which is not governed by a municipality within Columbus County.

**ARTICLE III: AUTHORITY**

Columbus County hereby exercises its authority to adopt and enforce a **Campground Ordinance** pursuant to the authority granted to Columbus County by Chapter 153A, Article Six of the General Statutes of North Carolina.

**ARTICLE IV: SHORT TITLE**

This **Ordinance** shall be known as the **CAMPGROUND ORDINANCE, COLUMBUS COUNTY**, and may be cited as the **Campground Ordinance**.

**ARTICLE V: DEFINITIONS**

When used in this **Ordinance**, the following words and phrases shall have the meaning given in this section. Terms not herein defined shall have their customary definitions where not inconsistent with the context. The term **shall** is mandatory and words used in the singular include the plural and those in the present include the future tense.

1. **Columbus County Health Department**: Health Director or his/her designated agent(s).

2. **Camper**: A folding structure manufactured of metal, wood, canvas, plastic or other materials, or any combination thereof, mounted on wheels and designed for travel, recreation or vacation use. A camper is not designed or intended to be used as a permanent dwelling. Campers may also include the following:
  - A. **Travel Trailer**: A vehicular, portable structure built on chassis, designed to be towed by a self-propelled vehicle for use for travel, recreation or vacation purposes. A travel trailer is not designed or meant to be used as a permanent dwelling.
  - B. **Recreational Vehicle**: A self-propelled vehicle or portable structure mounted on such a vehicle designed as a temporary dwelling for travel, recreation and vacation.
  - C. **Tent**: A portable shelter of canvas, plastic or skins stretched over a supporting framework of poles with skins stretched over a supporting framework of poles with ropes and pegs.
3. **Camper Space**: A plot of land within a campground designed for the accommodation of one (1) camper or tent.
4. **Campground**: Any lot which fifteen (15) or more camper or tent spaces are provided for temporary occupancy according to requirements as set forth in this **Ordinance**. A campground shall also be known as a recreational vehicle park or travel trailer park.
5. **Cul-de-sac**: A street with only one (1) end to traffic and the other end being permanently terminated and a vehicular turnaround provided for the safe and convenient reversal of traffic movement. Length is measured from the center point of the turnaround to the center line of the connecting non-cul-de-sac street.
6. **Developer**: Any person, firm, trust, partnership, association or corporation engaged in development or proposed development of a Campground, as defined herein.
7. **Easement**: The right to use another person's property, but only for a limited and specifically named purpose, the owner generally continues to make use of such land since he/she has given up only certain and not all ownership rights.
8. **Sanitary Sewage System**: A complete system of sewage collection, treatment and disposal, including approved privies, septic tank systems, connection to public or community sewage systems, incinerators, mechanical toilets, composting toilets, recycling toilets, mechanical aeration systems or other such systems.
9. **Public Street**: A dedicated and accepted public right-of-way which affords access to abutting property and meets the standards of this **Ordinance** and the most recent North Carolina Department of Transportation's minimum construction standards for subdivision roads.
10. **Public Water Supply**: Any water supply furnishing potable water to fifteen (15) connections or combination of twenty-five (25) residences or businesses so approved and designated by the appropriate agent of the State of North Carolina. This definition is not to be inferred as limited to publicly owned or operated systems, as such systems may be owned and operated by either public or private enterprise.
11. **Septic Tank System**: A subsurface sanitary sewage system consisting of a settling tank and a subsurface disposal field and other appurtenances required for proper collection, distribution, treatment, disposal, operation and performance.

12. **Service Building:** A building housing toilet and bathing facilities for men and women, with laundry tray.
13. **Setbacks:** The distance between a structure and the space or boundary line.
14. **Surveyor:** A qualified land surveyor or engineer registered and currently licensed to practice surveying in the State of North Carolina.
15. **Board Designate:** an agent(cies) and/or representative appointed by the Board of County Commissioners to represent their interest and act on their behalf.
16. **Board of County Commissioners:** governing body for the County of Columbus with equal representation from all districts.
17. **Nude:** A situation involving a condition of individuals being unclothed or devoid of clothing.

**ARTICLE VI: PROCEDURE FOR SECURING APPROVAL  
OF CAMPGROUNDS**

**SECTION A: Approval Required**

Campgrounds, as permissible uses, may be established upon the approval of the Board of County Commissioners or their Designate. The Board of County Commissioners or their Designate shall have approval authority of such Campgrounds.

**SECTION B: Campground Plan Submission**

1. Prior to the construction of a campground or the expansion of an existing campground, the developer shall submit a campground plan to the Columbus County Administrator. Ten (10) copies of the proposed campground plan must be received at least thirty (30) days prior to a regularly scheduled meeting of the Columbus County Board of Commissioners if the plans are to be reviewed by the Board at that time. New campgrounds or the expansion of an existing campground regardless of site numbers will be approved by the Board of County Commissioners or their Designate.
2. All park plans shall be prepared by a registered land surveyor currently licensed and registered in the State of North Carolina, or the owner or his/her authorized agent and shall be drawn legibly at a scale of one hundred (100') feet to one (1") inch, or larger, and shall include the following plan requirements;
  - a. Name of the park, developer, scale, date and tax map, block and parcel number;
  - b. Vicinity Map, sketch showing relationship between campground and surrounding area;
  - c. The location of existing property lines, streets, service buildings, natural and manmade water courses, existing wells and septic tanks, railroads, transmission lines, sewers, bridges, culverts and drain pipes, water mains, city and County lines (if adjoining), drainage easements and public utility easements, all structures to be located on the park site;
  - d. The outside boundaries of the tract of land on which the park will be built and approximate bearings and distances of each line;

- e. Proposed camper spaces well defined, indicating accurate dimensions and site numbers;
- f. All existing structures and proposed structures;
- g. The proposed location of all streets, driveways, open recreational areas, parking areas, service buildings, easement and camper spaces;
- h. Water distribution system which will connect to County system, if applicable (should be designed to minimum County standards and submitted for review);
- I. Surface and/or subsurface drainage plan;
- j. Classification of the property;
- k. Site data:
  - 1. Acreage in total tract;
  - 2. Acreage in campgrounds, if applicable;
  - 3. Total number of spaces; **and**
  - 4. Lineal feet in streets;
- l. Flood plain information, if necessary;
- m. Landscaping and buffering;
- n. Adjoining property owners;
- o. Sign location, setback and dimensions;
- p. Title, date, graphic scale, north arrow;
- q. Sedimentation control plan information in accordance with North Carolina State Law;
- r. Uses on adjacent properties;
- s. Off-street parking, loading areas and their dimensions;
- t. The location and dimensions of present and proposed campground streets and adjacent highways;
- u. Method of garbage disposal; **and**
- v. Water/Utility systems.

### **SECTION C: Review of the Proposed Campground Plan**

The County Administrator shall review the proposed campground plan. The County Administrator shall also forward a copy of the proposed campground plan to the Columbus County Health Department and all other appropriate agencies for review and comments. Following the evaluation period, a review meeting shall be set with the applicant and appropriate agencies, not less than thirty (30) days prior to a regular scheduled Board of County Commissioners' Meeting, to discuss the plan. If deficiencies are found with the plan, the plan will then be returned to the developer for correction. If the Board of County Commissioners or their Designate determines no inconsistencies with applicable regulations, the County Administrator shall then ask for the plan to be approved. The matter will not be heard before the County Commissioners until all requirements are met and approved.

1. The County Administrator shall determine if the proposed campground plan is in accordance with the design standards set forth in this **Ordinance**, including, but not limited to the following:
  - a. Title information;
  - b. Location map;
  - c. Recreation areas;
  - d. Street and lot design;
  - e. Surface water drainage;
  - f. Other features of the campground;
  - g. Columbus County Health Department's report;
  - h. County Inspections Department;
  - I. Buffering; **and**
  - j. Other approvals as may be required.
  
2. The Columbus County Health Department shall review the proposed campground plan to determine if the plan is in accordance with the minimum health standards and regulations as follows:
  - a. Source of water and water distribution system;
  - b. Sanitary sewage system: owner/developer shall submit plans for proposed sanitary sewerage system to the Columbus County Health Department for its review. Each campground intended for the use of septic systems will require an application for a site evaluation. An operations permit must be maintained in order for the campground to remain operational;
  - c. Adequate space size, if septic tanks are to be used; **and**
  - d. Each well located so as to provide a minimum pollution-free radius as specified in Title 15A, Subchapter 18C, Section .0203 of the North Carolina Administrative Code.
  
3. Each agency's review shall be completed within a reasonable time. Should any agency find deficiencies in the proposed campground plan, the developer or his agent shall be notified by the County Administrator to correct such deficiencies in the plan. Each agency shall notify the County Administrator after reviewing the proposed campground plan and shall provide a written statement of approval or disapproval. If disapproved, then the reasons therefore shall be stated.
  
4. If any permitting agency should disapprove the proposed campground plan, the reasons for such action and recommended changes shall be given to the developer or his agent.

#### **SECTION D: Plan Approval**

1. **Plan Review; Procedure by the Board of County Commissioners or Their Designate:**

The Columbus County Board of Commissioners or their Designate shall make a decision on a final plan approval based on all required final agency reviews and other available pertinent information.

2. **Notification of Final Approval:**

After receiving approval of the campground plan from the Board of County Commissioners or their Designate, Health Department and other relevant County agencies, the County Administrator is authorized to write a letter of approval to the developer. The County Administrator shall notify the owner as shown on the plan of this approval within ten (10) days of the action. The intent of the letter of approval is to enable the execution of the campground plan in the field and shall not be construed to entitle the recipient to offer spaces for rent or lease, or to operate a campground as defined in this **Ordinance**. Spaces can only be occupied after all required improvements have been installed and Certificates of Occupancy have been issued by the County Inspections Department.

3. **Issuance of a Certificate of Compliance:**

A. After receiving approval of the campground plan by the Board of County Commissioners or their Designate, the Health Department and the County Inspections Department, the County Administrator's office is authorized to issue a compliance permit. The intent of this permit is to enable the execution of the campground plan in the field and shall not be construed to entitle the recipient to offer spaces for rent or lease or to operate a campground as defined in this **Ordinance**.

B. When the developer has completed the construction of the campground, he/she shall apply to the County Administrator for a Certificate of Compliance. The County Inspections representative and a representative from the Health Department shall make an on-site inspection of the campground.

i. If the plan conforms to the campground plan approved by the Board of County Commissioners or their Designate and other agencies, the County Administrator shall issue the developer a Certificate of Compliance.

ii. If the plan does not conform with the approved plan, the County Administrator shall delay issuance of the Certificate of Compliance until it comes into conformity.

C. The Certificate of Compliance issued to the developer shall constitute authority to lease or rent spaces in the campground.

D. When a campground is to be developed in stages, the proposed plan may be submitted for the entire development or application for a Certificate of Compliance may be made for each stage developed.

4. **Development Time Frame:**

If the construction of the campground has not begun within twelve (12) months from the issue date of the letter of approval, the Board of County Commissioners may grant an extension of this approval if the developer appears before the Board and shows cause. If cause is not shown, the developer must repeat all the required steps of procedure for securing approval of a campground as required by this **Ordinance**.

When a campground is to be developed in stages, the preliminary campground plan shall be submitted for the entire development, and an application for approval shall be made for each stage of development.

## **ARTICLE VII: DESIGN STANDARDS**

The following standards shall be considered the minimum requirements for all new campgrounds.

