

Late-filed Exhibit #2 of Sandler Utilities at Mill Run: operator contract

**Utility Management Service Agreement
Envirolink, Inc. and
Sandler Utilities at Mill Run, LLC**

This Utility Management Service Agreement (hereinafter referred to as the "Agreement") is made as of this 6th day of January 2021 by and between **Envirolink, Inc.** a North Carolina corporation (hereinafter called "Envirolink"), and **Sandler Utilities at Mill Run, LLC**, a limited liability corporation, (hereinafter called "Owner"). In this Agreement, Envirolink and the Owner are referred to collectively as the "Parties" and individually as a "Party."

Witnesseth

WHEREAS, the Owner is a Public Utility in the State of North Carolina, and it is in the business of providing utility services to its customers;

WHEREAS, the Owner owns certain utility assets that are more fully described in Exhibit A (attached hereto and incorporated herein to this Agreement);

WHEREAS, the Owner is required under the laws of the State of North Carolina to provide the managerial, technical, financial, operational and maintenance capabilities to provide sewerage treatment facilities to the Eagle Creek Community as a condition of ownership of these assets;

WHEREAS, the Owner has authority under the laws of the State of North Carolina and desires to enter into a professional services contract for the operations, maintenance, and management of the assets described in Exhibit A;

WHEREAS, Envirolink is one of the entities approved by the State of North Carolina to provide managerial, technical, financial, operational and maintenance services to utility owners;

WHEREAS, Envirolink has represented that it is capable of operating, maintaining and managing the Owner's utility assets;

WHEREAS, Owner desires to engage Envirolink to provide such professional services; and

NOW THEREFORE in consideration of the mutual promises and of the rights, powers and duties hereinafter set forth to be performed by each, Owner and Envirolink mutually agree to the following terms and conditions.

ARTICLE 1: DEFINITIONS

Definitions: As used in this Agreement, the terms listed in this Article shall have the following meanings:

A. "Additional Services" shall mean those Utility Operation, Management and Maintenance Services that are not included in the Scope of Services as set forth in Exhibit B (attached hereto and incorporated herein to this Agreement).

B. "Certified Operator" or "Operator" or "Back up Operator" shall mean personnel, employees, or agents of Envirolink certified by the North Carolina Department of Environmental Quality

("DEQ") Water Treatment Facility Operators Certification Board to operate and maintain water supply, wastewater purification and related facilities.

C. **"Contract Start Date"** shall begin on January 1, 2021.

D. **"Facilities" or "Facility,"** shall mean the assets described in Exhibit A.

E. **"Operation, Management, and Maintenance Services" or "Scope of Services" or "Services"** shall mean those professional services provided by Envirolink to the Owner as set forth in Article 2 and in Exhibit B.

F. **"State"** shall mean the State of North Carolina.

G. **"Uncontrollable Circumstance"** shall include, without limitation, earthquake, hurricane, tornado, tropical storm, flood, ice storm, explosion, fire, lightning, landslide, and other similarly cataclysmic occurrences. Uncontrollable circumstance may also include changes in local, state, or federal law that may render this Agreement unlawful or unduly burdensome to continue as written.

ARTICLE 2 - SCOPE OF SERVICES BY ENVIROLINK

Owner engages Envirolink and Envirolink agrees to be engaged by Owner to provide the Scope of Services, as set forth in Exhibit B (attached hereto and incorporated herein to this Agreement) and to be performed in accordance with the terms and conditions set forth herein.

In addition to the Scope of Services, Envirolink may perform Additional Services at the written request of the Owner, or Envirolink may perform Additional Services if such Additional Services are needed because of an Uncontrollable Circumstance or the existence of an unanticipated circumstance, situation or event not included in the Scope of Services. Envirolink shall be paid for such Additional Services on the basis set forth in Article 7.

ARTICLE 3 – RESPONSIBILITIES OF OWNER

Owner shall provide Envirolink with the items and assistance set forth in Exhibit C (attached hereto and incorporated herein to this Agreement), in accordance with the terms and conditions set forth herein.

Owner shall provide compensation and payment to Envirolink in accordance with the terms and conditions set forth in Article 7.

ARTICLE 4 – INDEPENDENT CONTRACTOR

Envirolink shall be deemed to be an independent contractor. Envirolink shall have no power or right to enter into contracts or commitments on behalf of the Owner unless specifically authorized in writing by the Owner to do so.

ARTICLE 5 – TERM OF AGREEMENT

Subject to the other provisions of this Agreement, the initial term of this Agreement shall be for a period of five (5) years and ending on the fifth (5th) anniversary of the Contract Start Date (“Initial Term”). Thereafter, this Agreement shall be automatically renewed for an additional term of five (5) years, unless canceled in writing by either Party no less than one hundred twenty (120) days prior to expiration of the Initial Term. The Owner shall turn the Facilities over to Envirolink on the Contract Start Date of this Agreement, free and clear of the rights of any other operator thereof, and Envirolink shall commence providing the Services on the Contract Start Date.

