

Mayor
Joseph P. Hatem, M.D., M.P.H.

City Manager
Gordon Hargrove



Mayor Pro-tem
Karen Mosteller

Aldermen

John Allen
Lowe Davis
Tom Lombardi
Lora Sharkey
Marc Spencer

Randell Woodruff
County Manager
PO Box 249
Bolivia, NC 28422

September 9, 2021

Re: Utilities Merger Exploration and Merger/Regionalization Feasibility Grant Program

Dear County Manager Woodruff:

For decades Brunswick County has been the regional provider of wholesale water service and, more recently, wholesale sewer service for the City's water distribution and sewer collections systems. The city would like to consider expanding on this mutually beneficial arrangement by exploring the possibility of a merger of the City and County water and sewer systems. We believe that there may be economies of scale that can be leveraged to benefit both county and city customers and that funding may be available through the (NCDEQ) Merger/Regionalization Feasibility Grant program. It is our understanding that a merger of the two utilities utility systems has not been previously evaluated and recommendations regarding the merger of the systems are not available.

The city would like to request Brunswick County to partner with us by providing assistance necessary for the completion of the grant program application and completion of a merger/regionalization feasibility grant funded study, if awarded. The study would be used to evaluate the viability of a potential merger of the water and/or wastewater utility systems. However, the city recognizes that agreement by Brunswick County to partner with the city for the purposes of submitting the Merger/Regionalization Feasibility Grant program application and grant funded study does not include a commitment by Brunswick County to act on the findings of the study.

Please see the attached resolution by the City of Southport's Board of Aldermen in support of exploring the potential merger of the utility systems and authorizing city staff to submit the required application and coordinate with county staff on the application. Please note that in order for a complete application to be processed by September 30, 2021, the Brunswick County Board of Commissioners would need to issue a letter or resolution as the partnering utility. We thank you for your consideration of this request.

Sincerely,

Gordon Hargrove
City Manager, City of Southport

**RESOLUTION IN SUPPORT OF GRANT FUNDING FOR A MERGER/REGIONALIZATION
FEASIBILITY GRANT**

WHEREAS, Session Law 2015-241 with changes made to NCGS 159G created the Merger/Regionalization Feasibility Grants to broaden the use of grant funds to encourage water and wastewater utilities to become viable and more proactive in the management and financing of their systems, and

WHEREAS, through a mutually beneficial partnership Brunswick County has been the wholesale treatment provider for the City of Southport's water distribution and wastewater collection systems for years, and

WHEREAS, there may exist additional mutual benefits to the City, County, and their respective customers through a utility merger that leverages economies of scale, and

WHEREAS, funding may be available through the (NCDEQ) Merger/Regionalization Feasibility Grant program to provide for a feasibility study to investigate the challenges, benefits, and implications for both utilities presented by the merger consolidation of the water and wastewater systems.

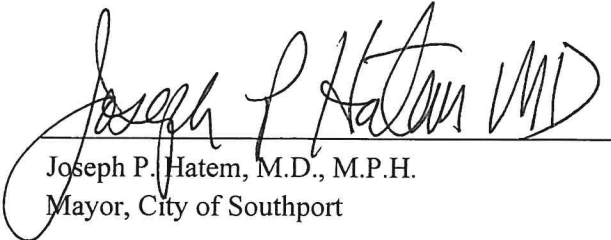
NOW THEREFORE BE IT RESOLVED, BY THE SOUTHPORT BOARD OF ALDERMEN:

- 1) To request Brunswick County to partner with the City of Southport in evaluating the feasibility of a merger of water and/or wastewater systems that investigate the challenges, benefits, and implications for both utilities presented by the merger consolidation but does not obligate either entity to act on the results of the study.
- 2) That Gordon Hargrove, the Authorized Official, and successors so titled, is hereby authorized to execute and file an application on behalf of the City of Southport, the Applicant, with the State of North Carolina for a grant to aid in the Merger/Regionalization Feasibility study described above.
- 3) The Authorized Official, and successors so titled, is hereby authorized to request assistance from Brunswick County for the purpose of the completion of the Merger/ Regionalization Feasibility Grant program application and completion of the grant funded study.
- 4) The Applicant has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants pertaining thereto.
- 5) The Applicant has followed proper accounting and fiscal reporting procedures, and that the Applicant is in substantial compliance with provision of the general fiscal control laws of the State.
- 6) The City of Southport, North Carolina is organized and chartered under the laws of North Carolina. All officials and employees are aware of, and in full compliance with NCGS 14-234, "Director of public trust contracting for his own benefit, participation in business transaction involving public funds; exemptions."
- 7) The Authorized Official, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such

application or the study; to make the assurances as contained above; and to execute such other documents as may be required in connection with the application and studies.

ADOPTED this the 9th day of SEPTEMBER, 2021.




Joseph P. Hatem, M.D., M.P.H.
Mayor, City of Southport


Dorothy Dutton, City Clerk

CERTIFICATION BY RECORDING OFFICER

The undersigned duly qualified and acting Clerk to the City of Southport's Board of Aldermen does hereby certify: That the above resolution is a true and correct copy of the resolution authorizing the filing of an application with the State of North Carolina, as regularly adopted at a legally convened meeting of The City of Southport's Board of Aldermen duly held on the 9th of September, 2021; and, further, that such resolution has been fully recorded in the journal of proceedings and records in my office. IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of September, 2021.





Dorothy Dutton
City Clerk