### **SECTION A: General Requirements**

1. Every campground shall contain at least fifteen (15) spaces.
2. No more than one (1) camper may be parked on any one (1) space. Campers shall not be permitted on parcels, lots or spaces other than those approved through these regulations.
3. No space shall have direct vehicular access to a public road.
4. All spaces shall be located on sites with elevations that are not susceptible to flooding. The spaces shall be graded to prevent any water from ponding or accumulating within the park. Each space shall be properly graded to obtain a reasonably flat site for a campground and to provide adequate drainage away from the space. The requirement is not intended to circumvent FEMA regulations or the County Flood Management Plans.
5. Pursuant to the North Carolina State Building Code, each campground shall have at least one (1) service building to provide necessary sanitation and laundry tray. This structure may also contain a retail sales counter and/or coin operated machine for the campground residents' use, provided there is no exterior advertising. Vending machines also may be permitted in a sheltered area. All service buildings shall be provided and maintained in a clean and sanitary condition and kept in good repair at all times. They shall be safely and adequately lighted. Facilities shall be easily accessible and conveniently located. All service buildings shall be accessible to the County Health Department and shall be in conformity with all County codes. All buildings shall be constructed in accordance with the North Carolina State Building Code, and shall meet the North Carolina State Building Code setback requirements.
6. No swimming pool or bathing area shall be installed, altered, improved or used without compliance with applicable Columbus County Health Department regulations. No bathing area shall be used without the approval of the Columbus County Health Department.
7. The campground owner is responsible for refuse collection. Storage, collection and disposal of refuse shall be so managed as not to create health hazards, rodent harborage, insect-breeding areas, accident, fire hazards or air pollution. The method of garbage disposal shall be noted on the plan and approved by the Board of County Commissioners or their Designate.
8. It shall be unlawful to park or store a manufactured home in a campground. However, two (2) manufactured homes may be allowed within a campground to be used as residences of persons responsible for the operation and/or maintenance of the campground.
9. The transfer of title of a camper space or spaces either by sale or by any other manner shall be prohibited within a campground as long as the campground is in operation.

10. All camping units must be placed individually on approved camper spaces where all design standards and utilities have been completed.
11. Junked or wrecked vehicles are prohibited in campgrounds.

## **SECTION B: Streets and Parking**

### **1. Off-Street Parking Requirements**

Two (2) off-street parking spaces shall be provided and maintained for each camper space. Required parking spaces may be included within the minimum required space area for each camper space.

### **2. Public Street Access**

No camper space within a campground shall directly access a public road. Access to all campers and accessory structures within the campground shall be made using internal streets.

### **3. Internal Street Standards**

A. One (1) or two (2) way streets shall be used throughout the campground. One (1) way streets shall have a minimum width of sixteen (16') feet. Two (2) way streets shall have a minimum width of eighteen (18') feet. Such streets shall be well maintained and clearly identified. All streets within the campground shall be privately owned and maintained. Each camper space shall abut an internal street within the campground.

B. All internal streets that dead end shall be provided with a permanent turnaround.

C. All parking within the campground shall take place off the internal street within designated parking areas only. All internal streets within the campground shall be equipped with adequate and suitable drainage facilities.

D. Maintenance of all internal streets and drainage facilities shall be the responsibility of the owner of the campground. Such streets shall be maintained in a manner to be free from pot holes, breaks in the pavement, rough surfaces, ponding of water and associated problems which would impede or cause hazards to motor vehicles. Speed reduction bumps on paved internal streets are permissible, but they shall be painted and appropriate signs indicating the speed reduction bump must be placed along the street.

### **4. Ingress and Egress**

Campgrounds shall not be located on through lots unless the campground is designed in a manner which does not encourage motorists from using the campground as a means of traveling from one (1) public street to another.

Campgrounds requiring only one (1) entrance and exit area shall provide at least one (1) permanent turnaround within the campground. All campground entrances must be approved by the North Carolina Department of Transportation.

## **SECTION C: Campground Space**

### **1. Minimum Campground Area**

All campgrounds shall have a gross land area of at least three (3) acres.

2. **Minimum Space Design**

- A. The following minimum space requirements also takes into account the need for adequate space to prevent overcrowding, prevent fire hazards, provide sufficient light and air, etc:
- i. Minimum space size, square feet: 1,250
  - ii. Minimum space width, feet: 25
- B. Where public, municipal or community water or sewer systems exist within one thousand (1,000') feet of the park, the developer shall connect to such system. If the water distribution system is installed in accordance with minimum County standards, the developer could dedicate the system to the County to operate. The County will have the right to accept or not accept such water systems.
- C. A minimum of eight (8%) percent of the total land area shall be devoted to accessible common open space intended for recreational use. These areas are separate from the camper spaces and shall be grouped and of character suitable for active and passive recreation and shall be reasonably located for safe and convenient access to residents.
- D. Each camper shall be located at least thirty (30') feet from the edge of any publicly-maintained street or road.

3. **Spaces Numbered**

Each camper space shall be identified by a permanent number which shall not be changed. The appropriate number of each camper space must be permanent and visibly displayed on each space. Each number shall be placed on a concrete, wood, metal or any permanent post and conspicuously located on the lot.

**SECTION D: Utility Requirements**

1. An accessible, adequate, safe and potable supply of water shall be provided in each campground. Where a public supply is available, connection shall be made thereto and its supply used exclusively. When a public water supply is not available, a community water supply may be developed and its supply used exclusively in accordance with local and state regulations and standards of the Division of Environmental Management, North Carolina Department of Environment, Health and Natural Resources codified in 15A NCAC 2C. Siting well locations will be designated by the Columbus County Health Department.
2. Adequate and safe sewage disposal facilities shall be provided in all campgrounds. A public sewage disposal system and sewage treatment plant complying with the requirements of the North Carolina Department of Environment, Health and Natural Resources shall be provided in every campground. Individual septic tank systems are permissible in accordance with the requirement of the State Health Sewage Disposal Regulations.
  - A. Sewage dumping stations shall be approved by the Columbus County Health Department. Each campground shall provide at least one (1) sewage dumping station for each fifty (50) camper spaces, which are not equipped with individual sewer and water connections. Each campground shall also provide

a sewer outlet to accommodate any dependent campers for emptying containers of human waste.

B. No method of sewage disposal shall be installed, altered or used without the approval of the Columbus County Health Department. All sewage waste from each park, including waste from toilets, showers, bathtubs, lavatories, wash basins, sinks and water-using appliances not herein mentioned, shall be piped into an approved sewage disposal system.

3. Building and grounds shall be maintained free of rodent/insect harborage and infestation. Extermination methods and other control measures shall be in accordance with the requirements of licensed pest control operators. The campground owner shall be responsible for pest extermination and pest control measures to prevent the development of unsanitary conditions.

#### **SECTION E: Buffering**

A buffer strip at least ten (10') feet in width shall be maintained. This strip shall be free of all encroachment by buildings, park areas or impervious coverage. No designated camper spaces shall include any areas required for buffering in accordance with this Ordinance.

#### **SECTION F: Registration of Occupants**

Every campground owner or operator shall maintain an accurate register containing a record of all occupants and owners of campers in the campground. The register shall be available for inspection at all times by authorized County representatives. The register shall contain the following information.:

- A. Name and address of the occupants of each space;
- B. Camper space number; and
- C. Date when occupancy within the campground begins and date when occupancy within the campground ceases.

#### **SECTION G: Permanent Occupancy Prohibited**

No camper space shall be used as a permanent place of abode. Any action toward removal of wheels of a camper except for temporary purposes of repair is hereby prohibited.

#### **SECTION H: Inspection**

1. The County Administrator, the Columbus County Health Department, the Columbus County Building Inspections Department and the Columbus County Board of Commissioners are hereby authorized and directed to make such inspections as are necessary to determine satisfactory compliance with this Ordinance. If connecting to County water, the developer must comply with minimum County standards. It shall be the duty of the owners of campgrounds to give these agencies free access to such premises at reasonable times for inspections.
2. The person to whom an operating permit for a campground is issued shall operate the campground in compliance with this Ordinance and shall provide adequate supervision to maintain the campground, its facilities and equipment in good repair and in a clean and sanitary condition.

3. The campground owner shall notify campground visitors of all applicable provisions of this **Ordinance** and inform them of their responsibilities under this **Ordinance**.

**ARTICLE VIII: PRIVATE ORGANIZATIONS OPERATING AS NUDE CAMPGROUNDS, COLONY, RESORT OR OTHER SIMILAR FACILITIES**

Private organizations operating as nude campgrounds, colonies, resorts or similar facilities, must operate with the following minimum requirements:

1. Must meet all applicable County and State regulations including, but not limited to, campground, mobile home park and PUD ordinances;
2. Must operate as private organization with no access by the general public. Only members or guest of members may be permitted on site;
3. Must provide adequate visual and noise screening and/or buffering; **and**
4. No part of any facility or structure shall be:
  - A. Located within one thousand five hundred (1,500') feet in any direction from a building used as a dwelling.
  - B. Located within one thousand five hundred (1,500') feet in any direction from a building in which an adult business or a sexually oriented business is located.
  - C. Located within one thousand five hundred (1,500') feet in any direction from a building used as a church, synagogue, other house of worship or cemeteries.
  - D. Located within one thousand five hundred (1,500') feet in any direction from a building used as a public school or as a state licensed day care center.
  - E. Located within one thousand five hundred (1,500') feet in any direction from any lot or parcel on which a public playground, public swimming pool or public park is located.
  - F. Located within one thousand five hundred (1,500') feet in any direction of any publicly owned or operated facility.

**ARTICLE IX: ADMINISTRATION**

**SECTION A: Variances**

Where strict adherence to the provisions of this **Ordinance** would cause an unnecessary hardship because of topographical or other conditions peculiar to the site, the Board of County Commissioners or their Designate may authorize a variance, if such variance can be made without destroying the intent of the **Ordinance**. Any variance this authorized shall be entered into the minutes of the Board of County Commissioners or their Designate and the reasoning on which the departure was justified shall be set forth.

**SECTION B: Conformance Requirements**

Campgrounds shall be permitted only in conformance with the regulations of this **Ordinance**.

**SECTION C: Criminal Violations**

Any person violating the provisions of this **Ordinance** shall be guilty of a Class Three misdemeanor and is punishable by a fine up to five hundred and 00/100 (\$500.00) dollars per violation in accordance with NCGS 14-4. Each day that the violation continues to exist shall be considered a separate and distinct offense. For the purpose of this **Ordinance**, a violation begins from the date of first notification.

#### **SECTION D: Civil Penalties**

In addition to the other remedies cited in this **Ordinance** for the enforcement of these provisions, these regulations may be enforced through the issuance of citations by Columbus County. These citations shall be in the form of a civil penalty. The County may recover this penalty within seventy-two (72) hours after being cited for a violation. In addition, failure to pay the civil penalty within the seventy-two (72) hour period, may subject the violator to criminal charges.

The following civil penalties are established for violations under this Section:

<b>VIOLATION</b>	<b>CHARGE</b>
Warning Citation	None, correct within ten (10) days
First Citation	\$25.00
Second Citation for Same Offense	\$50.00
Third and Sequential Citation for Same Offense	\$50.00

These civil penalties are in addition to any other penalties which may be imposed by the court of law for violations of the provisions of this **Ordinance**.

In addition to the foregoing enforcement provisions, this **Ordinance** may be enforced by any remedy provided in North Carolina General Statute 153-A-123, including, but not limited to, all appropriate equitable remedies issued from a court of competent jurisdiction as provided in General Statute 153A-123(d) and particularly the remedy of injunction and order of abatement as allowed by North Carolina General Statute 153A-123(e).