ARTICLE 6 - TERMINATION

6.1 Termination for Default. Either party (the “Terminating Party”) may terminate this Agreement if a material breach of any provision of this Agreement has been committed by the other party (the “Breaching Party”) through no fault of the Terminating Party, provided that the following procedure is strictly adhered to:

6.1.1 The Terminating Party must give the Breaching Party written notice setting forth in detail the alleged deficiencies and a reasonable opportunity to correct them in accordance with provisions of this Article. Reasonable opportunity is dependent on the scope and nature of the alleged breach of contract and as such shall be determined on a case-by-case basis. If the Parties cannot agree on a mutually acceptable time frame, then a mutually agreed upon third party shall be consulted and both parties shall be bound by the time frame established.

6.1.2 If the deficiencies are not corrected within the time specified, the Terminating Party shall advise the Breaching Party that a Declaration of Default is imminent by sending written notice (a “Notice of Imminent Default”) which shall set forth a description of the deficiencies constituting breach of this Agreement and provide the Breaching Party a period of not less than thirty (30) days within which to correct such conditions. Provided, however, if the nature of the alleged default is such that additional time is required to correct such default, then, provided that the party receiving such notice (i) promptly presents a plan to the Terminating Party for correcting the default and (ii) takes immediate and substantial steps toward correcting the default, then the period for effecting a correction shall be reasonably extended in accordance with the plan presented by the party allegedly in default.

6.1.3 If such deficiencies are not corrected within the thirty (30) day period, as the same may be extended, the Terminating Party may declare the Breaching Party in default by issuing a Declaration of Default stating the effective termination date of the Agreement.

6.1.4. In the event that the Owner disputes that Envirolink has corrected the deficiencies, a mutually acceptable professional engineer licensed to practice in the State of North Carolina will be selected and retained by Envirolink to be the judge of whether said deficiencies have been corrected.

6.1.5. In the event that Envirolink disputes that the Owner has corrected the deficiencies, a mutually acceptable professional engineer licensed to practice in the State of North Carolina will be selected and retained by the Owner to be the judge of whether said deficiencies have been corrected.

6.1.6 In the event of termination of this Agreement, Buyer and Seller will have no further obligations to the other except for any unpaid compensation.

ARTICLE 7 - COMPENSATION AND PAYMENT TO ENVIROLINK

For the services within the Scope of Services, Owner shall pay Envirolink compensation for each year during the Initial Term and each year during any renewal period as set forth in Exhibit D ("Annual Fee") (attached hereto and incorporated herein to this Agreement).

Owner shall pay Envirolink one-twelfth (1/12) of the Annual Fee for the current year within fifteen (15) days of issuance of an invoice from Envirolink for services provided during the preceding month. Owner shall pay Envirolink interest at an annual rate equal to one and one-half percent (1.5%) per month, on payments not paid and received on the due date of the payment. Envirolink shall provide each invoice on or about the first day of the month for services provided during the preceding month.

Owner hereby grants to Envirolink, a security interest and right of set off as security for all Obligations to Envirolink, whether now existing or hereafter arising upon and against all deposits, credits, collateral, and property, now or hereafter in the possession, custody, safekeeping or control of Envirolink or any entity under the control of Envirolink (including a Envirolink subsidiary or sister company) or in transit to any of them. At any time after the occurrence and during the continuance of an Event of Default, without demand or notice, Envirolink may set off the same or any part thereof and apply the same to any liability or obligation of Owner and regardless of the adequacy of any other collateral securing the Obligations.

For Additional Services that Envirolink can provide in-house (*i.e.*, Envirolink does not have to enlist the services of a contractor or subcontractor and Envirolink does not have to lease any equipment to provide the Additional Services), Owner shall pay Envirolink additional compensation as provided in Envirolink's Preferred Client Rate Schedule for Additional Services that is set forth in Exhibit E (attached hereto and incorporated herein to this Agreement). The rates contained in the Preferred Client Rate Schedule for Additional Services are subject to change. For Additional Services that Envirolink cannot provide in-house (*i.e.*, Envirolink has to enlist the services of a contractor or subcontractor or Envirolink has to lease equipment to provide the Additional Services), Owner shall pay Envirolink additional compensation based upon Envirolink's actual costs (including overhead, equipment, materials and labor), plus fifteen percent (15%) of that cost provided that service is solicited and managed by Envirolink.

ARTICLE 8 – NON-SOLICIATION OF EMPLOYEES

Unless otherwise agreed to in writing, the Parties will not, during or for 24 months after termination of this Agreement in accordance with Article 6, recruit or otherwise solicit any employee, consultant or contractor of the other Party or any of its parents or subsidiaries to terminate employment with or otherwise cease his or her relationship with the other Party or any of its parents or subsidiaries. In addition, neither Party will, during or for 24 months after termination of this Agreement

in accordance with Article 6, hire any employee, consultant or contractor of the Party or any of its parents or subsidiaries without paying a liquidation fee equal to one year of Envirolink's annual compensation unless otherwise agreed to in writing.

ARTICLE 9 – INDEMNIFICATION

Envirolink agrees to indemnify and hold harmless the Owner, its officers, agents, servants, and employees from and against any and all suits, actions, legal proceedings, claims, demands, damages, fines, civil penalties, cost, expenses, and attorney's fee to the extent resulting from the negligence or willful misconduct of Envirolink, its officers, agents, servants and employees in the performance of this Agreement; provided, however, that Envirolink shall not be liable for any suits, actions, legal proceedings, claims, demands, fines, civil penalties, damages, costs, expenses, and attorney's fees arising out of the negligence or willful misconduct of the Owner, its officers agents, servants, and employees. Envirolink shall be given full authority to contest such suits, actions, legal proceedings, claims, demands, fines, civil penalties, and violations of this Agreement.

