



AGENDA
MAYODAN TOWN COUNCIL
October 12, 2026
6:00 p.m.
James A. Collins Municipal Building

CALL TO ORDER

PRAYER:

Invocation to be given by Doyle Marley.

PLEDGE OF ALLEGIANCE:

Pledge of Allegiance led by Mayor Lake and Councilmembers

PUBLIC COMMENTS

RECOGNITION:

CONSENT AGENDA:

- A. Approval of Minutes
 - a. Agenda Meeting Minutes of September 10, 2026
 - b. Regular Meeting Minutes of September 14, 2026
- B. Technology Use Policy
- C. Budget Amendment #3
- D. Procurement Policy, Credit Card Policy, and Purchasing and PO Policy
- E. Christmas Stroll Road Closure Ordinance
- F. Christmas Parade Road Closure Ordinance

PUBLIC HEARING:

OLD BUSINESS:

NEW BUSINESS:

- A. Bulk Water Supply and Reciprocal Assistance Agreement with the Town of Madison
- B. Initiation of Voluntary Annexation Petition ANX-002-2026 (parcel #169086Z1)

CLOSED SESSION:

MANAGER COMMENTS/ANNOUNCEMENTS

DEPARTMENT HEAD COMMENTS/ANNOUNCEMENTS

COUNCIL COMMENTS/ANNOUNCEMENTS

ADJOURN



AGENDA *MINUTES*
MAYODAN TOWN COUNCIL
September 10 2026
6:00 p.m.
James A. Collins Municipal Building

MAYOR AND COUNCIL PRESENT:

Mayor Dwight Lake
Mayor ProTem John Miller
Doug Cardwell
Buck Shelton
Letitia Goard Via phone, not eligible to vote

ABSENT:

Melanie Barnes

STAFF PRESENT:

Town Manager Melody Shuler
Town Clerk Sarah Hopper

The Mayodan Town Council met at 6:01 p.m. on Thursday, September 10, 2026, in the Council Chambers of the James A. Collins Municipal Building, and with a quorum present, Mayor Lake called the meeting to order. Mayor Lake went over the agenda items for the regular meeting scheduled for Monday, September 14, 2026.

Town Manager Melody Shuler presented the proposal for the Madison-Mayodan Recreation Commission to assume management responsibilities for Farris Memorial Park. Discussion followed among the Town Council.

Motion by Councilmember Miller, seconded by Councilmember Miller, to adjourn meeting.

Ayes: Councilmembers Cardwell, Miller, and Shelton

Nays: None.

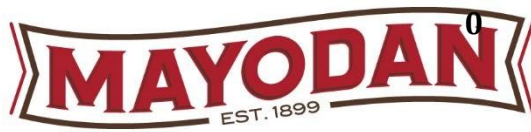
Motion: carried unanimously

Meeting adjourned at 6:59 p.m.

ATTEST:

Sarah Hopper, Town Clerk

Dwight Lake, Mayor



**REGULAR
MEETING *MINUTES*
MAYODAN TOWN COUNCIL
September 14, 2026
6:00 p.m.
James A. Collins Municipal Building**

MAYOR AND COUNCIL PRESENT:

Mayor Dwight Lake
Mayor ProTem John Miller
Doug Cardwell
Buck Shelton
Letitia Goard Via phone, not eligible to vote

ABSENT:

Melanie Barnes

STAFF PRESENT:

Town Attorney Eugene Russell
Town Manager Melody Shuler
Town Clerk Sarah Hopper

The Mayodan Town Council met at 6:00 pm on September 14, 2026, in the Council room of the James A. Collins Municipal Building, and with a quorum present, Mayor Lake called the meeting to order.

INVOCATION:

Invocation by Pastor Michael Lindsay, Westside Baptist Church, Mayodan

PLEDGE OF ALLEGIANCE:

The Pledge of Allegiance was led by Mayor and Town Council members.

PUBLIC COMMENTS:

Steve Luking introduced himself to Mayor Lake and the Town Council as a retired family physician and the Democratic candidate for North Carolina Senate District 26. He noted that he also ran for the seat two years ago.

Mr. Luking stated that his involvement in politics began approximately 15 years ago because of concerns about his working patients who lacked access to health insurance. He described the difficulties uninsured patients faced in obtaining medical care and shared that he advocated for Medicaid expansion. Mr. Luking identified public education as his highest priority. He stated that North Carolina has a constitutional obligation to provide a sound public education to all children, regardless of their ZIP code. He expressed concern about the state's education funding and stated that, if elected, he would prioritize support for public schools.

Mr. Luking also discussed healthcare access and affordability. He emphasized the importance of placing patients at the center of healthcare legislation and expressed concern about the influence of insurance companies and hospital systems.

Mr. Luking thanked the Council for the opportunity to introduce himself and noted that additional information about his campaign was available online.

Mayor Lake welcomed former Mayor Jeff Bullins and Town of Madison Aldermen Michael Scales and Gini Cardwell.

RECOGNITION:

- A. Swearing-In Ceremony for Matthew Royals, Police Officer II, and Gage Grogan, Police Officer I
- B. Proclamation: Constitution Week of September 17; Tara Maxey will be accepting
- C. Introduction of Colby Hollis, WWTP Apprentice, WWTP Backup ORC Chad Darst, and WWTP Operator Joel McCubbins

Mayor Lake recognized Eden Mayor Neville Hall and thanked him for attending.