This **Ordinance** specifically provides that each day's continuing violation is a separate and distinct offense.

#### **SECTION E: Separability**

Should any section or provision of these regulations be held void or invalid by the courts for any reason, it shall not affect the validity of any other section or provision hereof which is not itself held void and invalid.

Wherever the provision of any other law, ordinance or regulation impose higher standards than are required by the provision of this **Ordinance**, the provisions of such law, ordinance or regulations shall govern.

#### **SECTION F: Amendment Procedure**

This **Ordinance** may be amended from time to time by the Board of County Commissioners as provided by the General Statutes. No amendment shall become effective unless it shall have been proposed by or shall have been submitted to the Board of County Commissioners' or their Designate's review and recommendation.

ADOPTED this the 5th day of November 2001.

**COLUMBUS COUNTY BOARD OF COMMISSIONERS**

/s/ Spruell R. Britt, Chairman

**ATTESTED BY:**

/s/ Ida L. Smith, Clerk to the Board

**MEMORANDUM OF UNDERSTANDING (MOU) - RURAL TRANSPORTATION  
PLANNING ORGANIZATION (RPO) AMENDED**

A motion was made by Commissioner McKenzie, seconded by Commissioner Dutton and passed unanimously to adopt the Rural Transportation Planning Organization (RPO) Memorandum of Understanding (MOU) as amended. The original MOU was adopted at the October 1, 2001 Board Meeting.

**MEMORANDUM OF UNDERSTANDING FOR  
COOPERATIVE, COMPREHENSIVE AND CONTINUING TRANSPORTATION  
PLANNING  
AND THE ESTABLISHMENT OF A RURAL TRANSPORTATION PLANNING  
ORGANIZATION  
FOR**

The **County of Brunswick** and the following municipalities therein: Bald Head Island, Boiling Spring Lakes, Bolivia, Calabash, Carolina Shores, Caswell Beach, Holden Beach, Northwest, Oak Island, Ocean Isle Beach, St. James, Sandy Creek, Shallotte, Southport, Sunset Beach, Varnumtown; the **County of Columbus** and the following municipalities therein: Boardman, Bolton, Brunswick, Cerro Gordo, Chadbourn, Fair Bluff, Lake Waccamaw, Sandyfield, Tabor City, Whiteville; the **County of Pender** and the following municipalities therein: Atkinson, Burgaw, St. Helena, Surf City, Topsail Beach, Wallace, Watha; and the **North Carolina Department of Transportation**.

**WITNESSETH**

**Whereas**, section 135 of Title 23, United States Code, declares that it is in the national interest to encourage and promote the development of transportation systems embracing various modes of transportation in a manner that will serve all areas of the State efficiently and effectively; and,

**Whereas**, North Carolina General Statute 136-18 was amended by the North Carolina General Assembly by ratification of Senate Bill 1195 on July 6, 2000, and this same bill was signed by the Governor on July 14, 2000, and subsequently Chaptered, and which Chaptered statute provides for the establishment of Rural Transportation Planning Organizations (RPOs), similar in concept to Metropolitan Planning Organizations (MPOs), which provide transportation planning in North Carolina's urban areas; and,

**Whereas**, the establishment of a Rural Transportation Planning Organization (RPO), similar in concept to the urban Metropolitan Transportation Planning Organizations (MPOs) would provide rural areas the opportunity to work in partnership with the North Carolina Department of Transportation toward development of sound, short and long-range transportation planning for rural areas; and,

**Whereas**, the establishment of a Rural Transportation Planning Organization for the three county Region O area would assist the North Carolina Department of Transportation in complying with the provisions of the Transportation Equity Act for the 21st Century (TEA 21), enacted June 9, 1998, relative to the participation of local officials and the public in the transportation planning process; and,

**Whereas**, it is the desire of these local governments and agencies to establish a continuing, comprehensive, cooperative transportation planning process with the establishment of a Rural Transportation Planning Organization for the four-county Region O Planning Area.

**Now, therefore**, the following memorandum of understanding is made.

**Section I.** It is hereby agreed, that the **County of Brunswick**, the **County of Columbus**, the **County of Pender**, and the **North Carolina Department of Transportation** intend to establish and participate in a Rural Transportation Planning Organization created for the general purposes and responsibilities outlined below:

1. To develop long-range local and regional multi-modal transportation plans in cooperation with the area MPO and the North Carolina Department of Transportation.

2. To provide a forum for public participation in the rural transportation planning process.
3. To develop and prioritize suggestions for transportation projects, which the Rural Transportation Planning Organization believes should be included in the State Transportation Improvement Program.
4. To provide transportation-related information to local governments and other interested organizations and persons.
5. To conduct transportation related studies and surveys for local governments and other interested entities/organizations.
6. To undertake mutually agreed upon transportation related tasks to enhance transportation system development, coordination and efficiency.

**Section 2.** It is hereby further agreed that transportation plans and programs and land use policies and programs for the Rural Transportation Planning Organization will be coordinated by the Region O Council of Governments, an agency selected on behalf of participating local governments and the North Carolina Department of Transportation, to be the administrative entity and to serve as the lead local planning agency for coordinating transportation planning in the four county planning area.

**Section 3.** Establishment of Rural Transportation Advisory Committee (RTAC). A Rural Transportation Advisory Committee (RTAC) is hereby established with the responsibility for serving as a forum for cooperative transportation planning decision making for the Rural Transportation Planning Organization (RPO). The Rural Transportation Advisory Committee (RTAC) shall have the responsibility of keeping the policy boards informed of the status and requirements of the transportation planning process; to assist in the dissemination and clarification of the decisions, inclinations, and policies of the policy boards; and to help ensure meaningful public participation in the rural transportation planning process.

1. The Rural Transportation Advisory Committee will be responsible for carrying out the following:
  - A. Establishment of goals, priorities, and objectives for the Rural Transportation planning process.

- B. Review and recommend changes to adopted Transportation Plans for the Rural Transportation Planning Organization.
  - C. Review and recommend a work program for transportation planning which defines work tasks and responsibilities for the various agencies participating in the Rural Transportation Planning Organization (RPO).
  - D. Review and recommend transportation improvement projects which support and enhance intra-county transportation within the three county Rural Transportation Planning Organization (RPO).
2. The membership of the Rural Transportation Advisory Committee shall consist of the following:
- A. Two County Commissioners representing the **County of Brunswick**. Two municipal elected officials elected by a caucus of the Mayors of those **Brunswick County Municipalities** outside the MPO who join in the agreement by signing this MOU.
  - B. Two County Commissioners representing the **County of Columbus**. Two municipal elected officials elected by a caucus of the Mayors of those **Columbus County Municipalities** who join this agreement by signing this MOU.
  - C. Two County Commissioners representing the **County of Pender**. Two municipal elected officials elected by a caucus of the Mayors of those **Pender County Municipalities** who join this agreement by signing this MOU.
  - D. All members of the **North Carolina Board of Transportation** representing the **Department of Transportation Divisions 03 and 06**.
3. The County Commissioner representing each County on the RTAC shall be elected every two years by the Board of County Commissioners of each County in regular session. The municipal RTAC representatives shall be elected every two (2) years by a caucus of the Mayors of those Towns that join this agreement by signing the MOU. The term of office for all seats on the RTAC is two (2) years. Re-appointment is possible.

4. To facilitate staggered terms and thereby promote continuity, the initial appointments of the municipal and county representative shall be split, with one being elected for one (1) year, and the other being elected for two (2) years. All subsequent appointments shall be for two (2) years.
5. The Rural Transportation Advisory Committee (RTAC) will meet as often as it is deemed necessary appropriate and advisable. On the basis of majority vote of its membership, the Rural Transportation Advisory Committee may appoint a member of the committee to act as chairperson with the responsibility for coordination of the committee's activities.
6. The Transportation Planner of the Region O Council of Governments will serve as staff to the RTAC.

**Section 4.** Establishment of Rural Transportation Technical Committee (RTTC). A Rural Transportation Technical Committee shall be established with the responsibility of general review, guidance, and coordination of the transportation planning process for the Rural Transportation Planning Organization (RPO) and the responsibility for making recommendations to the respective local, state, and federal governmental agencies and the Rural Transportation Advisory Committee (RTAC) regarding any necessary actions relating to the continuing transportation planning process.

1. The RTTC shall be responsible for development, review, and recommendation for approval of the rural transportation planning work program for the RPO, the Transportation Improvement Program, and revisions to the Transportation Improvement Program.
2. Membership of the Rural Transportation Technical Committee (RTTC) shall include technical representatives from all local and state governmental agencies directly related to and concerned with the transportation planning process for the RPO planning area. Initially, the membership shall include, but may not be limited to, the following:
  - A. County Manager (or his/her designee) from each of the three counties of the RPO planning area.
  - B. The Chief Administrative Official (or his/her designee) from each municipality in the Region 0, RPO planning area.

- C. Executive Director and Transportation Planner, Region 0 Council of Governments.
  - D. Division Engineer serving the 3rd Division of Highways, North Carolina Department of Transportation, or his/her designated representative.
  - E. Division Engineer, 6th Division of Highways, North Carolina Department of Transportation, or his/her designated representative.
  - F. Manager, Statewide Planning Branch, Planning and Environment, North Carolina Department of Transportation, or his/her designated representative.
  - G. Area Traffic Engineer, Division of Highways, Traffic Engineering Branch, North Carolina Department of Transportation.
  - H. The Transportation Planner for the Wilmington Metropolitan Planning Organization, as ex-officio.
3. The Rural Transportation Technical Committee shall meet when it is deemed necessary, appropriate and advisable. The Rural Transportation Technical Committee will be staffed by the Region O Transportation Planner who will act as a Chairperson with the responsibility for coordinating the committee(s) activities. Membership of the Rural Transportation Technical Committee may be altered on the basis of a majority vote of its membership and approval of the Rural Transportation Advisory Committee of the RPO.

**Section 5.** It is further agreed that all participating agencies will assist in the Rural Transportation planning process by providing planning assistance (where possible), data, and inventories in accordance with the approved work program.

**Section 6.** Parties to this Memorandum of Understanding may terminate their participation in the continuing transportation planning process by giving 90 days written notice to the other parties to the date of termination.

**Section 7.** In witness whereof, the parties of the Memorandum of Understanding have been authorized by appropriate and proper resolutions, and/or legislative authority to sign this Memorandum of Understanding, which becomes effective as of the last day signed. The following 6 pages comprise the signature pages from each party to this Memorandum.

#### **COLUMBUS COUNTY**

This Memorandum of Understanding is signed this the 5<sup>th</sup> day of November 2001.