Owner agrees to defend, indemnify and hold harmless Envirolink, and its affiliates, together with its officers, directors, employees, and agents, from any liability for damage or claims that may arise from the negligence or willful misconduct of Owner, including without limitation, shutoff off for non-payment, locating services, from potholes, an environmental claim, Uncontrollable Circumstance, the failure of Owner to perform its responsibilities under Article 3, any discharge, dispersal, release, or escape from the Facilities; any flow into or upon land, the atmosphere or any water course or body of water, or any acts, errors or omissions by any elected or appointed officer of Owner, except to the extent caused by Envirolink's negligence or willful misconduct.

Neither Party nor its affiliates shall be liable to the other Party for any special, consequential, indirect or incidental damages relating in any way to this Agreement or the Facilities, loss of actual or anticipated profits or revenue or cost of claims of customers.

ARTICLE 10 - INSURANCE

Envirolink shall maintain at its own expense Worker's Compensation, Commercial General Liability, and Automobile Liability insurance policies for the duration of this Agreement in the following amounts:

Type of Insurance

Limits of Liability

Workers' Compensation

Statutory Workers' Compensation, including Waiver of Subrogation in favor of Owner

Commercial General and Professional Liability

\$1,000,000 limit for personal injury and property damage per occurrence and \$2,000,000 in the aggregate, including additional insured status for Owner for both ongoing & completed operations, and a Waiver of Subrogation.

Automotive Liability (Auto)	\$1,000,000 each accident or loss Combined Bodily Injury and Property Damage All Vehicles covered hired car and non-owned Automobiles.
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Owner agrees to indemnify and hold harmless Envirolink in the event that any act by an agent or employee of Owner results in any claims against Envirolink. Envirolink agrees to indemnify and hold harmless Owner in the event that any act by an agent or employee of Envirolink results in any claims against Owner. Each Party agrees to include the other as additional insured in any liability insurance policies it holds as a named insured, and certificates of insurance shall be provided upon request. In no event shall either Party be responsible for the intentional wrongful acts of the other. All policies of liability insurance required to be maintained by Envirolink shall provide that coverage shall not be canceled or non-renewed until at least thirty (30) days prior notice has been given, except only ten (10) days' notice shall be provided for non-payment of premium.

Owner shall procure and maintain fire, property, and boiler and machinery insurance, on an all-risk basis, on the Facilities, in an amount equal to 100% of the value of their repair or replacement.

ARTICLE 11 – UNCONTROLLABLE CIRCUMSTANCE

Except for the obligation to pay compensation, a Party's performance under this Agreement shall be excused if, and to the extent that, the Party is unable to perform due to an Uncontrollable Circumstance. In the event of an Uncontrollable Circumstance, if a Party is unable to perform certain services required by the Agreement, then that Party shall promptly notify the other Party of the existence of such Uncontrollable Circumstance and the specific services that cannot be performed. The Party unable to perform certain services shall perform all services under this Agreement which are not affected by the Uncontrollable Circumstance. The Party unable to perform shall be required to resume performance of its obligations under this Agreement upon the termination of the Uncontrollable Circumstance.

ARTICLE 12: FORCE MAJEURE

Neither Party shall be considered in default in the performance of its obligations hereunder to the extent that performance of such obligations is delayed, hindered or prevented by any cause which is beyond the reasonable control of such Party (hereinafter called "Force Majeure"). Force Majeure includes, but is not limited to, any of the following, if reasonably beyond the control of the Party claiming Force Majeure: war (declared or undeclared), blockages, hostilities, revolutions, riots, strikes, lockouts or other labor disturbances, epidemics, fires, delays or interruptions in transportation, terrorist acts, or any other cause (whether or not of kinds specifically mentioned herein) that is not reasonably within the control of the Party claiming Force Majeure.

ARTICLE 13 – DERIVATIVE IMMUNITY

The Owner acknowledges and agrees that the Owner has asked Envirolink to meet and keep certain specifications and requirements for the operation, maintenance and management of the Facilities and Envirolink has agreed to comply to those specifications and requirements, and as such,

shall have, to the extent necessary and permitted by applicable law, such immunities as the Owner may have from suit and from liability to third parties in connection with the operation, maintenance and management of the Facilities. Nothing herein shall or be construed to constitute any waiver by Envirolink of any claim or defense of immunity of any kind permitted by law against any third party, and Envirolink expressly intends to preserve and does preserve and retain all such rights.

ARTICLE 14 - NOTICE

For purposes of this Agreement, notices and all other communications provided for or permitted herein shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by United States certified mail or nationally recognized courier service, prepaid, return receipt requested, addressed as follows:

If to Envirolink:

Ann Marie Rentze
Controller
Envirolink, Inc.
4700 Homewood Ct., Suite 108
Raleigh, NC 27609
Tel 919-827-4631
Email: arentze@envirolinkinc.com

If to the Owner:

Sal Pomo
Sandler Utilities at Mill Run, LLC
448 Viking Drive, Suite 220
Virginia Beach, VA 23452
Tel: (757) 463-5000 Ext 320
Email: sal@lmssi.com

Or to such other addresses as either party may furnish to the other in writing in accordance herewith, except that notices of changes of address shall be effective only upon receipt. The parties must provide written notice of any changes to the authorized representatives in advance of such change.