/s/ Ida L. Smith, Clerk to Board

/s/ Spruell R. Britt, Chairman

**ADAMS COMPANY - CHAF BIB GROUP #6 APPROVED**

A motion was made by Commissioner Wilson, seconded by Commissioner McKenzie and passed unanimously to approve bid awards for the 2000 Columbus County CHAF Group #6 as follows:

Unit	Contractor	Bid Price
00-288	Wayne Hardwick	\$28,985.00
00-338	Hooks Plumbing	\$25,580.00
00-345	Gold Value Construction	\$12,276.76
00-419	Gold Value Construction	\$12,129.56
00-490	Davey Locklear	\$7,150.00
00-518	Joseph Locklear	\$31,030.00

**ADAMS COMPANY - 2000 CHAF R-1 REPLACEMENTS APPROVED**

A motion was made by Commissioner McKenzie, seconded by Commissioner Norris and passed unanimously to approve the 2000 Columbus County CHAF R-1 Replacements as follows:

Unit No.	Owner	Cost	Unit Type
00-38	Herbert Bellamy 49 Dessie Road Chadbourn, NC 28431	\$66,888	Modular
00-512	Shirley Williams 209 W. Holland Street Chadbourn, NC 28431	\$29,095	Single-wide
00-84	Addie Long 2251 Crusoe Island Road Whiteville, NC 28472	\$54,019	Single-wide/land
00-403	Loreen Morman 114 Hill #2 Gainey Lane Evergreen, NC 28438	\$66,888	Modular
00-137	Cornelius Bellamy 675 Pine Circle Tabor City, NC 28463	\$73,188	Modular

**ADAMS COMPANY - CHAF DEMO BID GROUP #3 APPROVED**

A motion was made by Commissioner Norris, seconded by Commissioner Memory and passed unanimously to approve the CHAF Demolition Bid Group #3 and award as follows:

<b>Unit No.</b>	<b>Contractor</b>	<b>Bid Price</b>
00-529	Prince Development	\$1,450.00
00-209	Prince Development	\$4,200.00
00-457	Prince Development	\$2,390.00

**ADAMS COMPANY - SUPPLEMENTAL CHAF BENEFITS FOR LORISTEEN DAVIS APPROVED**

Floyd Adams, representing The Adams Company, addressed the Board regarding Loristeen Davis being a recipient of the HMGP buy-out Program and now has found a home that is not in a floodplain and is eligible for the CHAF supplemental funds. Based on her comparables, she is eligible to receive \$20,351.50, plus any other incidental costs involved in closing and Mr. Adams requested the Board's approval.

A motion was made by Commissioner Jacobs, seconded by Commissioner McKenzie and passed unanimously to approve Loristeen Davis receiving supplemental funding in the amount of \$20,351.50, plus any other incidental costs involved in closing, per Mr. Adams request.

**ADAMS COMPANY - ADDITIONAL LEGAL ASSISTANCE FOR CHAF PROGRAM**

A motion was made by Commissioner McKenzie, seconded by Commissioner Norris and passed unanimously to approve the following legal firms to provide additional legal assistance for the Columbus County CHAF Program.

Hill and High Attorneys, L.L.P.

Fred Meekins, Attorney

Plus any others recommended by County Attorney, James E. Hill, Jr.

**ADAMS COMPANY - ADJUSTMENT OF FEES FOR TITLE OPINIONS FOR THE COLUMBUS COUNTY CHAF PROGRAM APPROVAL**

A motion was made by Commissioner Jacobs, seconded by Commissioner McKenzie and passed unanimously to adjust the fees for title opinions to \$425.00 each for all attorneys, including David S. Tedder and Michael Willis, Attorneys at Law, who are presently preparing these for a lesser fee.

**ADAMS COMPANY - APPROVAL TO PURCHASE LAND FOR MOBILE HOME**

A motion was made by Commissioner Jacobs, seconded by Commissioner McKenzie and passed unanimously to approve the following 2000 Columbus County CHAF R-1 Replacement.

Unit No.	Owner	Cost	Unit Type
00-38	Preston Smith 91 Bruce Street Fair Bluff, NC 28439	\$6,700.00	Land Purchase

**WATER & SEWER DISTRICT II - BOND ANTICIPATION NOTES**

A motion was made by Commissioner Wilson, seconded by Commissioner McKenzie and passed unanimously to adopt the following documents regarding the issuance of \$845,000.00 Water and Sewer District II Revenue Bond Anticipation Notes.

**BOND ORDER AUTHORIZING THE ISSUANCE OF WATER SYSTEM REVENUE BONDS TO PAY A PART OF THE COST OF A WATER SYSTEM; PROVIDING FOR THE ISSUANCE OF ADDITIONAL REVENUE BONDS; PROVIDING FOR THE ISSUANCE OF REVENUE BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE OF REVENUE BONDS; PROVIDING FOR THE COLLECTION OF SERVICE CHARGES FOR THE USE OF THE WATER SYSTEM; PROVIDING FOR THE CREATION OF CERTAIN SPECIAL FUNDS; PLEDGING TO THE PAYMENT OF THE PRINCIPAL OF AND THE INTEREST ON THE REVENUE BONDS AND NOTES CERTAIN REVENUES OF THE WATER SYSTEM; SETTING FORTH THE RIGHTS AND REMEDIES OF OWNERS; AND SETTING FORTH THE DETAILS OF CERTAIN RELATED MATTERS**

**WHEREAS**, pursuant to Article 6 of Chapter 162A of the General Statutes of North Carolina, the Columbus County Water and Sewer District II, in Columbus County, North Carolina (the "District"), was duly created for the purpose of providing water service to the residents of the territory included within the District and vested with the powers set forth in said Article 6;

**WHEREAS**, the Board of Commissioners for the County of Columbus, North Carolina, as the governing body of the District, has authorized the issuance of \$6,500,000 general obligation water bonds of the District pursuant to an order adopted by said Board on October 20, 1997, which order was approved by the voters of the District at a referendum held on December 16, 1997 (the "General Obligation Bonds"), for the purpose of providing funds, with any other available funds, for constructing a water system of the District, within and without the corporate limits of the District, including the construction and installation

of wells, water treatment facilities, elevated water storage tanks, water mains and lines and appurtenant facilities, and the acquisition of necessary land, rights-of-way, and equipment (the "Project");

**WHEREAS**, the District has received bids for the construction of the Project and the cost of the Project pursuant to such bids is greater than said Board had expected and made provision for by authorizing the issuance of the General Obligation Bonds;

**WHEREAS**, it is necessary for the District to provide additional funds in order to proceed with the Project and said Board believes that it is in the best interest of the District to authorize the issuance of water system revenue bonds of the District pursuant to The State and Local Government Revenue Bond Act for such purpose and to provide for certain related matters at this time;

**WHEREAS**, the District is authorized pursuant to said Act to issue its revenue bonds to provide money for the acquisition, construction, reconstruction, extension, improvement or payment of the cost of one or more revenue bond projects, including water systems or facilities; and

**WHEREAS**, the Local Government Commission of North Carolina has approved the application of the District for the issuance of its water system revenue bonds in an amount not exceeding \$845,000 for the purpose of providing funds, together with the proceeds of the General Obligation Bonds and any other available funds, for paying the cost of the Project;

**NOW, THEREFORE, BE IT ORDERED** by the Board of Commissioners for the County of Columbus, North Carolina, as the governing body of the District, as follows:

## **ARTICLE I**

### **GENERAL PROVISIONS AND DEFINITIONS**

Section 1.01 Contract with Owners. In consideration of the purchase and acceptance of the Bonds by those who shall hold the same from time to time, the provisions of this Bond Order shall be deemed to be and shall constitute a contract between the District and the Owners from time to time of the Bonds; and the covenants and agreements herein set forth to be performed by or on behalf of the District shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds so issued or to be issued, without preference, priority or distinction as to lien or otherwise, except as otherwise hereinafter

provided, of any one Bond over any other Bond by reason of priority in the issue, sale or negotiation thereof, or otherwise.

Section 1.02 Definitions. In addition to the terms defined elsewhere in this Bond Order, the following words and terms as used in this Bond Order shall have the following meanings, unless some other meaning is manifestly intended:

“Act” means The State and Local Government Revenue Bond Act, constituting Article 5 of Chapter 159 of the General Statutes of North Carolina, as amended.

“Additional Bonds” means the Additional Bonds referred to in **Article III** hereof.

“Annual Budget” means any annual budget of the District in effect pursuant to **Section 7.07** of this Bond Order.

“Board” means the Board of Commissioners for the County of Columbus, North Carolina, in its capacity as the governing body of the District, or the board or body in which the general legislative powers of the District shall hereafter be vested.

“Bond” or “Bonds” means any bond or bonds authorized by this Bond Order and includes the Initial Bonds and any Additional Bonds issued in accordance with this Bond Order.

“Bond Order” means this bond order, together with all orders amendatory hereof and all orders supplemental hereto as herein permitted.

“Bond Registrar” means the Finance Officer or any successor as appointed by the Board.

“Chairman” means the Chairman of the Board or the officer succeeding to or exercising his principal functions and duties.

“Clerk to the Board” means the Clerk to the Board or the officer succeeding to or exercising his principal functions and duties.

“Commission” means the Local Government Commission of North Carolina.

“Consulting Engineers” means an engineer or engineering firm at the time employed by the District to perform the functions and duties imposed on the Consulting Engineers by this Bond Order.

“Counsel” means an attorney or firm of attorneys selected by the District.

“Debt Service Fund” means the fund created and so designated by **Section 5.02** of this Bond Order.

“Debt Service Requirements” means, with respect to Bonds and Other Indebtedness in any Fiscal Year, the sum of (a) the amount required to pay the interest on the Bonds and the Other Indebtedness, respectively, then outstanding which is payable in such Fiscal Year and (b) the amount required to pay the principal of the Bonds and the Other Indebtedness, respectively, then outstanding which is payable in such Fiscal Year, the computation of such amounts to be based on the assumption that (a) the Bonds and the Other Indebtedness at the time outstanding will be retired according to their stated maturities, principal installments or mandatory redemption requirements and (b) if the Bonds or Other Indebtedness bears interest at a variable rate, the applicable rate is the ceiling rate.

“Debt Service Reserve Fund” means the fund created and so designated by Section 5.02 of this Bond Order.

“Debt Service Reserve Fund Requirement” means an amount equal to the average annual Debt Service Requirements of all Bonds secured by the Debt Service Reserve Fund.

“Depository” means any bank or trust company duly authorized under the laws of the United States of America or the State of North Carolina to engage in the banking business within said State and designated by the Board as a depository of moneys under the provisions of this Bond Order.

“District Representative” means the County Manager of the County of Columbus, North Carolina and such other person or persons as are designated to act on behalf of the District by resolution of the Board as evidenced by a certificate signed by the Chairman furnished to the Bond Registrar and the Depository containing the specimen signature of such person or persons.

“Finance Officer” means the Finance Officer of the County of Columbus, North Carolina in his capacity as the Finance Officer of the District or the officer succeeding to his principal functions and duties.

“Fiscal Year” means the period of twelve (12) months commencing on July 1 of any year and ending on June 30 of the following year.

“Identifiable Owner” means any Owner who shall have filed with the Bond Registrar a request in writing setting forth such Owner’s name and address and the particular reports, notices or other documents which such Owner desires to receive and which shall be mailed to such Owner under the provisions of this Bond Order.

“Initial Bonds” means the Bonds authorized under **Section 2.01** of this Bond Order.

“Net Revenues” means the Revenues received by the District during any period less the Operating Expenses for such period.

“Operating Expenses” means the District’s reasonable and necessary current expenses of maintaining, operating and repairing the System, including, without limiting the generality of the foregoing, all administrative, general and commercial expenses, insurance and surety bond premiums, payments for the billing and collection of Service Charges, architectural and engineering expenses, fees and expenses of the Bond Registrar and the Depositary, legal expenses, any taxes which may be lawfully imposed on the District or its income or operations or the property under its control, ordinary and current rentals of equipment or other property, usual expenses of maintenance and repair, and any other current expenses required to be paid by the District under the provisions of this Bond Order or by law, all to the extent properly and directly attributable to the System, but not including any reserves for operation, maintenance or repair or any allowance for depreciation, amortization, interest or similar charges.