The following individuals are the point of contact for the administration of this Agreement:

Envirolink:

Tracy Miller, Area Manager
Envirolink, Inc.
4700 Homewood Ct., Suite 108
Raleigh, NC 27609
Tel 919-827-4631
Email: jpowers@envirolinkinc.com

Owner:

Brittney M. Willis, P.E
Sandler Utilities at Mill Run, LLC
448 Viking Drive, Suite 220
Virginia Beach, VA 23452
Email: brittney@lmssi.com
Tel: 757-463-5000 (ext.388)

ARTICLE 15 - GOVERNING LAW

The interpretation, validity, effect, and enforcement of this Agreement are to be governed and construed in accordance with the laws of the State of North Carolina.

ARTICLE 16 - ASSIGNMENT

The benefits and obligations hereunder shall inure to, and be binding upon, the Parties hereto. This Agreement may not be assigned by either Party, either in whole or in part, without the prior written consent of the other Party, which consent shall not be unreasonably withheld, except that the Owner's consent shall not be required for any assignment by Envirolink to an affiliate of Envirolink or its parent or to a wholly owned subsidiary of Envirolink.

ARTICLE 17 – CHANGES and AMENDMENTS

Owner may request changes in the Scope of Services to be performed pursuant to this Agreement. All changes to the Scope of Services must be in writing and signed by the Parties. If any such changes cause an increase in Envirolink's costs and/or increase the time required for, or the nature of performance of the Scope of Services, Envirolink shall so notify Owner within thirty (30) days of receipt of the change order notification, and an equitable adjustment shall be made in Envirolink's Compensation and Payment, and this Agreement shall be modified by a Change Order signed by Envirolink and the Owner. Further, this Agreement may not be modified unless in writing signed by both Parties.

Owner may from time to time assign to Envirolink "Task Orders" which would consist of work outside the scope of this Agreement but within the expertise and experience of Envirolink and which may involve special repairs or maintenance, the scope and time of completion which will be elaborated at the time of assignment. Task Orders will be assigned as written change orders and payment will be made either by lump sum, provided Envirolink has furnished a written estimate of the cost of the proposed Task Order, or by time and material charges, should both Parties agree.

ARTICLE 18 – ACCESS AND USE OF OWNER EQUIPMENT

Owner shall provide access to and use of the real property, equipment, improvements, buildings, structures, and facilities that are under the Owner's ownership or control that are presently located within the Owner's jurisdictional limits. Additionally, Owner shall provide access to and use of

all real property, equipment, improvements, buildings, structures, and facilities that are under the Owner's ownership or control that are required by Envirolink to fulfill its obligations under this Agreement.

ARTICLE 19: DISPUTES AND VENUE

Any dispute arising under this Agreement shall be heard exclusively in the Superior Court Division of the North Carolina General Court of Justice.

ARTICLE 20 - SEVERABILITY

In the event any provision of this Agreement is held to be invalid, illegal or unenforceable for any reason and in any respect, such invalidity, illegality or unenforceability thereof shall not affect the remainder of this Agreement, which shall be in full force and effect, enforceable in accordance with its terms.

ARTICLE 21 – HEADINGS AND DEFINITIONS

The section headings have been inserted for purposes of convenience and shall not be used for interpretive purposes.

ARTICLE 22 – SUCCESSORS BINDING AGREEMENT

This Agreement shall be binding upon and inure the benefit of the Parties and their respective successors and permitted assigns.

ARTICLE 23 – E-VERIFY COMPLIANCE

Envirolink hereby certifies that it shall comply with the requirements of Chapter 64, Article 2 of the North Carolina General Statutes (the "E-Verify Requirements").

ARTICLE 24 - DISPARAGEMENT

Subject to applicable law, each of the Parties covenants and agrees that neither it nor any of its respective agents, subsidiaries, affiliates, successors, assigns, officers, key employees or directors, will in any way publicly disparage, call into disrepute, defame, slander or otherwise criticize the other Parties or such other Parties' subsidiaries, affiliates, successors, assigns, officers (including any current officer of a Party or a Parties' subsidiaries who no longer serves in such capacity following the execution of this Agreement), directors (including any current director of a Party or a Parties' subsidiaries who no longer serves in such capacity following the execution of this Agreement), employees, shareholders, agents, attorneys or representatives, or any of their products or services, in any manner that would damage the

business or reputation of such other Parties, their products or services or their subsidiaries, affiliates, successors, assigns, officers (or former officers), directors (or former directors), employees, shareholders, agents, attorneys or representatives

ARTICLE 25 - ENTIRE AGREEMENT

This Agreement sets forth the entire agreement and understanding between the Parties as to the matters contained herein and merges and supersedes all prior discussion, proposals, presentations, agreements and understandings of every kind and nature among them. No Party shall be bound by any condition, definition or representation other than as expressly provided for in this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

SIGNATURE PAGE TO FOLLOW

Sandler Utilities at Mill Run, LLC

By: _____

Name: Raymond Gottlieb

Title: Manager

Date: January 6, 2021

Envirolink, Inc.

By: _____

Name: Michael J. Myers

Title: President

Date: _____

EXHIBIT A
Description of Owner Facilities

1. Continue to operate an existing 0.35 MGD wastewater treatment plant consisting of:
 - 89,782 gal. equalization basin
 - [2] 243 gpm pumps
 - 310 cfm blower
 - Manual bar screen system
 - Flow splitter box
 - [2] 225,000 gal. aeration basins
 - 148,250 gal clarifier
 - 28,220 gal clarifier
 - 37,000 gal sludge holding
 - [2] 1,000 cfm blowers
 - 15 cell traveling bridge filter with 135 ft² surface area
 - UV disinfection
 - 30,809 dosing tank
 - 450' of 10" forcemain
 - Stand-by generator with ATS
 - Turbimeter
 - Flow meter
 - 5.5 MG infiltration pond
 - 7.43 MG storage/irrigation pond

2. Collection System
 - 219 service valve pits
 - Associated vacuum piping ranging from 2" to 10"
 - [1] vacuum pump station consisting of:
 - [1] vacuum tank
 - [2] sewage pumps
 - [2] vacuum pumps
 - Low vacuum alarm

Exhibit B Envirolink Scope of Services

Envirolink agrees to act and provide certain utility operation, management and maintenance services for the Facilities as described below. Pursuant to Article 16, any changes in the Scope of Services that cause an increase in Envirolink's costs and/or increases the time required for, or the nature of performance of the Scope of Services, an equitable adjustment shall be made to Envirolink's Compensation and Payment. The Scope of Services includes the following:

Operation, Maintenance, and Management of the Wastewater Treatment Plant

Envirolink will operate, maintain, and manage the Wastewater Treatment Plant for the Owner as follows:

- Provide a Primary Operator in Responsible Charge (Grade III or greater);
- Provide a Back-up Operator in Responsible Charge (Grade II or greater);
- 24 hour, seven days a week on call emergency response;
- Attendance at regulatory agency inspections and meetings;
- Coordination with North Carolina regulatory agencies regarding the operation of the wastewater treatment plant;
- Oversee operation of the irrigation system;
- Monitor and record key operational control parameters (in accordance with Envirolink's standard Operating Procedures);
- Monitor inventory levels of parts, chemicals and supplies and coordinate replenishment for the owner. Inventory levels for spare parts, supplies and equipment shall be established based on Envirolink's standard operating procedures;
- Maintain an operator log that records all operational adjustments and maintenance activities. Operator logs are the property of Envirolink. Copies of the logs will be provided to the Owner upon request;
- Purchase the analytical testing over the term of the contract for those parameters listed in the sample schedule (EXHIBIT F). For additional testing above this amount, Envirolink would receive an equitable adjustment to the contract;
- Monitor and procure, on behalf of the Owner, chemical inventories needed for treatment. Payment for chemicals is the responsibility of the Owner and will be invoiced in accordance with EXHIBIT D;
- Preparation of the wastewater performance annual report;
- Preparation and file monthly monitoring reports with NC DEQ;
- Test audible and visual alarms and telemetry as required by NC DEQ;
- Respond to customer inquiries concerning the wastewater treatment plant;
- Preventative maintenance as per manufacturer recommendations or Envirolink standard operating procedures;
- 18 mowing events or 432 hours of mowing per year at the locations referenced above;
- Management of Grounds and make recommendations for repairs in accordance with Envirolink's standard operating procedures;

- Maintenance, mowing, or cleaning of infiltration or irrigation ponds is not included and will be invoiced separately in accordance with Exhibit D.
- Notify the Owner of any specific needs or specific equipment issues or capital requirements immediately upon discovery. Envirolink will indicate the reason for the request and provide an opinion of options and recommendation based on its experience in managing utilities; Envirolink shall not be liable for decisions made by Owner based on these recommendations;
- Purchase herbicides, pesticides, chemicals, and other materials will be the responsibility of the Owner;
- Inventory levels for supplies and shall be established based on Envirolink's standard operating procedures;
- Notify the Owner of any permit violations or specific equipment issues or capital requirements immediately upon discovery. Envirolink will indicate the reason for the violation or problems and provide an opinion of options and recommendation based on its experience in managing utilities. Envirolink shall not be liable for decisions made by Owner based on these recommendations.
- Permit renewal and compliance. Respond to NOVs as necessary within required deadlines and coordinate with DEQ.