“Other Indebtedness” means other indebtedness, including the General Obligation Bonds, incurred or assumed by the District which is not secured by a pledge of or charge or lien upon the Net Revenues but is payable from the Net Revenues and which is or was incurred or assumed for paying the cost of capital projects that are or will be a part of the System.

“Owner” or any similar term, when used with reference to any outstanding Bond or Bonds means any person who shall be the registered owner of such Bond or Bonds.

“Project” means Project as defined in the preamble of this Bond Order.

“Qualified Investments” means any investments that the District is permitted to make under Section 159-30 of the General Statutes of North Carolina, as amended, or any successor provision.

“Revenue Fund” means the fund created and so designated by **Section 5.02** of this Bond Order.

“Revenues” means all income received by the District from, in connection with, or as a result of, its ownership or operation of the System, including all moneys received in payment of Service Charges, but excluding (a) all capital facility, impact, assessment and

similar fees and charges and grants derived by the District in connection with the provision of or payment for capital improvements constituting a part of the System and which are to be applied to such use, (b) insurance proceeds or other available funds from any alternative risk management program except business interruption insurance proceeds or their equivalent, (c) proceeds derived from the disposition of property of the System except the proceeds of any lease of such property, (d) proceeds of condemnation awards or compensation, (e) moneys received by the District as security deposits on account of estimated Service Charges except as applied to satisfy the delinquent payment of Service Charges, (f) proceeds of any borrowing by the District, (g) earnings and gains from the investment or deposit of moneys in any funds created pursuant to this Bond Order, which earnings or gains are not available for the payment of Operating Expenses or debt service on Bonds and Other Indebtedness, (h) proceeds of any taxes received or levied by the District and transferred to the credit of the Revenue Fund and (i) other transfers from the District to the credit of the Revenue Fund. In connection with the pledge of Net Revenues as provided in this Bond Order, the term "Revenues" also means all rights of the District to receive such income, whether in the form of accounts receivable, contract rights or other rights, and the proceeds of such rights whether now owned or held or hereafter coming into existence.

"Secretary" means the Secretary of the Commission or his designated assistant.

"Series Resolution" means the resolution of the Board providing for the issuance of any series of Bonds and fixing the details thereof.

"Service Charges" means rates, fees and charges, including service, connection and other charges, for the use of, and for the services and facilities furnished or to be furnished by the System, as prescribed or fixed by the Board.

"State Treasurer" means the Treasurer of the State of North Carolina or his designated assistant.

"Surplus Fund" means the fund created and so designated by **Section 5.02** of this Bond Order.

"System" means the Project and any System Improvements.

"System Improvements" means any acquisition, construction, reconstruction, improvement, enlargement, betterment or extension of the System other than the Project, including all plants, works, instrumentalities and properties used or useful in obtaining, conserving, treating and distributing water.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words "Owner" and "person" shall include corporations and associations, including public bodies, as well as natural persons.

## ARTICLE II

### AUTHORIZATION OF PROJECT AND INITIAL BONDS; TERMS, EXECUTION, AUTHENTICATION, DELIVERY AND REGISTRATION OF BONDS

Section 2.01 Authorization of Project and Initial Bonds. The Board hereby confirms that it is in the best interest of the District to proceed with the Project. The District shall issue, in accordance with and pursuant to the Act and this Bond Order, its revenue bonds in an aggregate principal amount not exceeding \$845,000 for the purpose of providing funds, together with the proceeds of the General Obligation Bonds and any other available funds, to pay the cost of the Project. The cost of the Project may include interest on such revenue bonds and expenses of issuing such revenue bonds as provided in the Series Resolution for such revenue bonds.

Section 2.02 Character of Bonds. The Bonds shall be special obligations of the District payable solely from and secured by a pledge of the Net Revenues, except to the extent payable from the proceeds of any Bonds, investment earnings and certain other moneys, including certain reserves, as provided in this Bond Order or any Series Resolution.

Section 2.03 Terms of Bonds. The Bonds are issuable as fully-registered bonds. The Bonds shall be dated, shall bear interest until their payment, such interest to the maturity thereof being payable at such rate or rates and at such time or times, shall be stated to mature (subject to the right of prior redemption) at such times and shall be in such form or forms as set forth in the Series Resolution providing for the issuance of the respective Bonds. Both principal of and interest on the Bonds shall be paid by check mailed to the Owners thereof unless otherwise provided in the Series Resolution providing for the issuance of the respective Bonds. Each Bond shall be payable with respect to principal, redemption premium if any, and interest in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts. The Bonds of any series and, if applicable, the respective installments of principal corresponding thereto, shall be subject to redemption prior to maturity in whole or

in part and at such times and prices as may be provided in the Series Resolution providing for the issuance of such Bonds, and such Series Resolution may also provide for giving notice of such redemption, making payment of redeemed Bonds and other matters relating to such redemption.

Section 2.04 Execution of Bonds. Each Bond shall be executed in the name of the District by the manual or facsimile signatures of the Chairman and the Clerk to the Board and shall have impressed or printed thereon the official seal of the District or a facsimile thereof; provided, however, that at least one manual signature must appear on each Bond (which may be the signature of the Secretary to the Commission's certificate). Any Bond may be signed, sealed or attested on behalf of the District by any person who, at the date of such act, shall hold the proper office, notwithstanding that at the date of such Bond or the date of delivery thereof such person shall not have held such office. In case any officer who shall have signed or sealed any of the Bonds shall cease to be such officer of the District before the Bonds so signed or sealed shall have been delivered, such Bonds may nevertheless be delivered as herein provided as if the person who so signed or sealed such Bonds had not ceased to be such officer.

Section 2.05 Registration and Transfer of Bonds. The District shall cause books for the registration of and for the registration of transfers of the Bonds as provided in this Bond Order to be kept by the Bond Registrar. The transfer of any Bond shall be registered upon the books kept for the registration of and registration of transfers of Bonds upon surrender thereof to the Bond Registrar together with an assignment duly executed by the Owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the District shall execute and the Bond Registrar shall authenticate and deliver in exchange for such Bond a new Bond or Bonds of the same series registered in the name of the transferee in an aggregate principal amount equal to the unpaid principal amount of such Bond, having maturities corresponding to the principal installments of said Bond and bearing interest at the same rate.

In all cases in which the Bonds shall be transferred hereunder, the District shall execute and the Bond Registrar shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this Bond Order. The District and the Bond Registrar may make a charge for every such transfer of Bonds sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to such transfer.

Neither the District nor the Bond Registrar shall be required to make any such registration of transfer of Bonds during the fifteen (15) days immediately preceding an interest payment date on the Bonds or in the case of any proposed redemption of Bonds, immediately preceding the date of mailing of notice of such redemption, or after such Bond or any portion thereof has been selected for redemption.

Section 2.06 Ownership of Bonds. As to any Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of and the interest on any such Bond shall be made only to the Owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond including the interest thereon to the extent of the sum or sums so paid.

Section 2.07 Mutilated, Destroyed, Stolen or Lost Bonds. In case any outstanding Bond shall become mutilated or be destroyed, stolen or lost, the District may prepare and cause to be executed, authenticated and delivered a new Bond of like tenor, number and amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond and upon surrender of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, upon the Owner furnishing to the satisfaction of the Bond Registrar, the Commission and the District evidence that such Bond has been destroyed, stolen or lost, proof of the ownership thereof, a surety bond or other indemnification instrument in twice the face amount of the Bond or in such other amount required by applicable law, payment of the cost of preparing and issuing such new Bond, including the reasonable expenses and charges of the District and the Bond Registrar in connection therewith and evidence of compliance with such other reasonable regulations as the Bond Registrar and Board may prescribe. All Bonds surrendered hereunder shall be surrendered to the Bond Registrar and shall be cancelled. All Bonds issued in accordance with this Section shall be signed by the Chairman and the Clerk to the Board who are in office at the time and shall contain a recital to the effect that they are issued in exchange for or in place of certain Bonds and are to be deemed a part of the same series as such Bonds.

Section 2.08 Authentication of Initial Bonds. The Initial Bonds shall be executed substantially in the manner hereinabove set forth and shall be deposited with the Bond Registrar for authentication, but prior to or simultaneously with the authentication by the

Bond Registrar and delivery of the Initial Bonds by the State Treasurer there shall be filed with the Bond Registrar the following:

(a) copies, certified by the Clerk to the Board to be true and correct copies, of this Bond Order and the Series Resolution prescribing the details of the Initial Bonds, including form, maturities and redemption provisions;

(b) a certificate of the Commission showing the award of the Initial Bonds and specifying the interest rate or rates thereof; and

(c) an opinion of Counsel to the effect that the issuance of the Initial Bonds has been duly authorized.

No Bond shall be valid or obligatory for any purpose unless authenticated by the Bond Registrar.

When the documents mentioned in clauses (a) to (c), inclusive, of this Section shall have been filed with the Bond Registrar and when the Initial Bonds shall have been executed as required by this Bond Order, the Bond Registrar shall authenticate and deliver the Initial Bonds to or upon the order of the purchasers thereof, but only upon payment to the State Treasurer of the purchase price of the Initial Bonds. The Bond Registrar shall be entitled to rely upon such documents with respect to the matters contained therein.

**Section 2.09 Approval of Issuance and Sale of Initial Bonds.** None of the Initial Bonds shall be issued unless they are approved and sold by the Commission and until the Secretary shall have endorsed thereon a certificate evidencing approval in accordance with the provisions of the Act.

**Section 2.10 Issuance of Revenue Bond Anticipation Notes.** The District is authorized to issue, in anticipation of the receipt of the proceeds of any Bonds, water system revenue bond anticipation notes for the purpose of providing funds, with any other available funds, to pay the cost of the Project or any System Improvements. The payment of the principal of, redemption premium, if any, and interest on said notes shall be secured by a pledge, charge and lien upon the proceeds of such Bonds, if and when issued, and by the pledge of the Net Revenues pursuant to **Section 5.03** of this Bond Order. The Revenues, as received by the District, shall immediately be subject to the lien of such pledge of the Net Revenues without any physical delivery thereof or further act. All covenants, obligations and agreements of the District contained in this Bond Order shall be deemed to be covenants, obligations and agreements of the District with the owners of any such notes hereafter issued.

**ARTICLE III**  
**ADDITIONAL BONDS**

Section 3.01 Refunding of Outstanding Bonds. The District may, to the extent permitted by the Act and the provisions of this Section, issue, from time to time, Bonds (herein referred to as "Additional Bonds") which shall be payable from the same funds as previously issued Bonds for the purpose of refunding all or any portion of the Initial Bonds or any Additional Bonds and paying expenses of issuing such Additional Bonds, all as provided in the Series Resolution for any series of such Additional Bonds. Except as to any difference in the maturities thereof, the rate or rates of interest or the provisions for redemption, such refunding obligations shall be on a parity with and shall be entitled to the same benefit and security of this Bond Order as other Bonds. The Bond Registrar shall not authenticate and deliver any Additional Bonds for this purpose unless theretofore or simultaneously therewith there shall have been filed with the Bond Registrar the following:

(a) a copy, certified by the Clerk to the Board to be a true and correct copy, of the Series Resolution authorizing the issuance of such Additional Bonds and prescribing the details thereof;

(b) a certificate of the Commission showing the award of such Additional Bonds and specifying the interest rate or rates thereof;

(c) a copy, certified by the Clerk to the Board to be a true and correct copy, of the resolution (which may be incorporated in the Series Resolution) of the Board directing the authentication of such Additional Bonds and the delivery thereof to or upon the order of the purchasers therein named upon payment of the purchase price therein set forth;

(d) an opinion of Counsel to the effect that the issuance of such Additional Bonds has been duly authorized and that all conditions precedent to the delivery of such Additional Bonds have been fulfilled; and

(e) such documents as shall be required by the Bond Registrar to evidence that provision has been satisfactorily made for the redemption of the Bonds to be refunded.