Adjustment to the Wastewater Treatment Plant– Owner may not authorize any adjustments or maintenance of the distribution system by personnel other than Envirolink Employees or its approved contractors, unless approved in advance by Envirolink

Operation Maintenance and Management of the Wastewater Effluent Spray Irrigation System

Envirolink proposes to manage the Wastewater Effluent Spray Irrigation System for Eagle Creek. The following outlines the services included with operation and management of the Wastewater Effluent Spray Irrigation System:

- Primary Operation in Responsible Charge (Spray irrigation certification);
- Back up Operator in Responsible Charge (Spray irrigation certification);
- Envirolink anticipates that the golf course superintendent will operate the spray irrigation system;
- 24 hour, seven day a week on call emergency response;
- Attendance at Regulatory Agency Inspections and meetings;
- Coordination with North Carolina Regulatory Agency's regarding the operation of the irrigation system;
- Coordinate with the golf course superintendent to maintain an Operator Log recording all operational adjustments and maintenance activities;
- Maintain records customary for this type of system;
- Prepare the monthly Spray Irrigation Reports (nDMR and nDAR) and submit for signature by Sandler Utilities. Please note that Reports are required to be submitted by the last day of the month;

- Notify the Sandler Utility of any permit violations or specific equipment issues or capital requirements immediately upon discovery. Envirolink will indicate the reason for the violation or problems and provide an opinion of options and recommendation based on its experience in managing utilities;
- Respond to customer inquiries concerning the irrigation system;

Adjustment to the Irrigation System. Envirolink will work with the golf course superintendent regarding adjustments to the irrigation system.

Operation, Maintenance and Management of the Wastewater Collection System

Envirolink will operate, maintain and manage wastewater collection system for the Owner. The following outlines the services included with operation and management of the Wastewater Collection System:

- Provide Primary Operator in Responsible Charge (ORC) Grade II
- Provide backup ORC (Grade 1 or greater)
- 24 hour, seven day a week on call emergency response [Payment for labor, parts, equipment and subcontractors used in conjunction with the response is the responsibility of the Owner and will be invoiced in accordance with EXHIBIT D based on the rates contained in Exhibit E];
- Fats, Oils, and Grease Program will be administered in accordance with the Envirolink standard operating procedures. Envirolink will provide the template for educational material and request that HOA post the material on the community webpage. Envirolink will separately distribute educational material to customers as an insert into the utility bill [Any additional cost for mailing the educational material will responsibility of the Owner and will be invoiced in accordance with Exhibit D];
- Service Valve Pit Education Program will be administered in accordance with the Envirolink standard operating procedures. Envirolink will provide the template for educational material and request that HOA post the material on the community webpage. Envirolink will separately distribute educational material to customers as an insert into the utility bill [Any additional cost for mailing the educational material will responsibility of the Owner and will be invoiced in accordance with Exhibit D];
- Attendance at Regulatory Agency Inspections and meetings;
- Coordination with North Carolina regulatory agency's regarding the operation of the wastewater system;
- Respond to sanitary sewer overflows and issue 24 hr. verbal and 5 day written notification and report to NC DEQ;
- Conduct inspection of ditch pump located on the golf course;
- Sewer line cleaning is not required for this project.
- Lift station cleaning is not required for this project.
- Monitor and record key operational control parameters (in accordance with Envirolink's standard operating procedure);
- Monitor inventory levels of parts and supplies and coordinate replenishment. Purchases are the responsibility of the Owner and will be invoiced in accordance with EXHIBIT D;

- Inventory levels for spare parts, supplies and equipment shall be established based on Envirolink's standard operating procedures;
- Maintain an operator log recording operational adjustments and maintenance activities. operator logs are the property of Envirolink. Copies of the logs will be provided to the Owner upon request;
- Notify the Owner of any permit violations or specific equipment issues or capital requirements immediately upon discovery. Envirolink will indicate the reason for the violation or problems and provide an opinion of options and recommendations based on its experience in managing utilities. Envirolink shall not be liable for decisions made by Owner based on these recommendations;
- Test audible and visual alarms and telemetry in accordance with Envirolink's standard operating procedure;
- Preventative maintenance as per manufacturer recommendations or Envirolink standard operating procedure;
- Labor, parts and equipment to perform repairs on Owner's service valve pits from the inlet to the pit to the main line up to the sewer cleanout to a depth of four feet, and will invoice in accordance with EXHIBIT D;
- Any operation or maintenance activities beyond normal daily operations shall be invoiced separately in accordance with Exhibit D based on the rates provided in Exhibit E. After normal business hours, overtime rates shall apply.
- Permit renewal and compliance. Respond to NOV's as necessary within required deadlines and coordinate with DEQ.
- Provide timely and regular communication to Customers regarding system status updates.

Adjustment of the Wastewater Collection System – Owner may not authorize any adjustments or maintenance of the collection system by personnel other than Envirolink Employees or its approved contractors, unless approved in advance by Envirolink

Customer Service and Billing Services for the Wastewater System

- Customer account management; and
- Customer account bill production and mailing; and
- Collection of funds through direct mail, credit card, or automatic bank draft (note a kiosk is available for additional cost per kiosk); and
- Respond to customer inquiries; and
- Service order processing and tracking; and
- Service order records management; and
- Prepare Annual Reports and submit to the North Carolina Utilities Commission (required once per year); and
- Prepare the Quarterly Regulatory Fee report; and
- Investigate and respond to customer complaints to the North Carolina Utilities Commission - Consumer Complaint Division; and
- Bank account, in the name of Sandler Utility at Mill Run, LLC, for receipt of utility account payments to be deposited as required by law.