When the documents mentioned in clauses (a) to (e), inclusive, of this Section shall have been filed with the Bond Registrar and when such Additional Bonds shall have been executed and authenticated as required by this Bond Order, the Bond Registrar shall deliver such Additional Bonds to or upon the order of the purchasers thereof, but only upon payment to the State Treasurer of the purchase price of such Additional Bonds.

**Section 3.02 Financing of System Improvements.** The District may, to the extent permitted by the Act and the provisions of this Section, issue, from time to time, bonds (herein also referred to as "Additional Bonds"), which shall be payable from the same funds as previously issued Bonds for the purpose of providing funds, with any other available funds, for paying the cost of System Improvements, including interest on such Additional Bonds and expenses of issuing such Additional Bonds, all as provided in the Series Resolution for any series of such Additional Bonds. Except as to any difference in the maturities thereof, the rate or rates of interest or the provisions for redemption, such obligations shall be on a parity with and shall be entitled to the same benefit and security of this Bond Order as all other Bonds. The Bond Registrar shall not authenticate and deliver any Additional Bonds for this purpose unless theretofore or simultaneously therewith there shall have been filed with the Bond Registrar the following:

(a) a copy, certified by the Clerk to the Board to be a true and correct copy, of the Series Resolution authorizing the issuance of such Additional Bonds and prescribing the details thereof and providing that the System Improvements to be financed with the proceeds thereof are thereby made a part of the System and that the revenues of such System Improvements are thereby pledged as security for such Additional Bonds and as additional security for the outstanding Bonds;

(b) a certificate of the Commission showing the award of such Additional Bonds and specifying the interest rate or rates thereof;

(c) a copy, certified by the Clerk to the Board to be a true and correct copy, of the resolution (which may be incorporated in the Series Resolution) of the Board directing the authentication of such Additional Bonds and the delivery thereof to or upon the order of the purchasers therein named upon payment of the purchase price therein set forth;

(d) an opinion of Counsel to the effect that the issuance of such Additional Bonds has been duly authorized and that all conditions precedent to the delivery of such Additional Bonds have been fulfilled;

(e) a certificate, signed by the District Representative stating that all payments required by **Section 5.05** of this Bond Order to be made to the credit of the Debt Service Fund and the Debt Service Reserve Fund prior to the beginning of the month during which such Additional Bonds are to be issued have been made;

(f) a certificate, signed by the District Representative, to the effect that (i) the Net Revenues for each of the two complete Fiscal Years next preceding the issuance of the proposed Additional Bonds were equal to at least one hundred ten per centum (110%) of the average annual Debt Service Requirements of all Bonds outstanding in the respective Fiscal Years and (ii) the Net Revenues for each of the two complete Fiscal Years next preceding the issuance of the proposed Additional Bonds were equal to at least one hundred per centum (100%) of the average annual Debt Service Requirements of all Bonds and all Other Indebtedness outstanding in the respective Fiscal Years; and

(g) a statement, signed by the District Representative, to the effect that (i) the estimated Net Revenues for the first two Fiscal Years following the Fiscal Year in which the proposed Additional Bonds are to be issued will be at least one hundred twenty per centum (120%) of the average annual Debt Service Requirements of all outstanding Bonds, including the proposed Additional Bonds, and (ii) the estimated Net Revenues for the first two Fiscal Years following the Fiscal Year in which the proposed Additional Bonds are to be issued will be at least one hundred per centum (100%) of the average annual Debt Service Requirements of all outstanding Bonds, including the proposed Additional Bonds, and all outstanding Other Indebtedness.

Section 3.03 Approval by Local Government Commission. Additional Bonds shall not be issued unless they are approved and sold by the Commission and until the Secretary shall have endorsed thereon a certificate evidencing approval in accordance with the Act.

Section 3.04 Waiver of Additional Bonds Limitations. The limitations set forth in clauses (f) and (g) of Section 3.02 hereof with respect to the issuance of Additional Bonds may be waived or modified by the written consent of the Owners of not less than seventy-five per centum (75%) of the aggregate principal amount of the Bonds then outstanding.

#### ARTICLE IV

##### CONSTRUCTION FUND AND APPLICATION OF PROCEEDS OF BONDS

Section 4.01 Construction Fund. A special fund is hereby created and designated the Columbus County Water and Sewer District II Water System Construction Fund (the "Construction Fund") to the credit of which the proceeds of the Initial Bonds shall be deposited. The moneys in the Construction Fund shall be held in trust with North Carolina Capital Management Trust and applied to the payment of the cost of the Project and, pending such application, shall be subject to a lien and charge in favor of the Owners of the Bonds

outstanding under this Bond Order and for the further security of such Owners until paid out or withdrawn as herein provided.

**Section 4.02 Payments from Construction Fund.** All payments and withdrawals from the Construction Fund shall be subject to the provisions and restrictions set forth in this Article and the Series Resolution providing for the issuance of the Initial Bonds. Payments from the Construction Fund shall be made only on checks signed by the District Representative and with prior concurrence of an authorized official of the United States of America, acting through the United States Department of Agriculture (the "Government"), or in such other manner as provided in such Series Resolution and with the concurrence of the Government.

When all costs of the Project have been paid in full, any moneys remaining in the Construction Fund may be applied to the payment or redemption prior to maturity of the Initial Bonds or used for other purposes that have been approved by the Government, and the Construction Fund shall be closed.

## ARTICLE V

### REVENUES AND OTHER FUNDS

**Section 5.01 Service Charges.** The District covenants that it will revise the Service Charges from time to time and as often as it shall appear necessary in order that:

(a) Revenues will be sufficient in each Fiscal Year (i) to pay Operating Expenses to be paid in such Fiscal Year in accordance with **Section 5.04** of this Bond Order and (ii) to make the required deposits or transfers in such Fiscal Year in accordance with **clauses (a) through (c) of Section 5.05** of this Bond Order; and

(b) Net Revenues in each Fiscal Year will not be less than one hundred ten per centum (110%) of the Debt Service Requirements for such Fiscal Year on account of the Bonds then outstanding, and (ii) Net Revenues in each Fiscal Year will be not less than one hundred per centum (100%) of the Debt Service Requirements for such Fiscal Year on account of the Bonds and the Other Indebtedness then outstanding.

Forthwith upon the adoption of any revision of the Service Charges, the District will cause certified copies thereof to be filed with the Consulting Engineers and the Commission and mailed, upon request, to each Identifiable Owner.

The District further covenants that if the Revenues or Net Revenues in any Fiscal Year shall be less than the amounts set forth in the first paragraph of this Section, the District will

immediately request the Consulting Engineers to make their recommendations regarding any revision of the Service Charges and any improvements in the operation of or services rendered by the System, and copies of such request and of the recommendations of the Consulting Engineers shall be filed with the Commission and mailed by the Clerk to the Board, upon request, to each Identifiable Bondholder. Anything in this Bond Order to the contrary notwithstanding, if the District shall substantially comply with all of the recommendations of the Consulting Engineers respecting the Service Charges and improvements in the operation of or services rendered by the System, it will not constitute an event of default under this Bond Order if the Revenues or Net Revenues shall be less than the amounts set forth in the first paragraph of the Section.

Section 5.02 Creation of Other Funds. There are hereby created the following designated special funds: (a) Columbus County Water and Sewer District II Water System Revenue Fund (the "Revenue Fund"); (b) Columbus County Water and Sewer District II Water System Debt Service Fund (the "Debt Service Fund"); (c) Columbus County Water and Sewer District II Water System Debt Service Reserve Fund (the "Debt Service Reserve Fund"); and (d) Columbus County Water and Sewer District II Water System Surplus Fund (the "Surplus Fund"). The moneys in each fund shall be held in trust with a Depository and applied as herein provided and, pending such application, shall be subject to a lien and charge in favor of the Owners of the Bonds outstanding under this Bond Order and for the further security of such Owners until paid out or transferred as herein provided. Each fund shall be maintained as long as any of the Bonds are outstanding.

Section 5.03 Pledge of Net Revenues. The District hereby pledges the Net Revenues to secure the payment of the principal of, redemption premium, if any, and interest on the Bonds. The Revenues, as received by the District, shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act and the lien of this pledge shall have priority over any or all other obligations and liabilities of the District, including any general obligation bonds, or notes issued in anticipation thereof, heretofore or hereafter authorized or issued by the District for the purpose of providing funds for paying the cost of water systems or related facilities. The lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the District irrespective of whether such parties have notice thereof.

Section 5.04 Application of Revenues Received by the District. All Revenues received by or on behalf of the District shall be deposited as soon as practicable following the receipt thereof and held by the Depositary in the Revenue Fund.

The District shall pay Operating Expenses from moneys on deposit in the Revenue Fund in accordance with the Annual Budget then in effect and the provisions of **Section 7.07** hereof.

In addition, the District will transfer moneys on deposit in the Revenue Fund as provided in **Section 5.05** hereof.

Section 5.05 Withdrawals from the Revenue Fund. The District shall, on or before the twentieth (20th) day of each month, commencing in the month following the month in which the Project commences operation, withdraw from the Revenue Fund an amount equal to the amount of all moneys held for the credit of the Revenue Fund on the last day of the preceding month and transfer or deposit such amount to the credit of the following funds in the following order:

(a) to the credit of the Debt Service Fund, such amount thereof (or the entire sum so withdrawn if less than the required amount) as is equal to the amounts to be deposited therein as specified in the Series Resolution for each series of Bonds then outstanding for the payment of the interest on and the principal of such Bonds;

(b) to the credit of the Debt Service Reserve Fund, until the amount on deposit therein is equal to the Debt Service Reserve Fund Requirement, such amount of the balance remaining after making the transfer under **clause (a)** above (or the entire sum so withdrawn if less than the required amount) as is equal to 1/120 of the Debt Service Reserve Requirement with respect to the Initial Bonds plus such amount of the Debt Service Reserve Requirement with respect to each series of Additional Bonds as shall be provided in the applicable Series Resolution for such series;

(c) to such person or persons as may be appropriate for deposit to the credit of such funds and accounts as shall be established by each resolution of the Board authorizing or other documents evidencing the incurrence or assumption of Other Indebtedness, such amount, if any, of the balance remaining after making the transfers under **clauses (a) and (b)** above (or the entire sum so withdrawn if less than the required amount) as is equal to the amount of interest on and principal of Other Indebtedness then outstanding and the funding of any related debt service reserve pursuant to such resolution or documents; and

(d) to the credit of the Surplus Fund the balance, if any, remaining after making the transfers or deposits under **clauses (a) through (c)** above.

If the moneys transferred or deposited pursuant to **clauses (a) through (c)** above in any month shall be less than the required amounts under **clauses (a) through (c)** above, then the amount of any deficiency in any such transfer or deposit shall be added to the amount otherwise required to be transferred or deposited in each month thereafter until such time as all such deficiencies shall have been made up.

**Section 5.06 Application of Moneys in Debt Service Fund.** Moneys held for the credit of the Debt Service Fund shall be used for the payment of the principal of and the interest on the Bonds as provided herein and in the respective Series Resolution. The District shall, from time to time, withdraw from the Debt Service Fund and (a) remit by mail or wire transfer or as otherwise provided in the respective Series Resolution to or for the benefit of the Owner of each Bond the amount required for paying interest on such Bond as such interest becomes due and (b) set aside or remit as provided in the respective Series Resolution the amount required for paying the principal of each Bond as such principal becomes due.