Administrative & Management Services for the Wastewater System

The following outlines the services included with administration and management of the Water System:

- Participate in strategic planning and long-term initiative meetings; and
- Program management for Master Planning activities related to the utility systems; and
- Program management for utility policy maintenance, development and upgrade; and
- Monitor and report on future regulatory initiatives and changes that could potentially impact the utility systems; and
- Maintain utility construction standards. Assumes utility already has a set of construction standards; and
- Utility record and GIS Maintenance. This assumes an asset inventory and database exist and will be provided to Envirolink; and
- Solicit quotes for parts, supplies and services necessary to operate, maintain or manage the utility system;
- Coordinate delivery of parts, supplies and subcontracted services necessary to operate, maintain or manage the utility system;
- Inspect and coordinate receipt of parts, supplies or subcontracted services necessary to operate, maintain or manage the utility system;
- Receive, review and provide payment opinion on invoices for parts, supplies or subcontracted services necessary to operate, maintain and manage the utility system;
- Forward to owner, those invoices Owner request to pay directly.

EXHIBIT C
Owner Responsibilities

The owner shall:

- Provide a Representative to act as the Contracting Officer responsible for rendering decisions that affect pricing or contract terms. No oral or written statements of any unauthorized person(s) shall modify or otherwise affect the terms, conditions, Scope of Work, or drawings of the contract or contract. All modifications to the contract must be in writing by the contracting officer;
- Provide a Representative to act as the Contracting Officer Representative responsible for collaborating on key operational matters for the services provided;
- Approve an annual capital and operating budget;
- Approve policies and procedures recommended by Envirolink;
- Authorize corrective action on any deficiencies identified by Envirolink and presented to Owner. Envirolink will present the deficiencies and recommended corrective action to the Contracting Officer or Contracting Officer's representative detailing the deficiency and provide reasonable opportunity for the Contracting Officer or Contracting Officer's Representative to evaluate and discuss the deficiency and corrective action. Reasonable opportunity is dependent on the scope, urgency and nature of the deficiency and as such shall be determined on a case by case basis. In the event of an emergency that creates a hazard to life and safety, creates emanate hazard to the environment or compliance with NC DEQ permit conditions, Envirolink shall initiate corrective action without delay.
- Adopt a Sewer Use Policy;
- Owner will maintain all easements, licenses, and equipment warranties for the mutual benefit of both the Owner and Envirolink;
- Render decisions on recommendations issued by Envirolink in a timely manner;
- Purchase the analytical testing over the term of the contract for those parameters listed in the sample schedule. Note: Envirolink has included an analytical allowance. Envirolink will invoice this allowance as these costs are incurred;
- Purchase the chemicals needed for treatment. Payment for chemicals is the responsibility of the Owner and will be invoiced in accordance with EXHIBIT D;
- Labor, parts, equipment and subcontractors associated with replacement, repair, remedial, upgrades and new installation performed by Envirolink, at the request of the Owner, shall be invoiced monthly.

**EXHIBIT D
Pricing**

1. MONTHLY OPERATING FEE

a) Owner shall pay Envirolink a monthly operating fee according to the following schedule:

Contract Line Item #	Description of Service	Monthly Payments	# of Annual Payments	Annual Payment
0001	OM&M of Wastewater Treatment Plant	\$5,930.00	12	\$71,160.00
0002	Management of the Irrigation System	\$1,200.00	12	\$14,400.00
0003	OM&M of Wastewater Collection System	\$1,977.00	12	\$23,724.00
0004*	Customer Service & Billing	\$600.00 [\$4.25 per bill issued]	4	\$7,208.00
0005	Administration and Management services	15% of all vendor, supplier, or subcontractor invoiced services		
Total		\$9,707.00	12	\$ 116,492.00

* Annual fee estimated based on 424 bills issued quarterly [four times per year]. Envirolink will invoice additional billing service fees separately.

b) This fee shall be payable and due fifteen (15) days after invoicing. Invoicing is expected to occur on or around the fifteenth of each month for services rendered for the previous month. Owner further promises to pay interest on any outstanding balances not paid within 15 days until paid in full at an interest rate equal to eight percent (8%) per annum, compounded daily, and such interest shall be payable in full on the date that the initial unpaid balance became due and payable. All computations of interest shall be made on the basis of a year of 360 days based upon the actual number of days elapsed. Notwithstanding the foregoing, all unpaid balances and interest payments shall be subject to the Right to Setoff provisions contained in Article 7.

2. ADJUSTMENTS AND ADDITIONS TO MONTHLY OPERATING FEE

a) Maintenance, replacement, repair, upgrade, rehabilitation and new installation outside the scope of the Manager (as approved by the District) shall be invoiced 7separately and will be based on time and materials needed for the job, payable to Envirolink within 15 days of invoice date.

b) For additional services beyond the in-house capabilities of Envirolink, a markup of 15% will be made to all subcontractor labor and equipment, as well as purchased material, supplies and travel expenses.

3. ANNUAL ADJUSTMENTS

Envirolink shall be entitled to adjust service fees on July 1 each year of the contract. The first said adjustment to service fees shall not occur prior to July 1 of the year following the execution of the contract and no more frequently than annually thereafter. Envirolink shall notify Owner of its annual adjustment 30 days prior to adjusting any service fees.

Annual fee adjustments will be based on the one of the following:

1. Consumer Price Index (CPI)
2. Price Redetermination. Upon request of either party with reasonable cause, Envirolink and

Envirolink shall review actual cost required to operate, manage and maintain the Utility systems (including any known increases in cost of goods, supplies, etc., known at the time of price redetermination) in determining the actual cost. Envirolink shall be allowed to earn a fair and reasonable profit and charge a fair and reasonable Administration fee (overhead).