**Section 5.07 Application of Moneys in Debt Service Reserve Fund.** Moneys held for the credit of the Debt Service Reserve Fund shall be used for the purpose of paying interest on and principal of the Bonds whenever and to the extent that the moneys held for the credit of the Debt Service Fund shall be insufficient for such purpose. Any moneys so withdrawn from the Debt Service Reserve Fund shall be restored from available moneys in the Revenue Fund, subject to the same conditions as are prescribed for deposits to the credit of the Debt Service Reserve Fund under the provisions of **Section 5.05** hereof. If at any time the moneys held for the credit of the Debt Service Reserve Fund shall exceed the amount of the Debt Service Reserve Requirement, such excess may be transferred to the credit of the Surplus Fund.

**Section 5.08 Application of Moneys in Surplus Fund.** If, at any time, moneys in the Revenue Fund are insufficient to make required payments of Operating Expenses or transfers or deposits to the credit of the Debt Service Fund or the Debt Service Reserve Fund, the District shall withdraw from the Surplus Fund, to the extent the moneys therein are available, and pay into the Revenue Fund, such amount as is required to remedy such deficiency.

Moneys held for the credit of the Surplus Fund and not at the time required to be so withdrawn from such fund may be held and applied by the District, without accounting therefor to the Owners, for any lawful purpose, including paying the cost of emergency maintenance and System Improvements; provided, however, that any such moneys representing (a) the allocable costs of providing the capital improvements in connection with which acreage, availability, capital facility, impact, connection, front-footage, tap-on, assessment and similar fees and charges and grants are collected and deposited to the credit of the Revenue Fund, if any, and (b) the amounts of such fees and charges, if any, which are otherwise obligated pursuant to contracts with developers or other persons or otherwise shall be applied to the purposes for which they are collected or otherwise obligated.

Section 5.09 Unclaimed Moneys. All moneys which the District shall have withdrawn from the Debt Service Fund or Debt Service Reserve Fund or shall have received from any other source and set aside for the purpose of paying any of the Bonds hereby secured, either at the maturity thereof or upon call for redemption, shall be held in trust for the respective Owners of such Bonds. Any moneys which shall be set aside and which shall remain unclaimed by the Owners of such Bonds for the period of five (5) years after the date on which such Bonds shall have become payable shall be treated as abandoned property pursuant to the provisions of Section 116B-53 of the General Statutes of North Carolina, as amended, and the District shall report and remit this property to the Escheat Fund according to the requirements of Article 4 of Chapter 116B of the General Statutes of North Carolina, as amended. Thereafter the Owners of such Bonds shall look only to the Escheat Fund for payment and then only to the extent of the amounts so received without any interest thereon, and the District shall have no responsibility with respect to such moneys.

Section 5.10 Cancellation. Except as may be provided otherwise in any Series Resolution, all Bonds paid, redeemed or purchased either at or before maturity, shall, at the direction of the District, be delivered to the Bond Registrar or to the District when such payment, redemption or purchase is made and such Bonds shall thereupon be cancelled. All Bonds cancelled under any of the provisions of this Bond Order shall be destroyed by the Bond Registrar which shall execute a certificate in duplicate describing the Bonds so destroyed, and one executed certificate shall be filed with the District and the second executed certificate shall be retained by the Bond Registrar.

## ARTICLE VI

### SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 6.01 Section for Deposits. All moneys deposited with the District or any other Depository designated by the Board hereunder in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency shall be continuously secured, for the benefit of the District and the Owners of the Bonds, in such manner as may then be required or permitted by applicable state or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds, including applicable regulations of the Commission.

Section 6.02 Investment of Funds. Moneys held for the credit of the Construction Fund, the Revenue Fund, the Debt Service Fund and the Surplus Fund shall, as nearly as may be practicable, be continuously invested and reinvested in Qualified Investments which shall mature, or which shall be subject to redemption by the owner thereof at the option of such owner, not later than the respective dates when the moneys held for the credit of each such fund will be required for the purposes intended.

Moneys held for the credit of the Debt Service Reserve Fund shall, as nearly as may be practicable, be continuously invested and reinvested in Qualified Investments which shall mature, or which shall be subject to redemption by the owner thereof at the option of such owner, not later than three (3) years after the date of such investment.

Obligations and certificates of deposit purchased as investments of moneys in any such fund shall be deemed at all times to be part of such fund, and the interest accruing thereon and any profit realized therefrom shall be credited to such fund, and any loss resulting therefrom shall be charged to such fund. The District shall sell at the best price obtainable or present for redemption any obligations so purchased whenever it shall be necessary so to do in order to provide moneys to meet any payment or transfer from any such fund. Neither the District nor the District Representative shall be liable or responsible for any loss resulting from any such investment. For the purpose of determining the amount on deposit to the credit of any such fund, obligations in which moneys in such fund have been invested shall be valued at the lower of cost or market.

### PARTICULAR COVENANTS

Section 7.01 Payment of Bonds and Observance of Covenants. The District covenants that it will promptly pay the principal of and the interest on every Bond issued

under the provisions of this Bond Order at the places, on the dates and in the manner provided herein and in said Bonds and any premium required for the retirement of said Bonds by purchase or redemption, according to the true intent and meaning thereof. Except as in this Bond Order otherwise provided, such principal, interest and any premium are payable solely from the Net Revenues, which are hereby pledged to the payment thereof in the manner and to the extent hereinabove particularly specified, and nothing in the Bonds or in this Bond Order shall be construed as obligating the District to pay the Bonds or the interest thereon except from Net Revenues or as pledging the faith and credit of the District or as obligating the District, directly or indirectly or contingently, to levy or to pledge any form of ad valorem tax whatever therefor. The District covenants that it shall faithfully do and perform and at all times fully observe any and all covenants, undertakings, stipulations and provisions contained herein or in the Bonds.

Section 7.02 Construction of Project and System Improvements. The District covenants that it will forthwith diligently proceed to construct the Project and any System Improvements in accordance with plans and specifications which shall have been approved by the Consulting Engineers and in conformity with law and all requirements of all governmental authorities having jurisdiction thereover, and that it will complete such construction with all expedition practicable.

The District further covenants and agrees that it will require each person, firm or corporation with whom it may contract for labor or materials in connection with the construction of the Project or any System Improvements to furnish a performance bond in the full amount of any contract exceeding Thirty Thousand Dollars (\$30,000) in amount, or of any contract of such lesser amount if then required by law, to insure completion and performance of such contract, or, in lieu thereof, to deposit with a Depository marketable securities having a market value equal to the amount of such contract and eligible as security for the deposit of trust funds under regulations of the Comptroller of the Currency of the United States, and to carry such workmen's compensation or employers' liability insurance as may be required by law and such builder's, risk insurance, if any, as may be required by the Consulting Engineers. The District further covenants and agrees that in the event of any default under any such contract and the failure of the surety to complete such contract, the proceeds of any such performance bond or securities shall forthwith, upon receipt of such

proceeds, be applied toward the completion of the contract in connection with which such performance bond or securities shall have been furnished.

Section 7.03 Operation and Maintenance of System. The District covenants that it shall at all times operate the System properly and in a sound and economical manner, and shall maintain, preserve and keep the same properly or cause the same to be so maintained, preserved and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation of the System may be properly and advantageously conducted.

Section 7.04 Rules, Regulations and Other Details. The District covenants that it shall establish and shall enforce reasonable rules and regulations governing the operation, use and services of the System and that all compensations, salaries, fees and wages paid by the District in connection with the maintenance, repair and operation of the System shall be reasonable. The District shall observe and perform or shall cause to be observed and performed all of the terms and conditions contained in the Act, and shall comply with all valid acts, rules, regulations, orders and directions of any state or federal legislative, executive, administrative or judicial body applicable to the System or the District.

The District further covenants that:

(a) it may require the owner, tenant or occupant of each lot or parcel of land within the District who is obligated to pay Service Charges to make a reasonable deposit with the District in advance to insure the payment of Service Charges and to be subject to application to the payment thereof if and when delinquent;

(b) if any Service Charges shall not be paid within forty-five (45) days after the same shall become due and payable, the District shall at the expiration of such forty-five (45) - day period disconnect the premises from the System, and the District may proceed to recover by appropriate legal action the amount of any such delinquent Service Charges;

(c) it will not render, or cause to be rendered, any free service of any nature by the System nor will preferential rates be established for users of the same class; and

(d) to the extent legally allowed, it will not consent to the furnishing of, or permit any person whatsoever to furnish, water services within the District except in those municipalities which on the date of adoption of this Bond Order operate their own water systems or in areas wherein the System is unable economically to serve the occupants and properties.

Section 7.05 Payment of Lawful Charges. The District covenants that, from Revenues, it will pay all taxes and assessments or other municipal or governmental charges lawfully levied or assessed upon or in respect of the System or upon any part and that, from Revenues, it will pay or cause to be discharged, or will make adequate provision to satisfy and discharge, within sixty (60) days after the same shall accrue, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the System or any part thereof or upon Revenues; provided, however, that nothing in this Section contained shall require the District to pay or cause to be discharged, or make provision for, any such lien or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

Section 7.06 Insurance and Reconstruction. The District covenants that it will obtain and maintain insurance, with reasonable terms, conditions, provisions and costs, which the District Representative determines will afford adequate protection against such risks as are customarily insured against in connection with the operation of water systems of type and size comparable to the System. All such insurance policies shall be carried in an insurance company or companies authorized and qualified under the laws of the State of North Carolina to assume the risks thereof.

The proceeds of all such insurance covering damage to or destruction of the System shall be deposited with the District and shall be available for and shall, to the extent necessary, be applied to the repair, replacement or reconstruction of the damaged or destroyed property, and shall be paid out in the manner determined by the District. If such proceeds are more than sufficient for such purpose, the balance remaining shall be deposited to the credit of the Surplus Fund. If such proceeds shall be insufficient for such purpose, the deficiency may be supplied out of any moneys in the Surplus Fund. The proceeds of all insurance covering loss of Revenues shall be deposited to the credit of the Revenue Fund.

Section 7.07 Annual Budget. The District covenants that it shall develop an annual budget for each Fiscal Year consistent with the budget preparation schedule set forth in the State's applicable fiscal control statutes (the "Annual Budget"). If for any reason the Board shall not have adopted the Annual Budget before the first (1st) day of any Fiscal Year, the budget for the preceding Fiscal Year shall, until the adoption of the Annual Budget, be deemed to be in force.

The Board may at any time adopt an amendment or supplement to the Annual Budget for the remainder of the then current Fiscal Year, but no such amendment or supplement to the budget shall be effective until it shall be approved in the manner hereinbefore prescribed for the Annual Budget.

The District covenants that the Operating Expenses incurred in any Fiscal Year will not exceed the reasonable and necessary amount thereof, and that it will not expend any amount or incur any obligations for maintenance, repair and operation in excess of the amounts provided for Operating Expenses in the Annual Budget. Nothing in this Section contained shall limit the amount which the District may expend for Operating Expenses in any Fiscal Year provided any amounts expended therefor in excess of Revenues available therefor shall be received by the District from some source other than Revenues and the District shall not make any reimbursement therefor from Revenues.

Section 7.08 Records, Books and Audits. The District covenants that it will keep each of the funds of the System separate from all other funds of the District and that it will keep accurate records and accounts of all items of cost and of all expenditures relating to the System and of the Revenues collected and the application of such Revenues. Such records and accounts shall at all times during normal business hours be open to the inspection of the Commission and the Owners.

The District further covenants that promptly after the close of each Fiscal Year it will cause an audit to be made of its books and accounts relating to the System by a firm of independent certified public accountants to be chosen by the Board and will cause an annual report of operations of the System to be prepared, such annual report to cover the matters usually contained in annual reports for similar systems. Within a reasonable time thereafter, reports of each such audit and copies of each such annual report shall be mailed by the Clerk to the Board to the Consulting Engineers, the Commission, and, upon request, to each Identifiable Owner. Each such audit report shall be in accordance with generally accepted accounting principles.

Section 7.09 Sale or Encumbrance. The District covenants that it will not sell, lease or otherwise dispose of or encumber the System or any part thereof except with the consent of one hundred per centum (100%) of the Owners. Notwithstanding the foregoing, the Board may, from time to time, sell or otherwise dispose of such property forming part of the System, including machinery, fixtures, apparatus, tools, instruments or other movable

property, as the Board may determine is not needed in connection with the maintenance and operation of such System. The proceeds from any sale, lease or disposition of the System, in whole or in part, shall be applied to the replacement of the properties so sold or otherwise disposed of or shall be deposited to the credit of the Surplus Fund.

Section 7.10 Creation of Liens. The District covenants that it will not create or permit to be created any charge or lien on the Net Revenues other than the charge or lien on the Net Revenues of the Bonds issued and secured hereunder unless otherwise required by applicable law.

Section 7.11 Instruments of Further Assurance. The District covenants that at any and all times it shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further orders, resolutions, acts, conveyances, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting and confirming all and singular the rights, Revenues and other funds hereby pledged or intended so to be, or which the District may hereafter become bound to pledge or as may be reasonable and required to carry out the purposes of the Bond Order and comply with the Act. The District further covenants that it shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Net Revenues and all the rights of the Owners against all claims and demands of all persons whomsoever.

## ARTICLE VIII

### DEFAULTS AND REMEDIES

Section 8.01 Events of Default. Each of the following events is hereby declared an "event of default;" that is to say, if:

(a) payment of the principal of and premium, if any, on any of the Bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) payment of any interest on the Bonds shall not be made when the same shall become due and payable; or

(c) the District shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

(d) any substantial part of the System, necessary for its efficient operation, shall be destroyed or damaged and shall not be promptly repaired, replaced or reconstructed (whether such failure promptly to repair, replace or reconstruct the same be occasioned by the

impracticability of such repair, replacement or reconstruction or the lack of funds therefor or any other reason); or

(e) an order or decree shall be entered, with the consent or acquiescence of the District, appointing a receiver or receivers of the System or of the Revenues, or if such order or decree, having been entered without the consent or acquiescence of the District, shall not be vacated or discharged or stayed on appeal within sixty (60) days after the entry thereof; or

(f) any proceeding shall be instituted, with the consent or acquiescence of the District, for the purpose of effecting a composition between the District and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable out of Revenues; or

(g) the District shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Bond Order on the part of the District to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the District by the Owners of not less than twenty per centum (20%) in principal amount of the Bonds then outstanding.

Section 8.02 Bonds Declared Due and Payable. Upon the happening and continuance of any event of default specified in Section 8.01 of this Bond Order, then and in every such case the Owners of a majority in principal amount of the Bonds then outstanding may, by a notice in writing to the District, declare the principal of all of the Bonds then outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything contained in the Bonds or in this Bond Order to the contrary notwithstanding; provided, however, that if at any time after the principal of the Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Bond Order, moneys shall become available to pay the principal of all matured Bonds and all arrears of interest, if any, upon all the Bonds then outstanding (except the principal of any Bonds not then due by their terms and the interest accrued on such Bonds since the last interest payment date), and all other amounts then

payable by the District hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with a Depository, and every other default in the observance or performance of any covenant, condition or agreement contained in the Bonds or in this Bond Order (other than a default in the payment of the principal of such Bonds then due only because of a declaration under this Section), shall have been remedied to the satisfaction of the Owners, then and in every such case the Owners may, and upon the written request of the Owners of a majority in aggregate principal amount of the Bonds not then due by their terms and then outstanding shall, by written notice to the District, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

Section 8.03 Additional Remedies. Upon the happening and continuance of any event of default specified in Section 8.01 of this Bond Order, then and in every case the Owners may proceed to protect and enforce their rights hereunder and under the laws of the State of North Carolina, including the Act, by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Owners shall deem most effectual to protect and enforce such rights.

Section 8.04 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 8.05 Waiver of Default. No delay or omission of the Owners to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Article to the Owners may be exercised from time to time and as often as may be deemed expedient.

The Owners of a majority in aggregate principal amount of the Bonds then outstanding may waive any default which shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by them under the provisions of this Bond Order or before the completion of the enforcement of any other remedy under

this Bond Order, but no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

Section 8.06 Notice of Default. The District shall mail to the Commission and to the Owner of each Bond then outstanding written notice of the occurrence of any event of default set forth in **Section 8.01** hereof within thirty (30) days after the District shall have notice that any such event of default has occurred.

## ARTICLE IX

### THE TRUSTEE

Section 9.01 Designation of Trustee. The District may at any time, with the approval of the Commission, appoint a Trustee to administer the provisions of this Bond Order and may adopt such supplements to this Bond Order as shall be necessary or desirable to effectuate such appointment.

## ARTICLE X

### SUPPLEMENTAL ORDERS

Section 10.01 Without Consent of Owners. The Board may amend this Bond Order in any respect prior to the delivery of the Initial Bonds. The Board may from time to time and at any time following delivery of the Initial Bonds adopt such orders supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental orders shall thereafter form a part hereof):

(a) to cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Bond Order or in any supplemental order, or

(b) to grant to or confer upon the Owners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners, or

(c) to add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Bond Order other conditions, limitations and restrictions thereafter to be observed, or

(d) to add to the covenants and agreements of the District in this Bond Order other covenants and agreements thereafter to be observed by the District or to surrender any right or power herein reserved to or conferred upon the District.

At least thirty (30) days prior to the adoption of any supplemental order for any of the purposes set forth in the immediately preceding paragraph of this Section, the Bond Registrar, at the expense of the District, shall cause a notice of the proposed adoption of such

supplemental order to be mailed, postage prepaid, to the Owner of each Bond at the address appearing on the registration books and to the Commission. Such notice shall briefly set forth the nature of the proposed supplemental order and shall state that copies thereof are on file at the principal office of the Bond Registrar for inspection by all Owners.

**Section 10.02 With Consent of Owners.** Subject to the terms and provisions contained in this Section, and not otherwise, the Owners of not less than a majority in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time following delivery of any Bonds, anything contained in this Bond Order to the contrary notwithstanding, to consent to and approve the adoption of such order or orders supplemental hereto as shall be deemed necessary or desirable by the Board for the purpose of modifying, altering, amending, adding to or rescinding, in particular, any of the terms or provisions contained in this Bond Order or in any supplemental order; provided, however, that nothing herein contained shall permit, or be construed as permitting, (a) an extension of the maturity of the principal of or the interest on any Bond issued hereunder without the consent of the Owner of such Bond, or (b) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon without the consent of the Owner of such Bond, or (c) the creation of a lien upon or a pledge of Revenues other than the lien and pledge created by this Bond Order without the consent of the Owners of all Bonds outstanding, or (d) a preference or priority of any Bond over any other Bond without the consent of the Owners of all Bonds outstanding or (e) a reduction in the aggregate principal amount of the Bonds required for consent to any supplemental order without the consent of the Owners of all Bonds outstanding.

**Section 10.03 Obtaining Consent of Owners.** If at any time the Board shall determine that it is necessary or desirable to adopt any supplemental order for any of the purposes of **Section 10.02** hereof, the Bond Registrar, at the expense of the District, shall cause notice of the proposed adoption of such supplemental order to be mailed, postage prepaid, to each Owner at the address appearing on the registration books. Such notice shall briefly set forth the nature of the proposed supplemental order and shall state that copies thereof are on file at the principal office of the Bond Registrar for inspection by all Owners. The Bond Registrar shall not, however, be subject to any liability to any Owner by reason of its failure to cause the notice required by this Section to be mailed and any such failure

shall not affect the validity of such supplemental order when consented to and approved as provided in this Section.

Whenever, at any time within one (1) year after the date of the first mailing of such notice, the District shall deliver to the Bond Registrar an instrument or instruments in writing purporting to be executed by the Owners of not less than a majority in aggregate principal amount of the Bonds then outstanding, which instrument or instruments shall refer to the proposed supplemental order described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Board may adopt such supplemental order in substantially such form, without liability or responsibility to any Owner, whether or not such Owner shall have consented thereto.

If the Owners of not less than a majority in aggregate principal amount of the Bonds outstanding at the time of the adoption of such supplemental order shall have consented to and approved the adoption thereof as herein provided, no Owner shall have any right to object to the adoption of such supplemental order, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Board from adopting the same or from taking any action pursuant to the provisions thereof.

Upon the adoption of any supplemental order pursuant to the provisions of this Section, this Bond Order shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Bond Order of the District, the Bond Registrar and all Owners of Bonds then outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Bond Order as so modified and amended.

Bonds owned or held by or for the account of the District shall not be deemed outstanding and shall be excluded for the purpose of any consent or any calculation provided for in this Article.

Bonds delivered after the effective date of any action taken as in this Article provided may bear a notation by endorsement or otherwise in form approved by the District and Bond Registrar as to such action. If the District and Bond Registrar shall so determine, new Bonds modified to conform to any such action shall be prepared, authenticated and delivered to the

Owner of any Bond then outstanding without cost to such Owner in exchange for and upon surrender of such outstanding Bond.

Section 10.04 Unanimous Consent of Owners. Notwithstanding anything contained in the foregoing provisions of this Article, the terms and provisions of this Bond Order or any order supplemental hereto and the rights and obligations of the District and of the Owners of the Bonds may be modified or amended in any respect upon the adoption by the Board of an order to that effect, approved by the Bond Registrar, and the filing with the Board of the written consent of the Owners of all outstanding Bonds. No notice to Owners shall be required.

## ARTICLE XI

### MISCELLANEOUS PROVISIONS

Section 11.01 Discharge of Bond Order. If, when the Bonds secured hereby shall have become due and payable in accordance with their terms or shall have been duly called for redemption and the whole amount of the principal and the interest and premium, if any, so due and payable upon all of the Bonds then outstanding shall be paid, then and in that case the right, title and interest of the Owners of the Bonds secured hereby in the Revenues and funds mentioned in this Bond Order shall thereupon cease, terminate and become void, and the District, in such case, may apply any and all balances remaining in any funds to any lawful purpose of the District as the Board shall determine; otherwise this Bond Order shall be, continue and remain in full force and effect.

Section 11.02 Payments When Funds are Insufficient. Anything in this Bond Order to the contrary notwithstanding, if at any time moneys are insufficient to pay the interest on or the principal of the Bonds as the same become due and payable (either by their terms or by acceleration of maturities), all moneys in the Debt Service Fund and Debt Service Reserve Fund, together with any moneys then available or thereafter becoming available for such purpose, shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied

first: to the payment to the persons entitled thereto of all installments of interest on the Bonds then due, in the order of the maturity of the installments of such interest, and if the amount available shall not be sufficient to pay in full any particular installment, then to the payment