This paragraph applies to CLIN/Sub-CLINs 0001 - 0002 only, and does not apply to any other CLIN/Sub-CLIN as may be added unless specified in CLIN/Sub-CLIN. However, neither party shall request a change to CLIN/Sub-CLINs 0001 -0002 to become effective sooner than 1 year from the Contract start date or more frequently than annually.

Any changes to charges, terms, or conditions as a result of adjustments shall be made part of this contract and will be initiated on July 1 of each calendar year.

4. TASK ORDER AUTHORIZATION FOR ADDITIONAL WORK

All additional work under this Agreement, except for emergency situations, will be pre-approved by a representative of the Owner. Verbal authorization to proceed shall constitute approval by Owner.

EXHIBIT E

ENVIROLINK PREFERRED CLIENT RATE SCHEDULE FOR ADDITIONAL SERVICES

Envirolink 2021 Labor Rates		
Line	Position	Hourly Rate*
1	Director of Utility	\$ 300.00
2	Supervisor	\$ 257.00
3	Senior Project Manager	\$ 180.00
4	Construction Inspector	\$ 90.00
5	Project Manager	\$ 85.00
6	Executive Assistant	\$ 55.00
7	Office/Billing Manager	\$ 50.00
8	Office Assistant	\$ 35.00
9	Inspector	\$ 65.00
10	Serviceperson II - Foreman	\$ 50.00
11	Serviceperson I - Skilled	\$ 45.00
12	Laborer	\$ 38.00
11	Grade A - Water	\$ 70.00
12	Grade B - Water	\$ 60.00
13	Grade C - Water	\$ 52.00
14	Cross Connection Operator	\$ 50.00
15	Senior Laboratory Technician	\$ 50.00
16	Laboratory Technician	\$ 40.00
17	Analyst	\$ 37.00
18	Driver	\$ 35.00
19	Grade IV - Wastewater	\$ 75.00
20	Grade III - Wastewater	\$ 60.00
21	Grade II - Wastewater	\$ 52.00
22	Grade I - Wastewater	\$ 47.00
23	Spray Irrigation System Operator	\$ 53.00
24	Physical/Chemical Operator II	\$ 55.00
25	Physical/Chemical Operator I	\$ 50.00
26	Subsurface Operator	\$ 55.00
27	Land Application Operator	\$ 55.00
28	Administration: Billing & Customer Service Representative	\$ 47.00
	Rates applicable from 0700 hours (7:00 am) to 1700 hours (5:00 pm)	
	Overtime rate = 1.5 x regular rate. Overtime rates apply from 1700 hours (5:00 pm) to 0700 hours (7:00 am)	

Envirolink 2021 Equipment Rates		
Mobilization		
0-30 mile	\$ 250.00	
31-60 mile	\$ 350.00	
61-90 mile	\$ 450.00	
91-120 mile	\$ 550.00	
Equipment	Rate	Per
Rubber Tire Backhoe	\$ 320.00	day
Mini Excavator	\$ 360.00	day
Operator Truck	\$ 120.00	day
Maintenance Truck	\$ 240.00	day
Crane Truck (3 ton)	\$ 270.00	day
Combination Truck	\$2,000.00	day
Vacuum Truck	\$1,000.00	day
Mainline Camera	\$ 880.00	day
Push Camera	\$ 600.00	day
Flow Monitoring - Sewer	\$ 25.00	day
Leak Detection	\$ 75.00	day
2" Trash Pump	\$ 80.00	day
3" Trash Pump	\$ 80.00	day
4" Trash Pump	\$ 185.00	day
140 kw Generator	\$ 440.00	day
Air Compressor	\$ 360.00	day
Street Sweeper	Cost +	day
Leaf Truck	\$ 120.00	day
Chipper	\$ 200.00	day
6 kw Generator	\$ 45.00	day
Jetter	\$1,200.00	day
CFE PPE & Equipment	\$ 75.00	day
Smoke Testing Equipment	\$ 35.00	day
GPS Unit	\$ 35.00	day

Envirolink 2021 Unit Pricing Rates		
Service (includes labor)	2018 Rate	Per
Confined Space Entry	\$ 75.00	Entry
Mainline Camera (Readily accessible)		
8 - 12" (1 pass)	\$ 2.00	Foot
15 - 18" (1 pass)	\$ 2.50	Foot
21 - 27" (1 pass)	\$ 2.90	Foot
30" (1 pass)	\$ 4.00	Foot
36 - 96" (1 pass)	\$ 5.90	Foot
Manhole Inspections	\$ 65.00	Each
Hydrant Flow Test (2 hydrant procedure)	\$ 350.00	Each
Meter		
3/4" x 5/8" meter (direct read)	\$ 55.00	Each
3/4" x 5/8" meter (radio read)		Each
3/4" x 5/8" meter (smart)		Each
Customer Service & Billing	\$ 4.25	Bill
Customer Service, Billing & Meter Reading	\$ 5.10	Bill
Backflow Prevention Certification	Cost + 15%	
Subcontractor	Cost + 15%	
Supplies	Cost + 15%	
Parts	Cost + 15%	