APPROVAL OF CONSENT ITEMS:

- A. Approval of Minutes
 - a. Agenda Meeting Minutes of August 6, 2026
 - b. Regular Meeting Minutes of August 10, 2026
 - c. 2026 MM Christmas Parade approval

Motion by Councilmember Shelton, seconded by Councilmember Cardwell, to approve the consent Agenda, as presented.

Ayes: Councilmembers Cardwell, Miller, and Shelton

Nays: None

Motion carried unanimously

OLD BUSINESS:

None

NEW BUSINESS:

- A. **Interlocal Agreement with Madison Mayodan Recreation Commission for Management, Maintenance, Staffing, and Programming of Farris Memorial Park**

Town Manager Melody Shuler presented the proposal to contract with the Madison-Mayodan Recreation Commission (MMRC) to manage and provide programming at Farris Memorial Park. She explained that A. G. Farris conveyed the park to the Town under a 1976 contract containing restrictions and conditions, including a prohibition on alcohol on the property.

Ms. Shuler stated that the Town Attorney had advised that the proposed agreement would comply with the 1976 contract if certain requirements were met. The Town must retain ultimate control through a termination-for-performance provision. MMRC must provide regular performance reports to the Town Council and Town Manager. MMRC must also comply with all terms and conditions of the original contract.

The Farris Memorial Park Committee reviewed the proposal and voted 3–1 to recommend approval. During its discussion, concerns were raised about Madison having an equal voice in decisions affecting the park. MMRC also reviewed the proposal and expressed its support.

Town representatives held an initial discussion with a member of the Farris family, who supported MMRC managing the park. He stated that the arrangement was consistent with his understanding of the Recreation Department's originally intended role.

The proposed Interlocal Agreement would take effect on October 1, 2026, and remain in effect through June 30, 2029. The parties would review the agreement and budget annually. Either party could

terminate the agreement for convenience with 120 days' notice. The Town could terminate the agreement for cause with 30 days' notice.

Under the agreement, MMRC would be responsible for staffing, programming, and day-to-day operations. The Town would remain responsible for capital improvements, equipment, and utilities. The Town would continue to fund all expenses associated with Farris Memorial Park.

The proposed program cost was \$166,139 after deducting anticipated park revenues. This amount was within the funds available in the current Parks and Recreation budget. MMRC would provide monthly park revenue reports to the Town. All revenue collected would be credited against the park's total estimated expenses. If revenues exceeded budgeted amounts, the MMRC Director and Town Manager would discuss how to distribute the additional funds.

MMRC would maintain a comprehensive maintenance schedule for the park's amenities, vehicles, and equipment. The schedule would be available to the Town Council. Elliott Duncan Park and Garfield Park would remain under the maintenance responsibility of the Town's Streets Department.

Lee Mitchell, Director of MMRC, presented the organization's strategic vision for Farris Memorial Park. He shared a PowerPoint presentation outlining proposed improvements to the concession stand and miniature golf area, including the addition of outdoor seating.

Mr. Mitchell also discussed expanding biking trails and camping opportunities. Proposed activities included archery, yoga, haunted trails, and other events intended to attract more visitors. He stated that the Commission intended to take a proactive approach to help Farris Memorial Park thrive again.

Councilmember Cardwell stated that he would vote against the proposed agreement. He explained that his opposition was based on Madison having an equal say in decisions affecting Farris Memorial Park. He believed this was inconsistent with Mr. Farris's intent because the park was conveyed to Mayodan, rather than jointly to Madison and Mayodan. Councilmember Cardwell clarified that he had no objection to the Recreation Department operating and managing the park.

Motion by Councilmember Shelton, seconded by Councilmember Miller, to approve the Interlocal Agreement between the Town of Mayodan and the Madison Mayodan Recreation Commission for the Management, Maintenance, Staffing, and Programming of Farris Memorial Park, and authorize the Town Manager to execute the Agreement.

Ayes: Councilmembers Miller and Shelton

Nays: Cardwell

Motion carried 2-1

MANAGER/ COUNCIL COMMENTS/ANNOUNCEMENTS:

Town Manager Shuler announced that the Farris Memorial Park trail expansion was funded through a Great State Trails Program grant. A groundbreaking ceremony was scheduled for October 2 at 3:30 p.m. at Farris Memorial Park. She encouraged everyone to attend and noted that information would be shared on the Town's social media and website.

Ms. Shuler also announced that What the Hay Fest would take place on October 10, beginning at noon and continuing into the evening.

Town Manager Shuler read this statement: **Enforcement Statement – 800 S Ayersville Rd**

I want to give a brief update on 800 S. Ayersville Road. Enforcement on this property is being handled through the Fire Marshal's Office rather than through the zoning ordinance. That follows the Town's established practice of relying on the Fire Marshal's Office and Building Inspections when their authority offers a faster, more effective path to compliance.

This was a deliberate decision, not an oversight. The Fire Marshal's Office has the authority to shut a noncompliant business down, which gives us a stronger and faster enforcement tool than the zoning ordinance route. My priority is making sure this is handled correctly — both to protect our residents and to protect the Town from legal exposure. Melissa knows this process thoroughly, and I have full confidence she'll use every tool available to bring it to resolution.

I'll also say plainly: I'm currently covering multiple roles for this organization, and there will be times when something slips through. This was not one of those times. This was a considered call on the best way forward, and sometimes making the right decision takes a little more time.

Motion by Councilmember Shelton, seconded by Councilmember Miller, to adjourn the meeting.

Ayes: Councilmembers Cardwell, Miller, and Shelton

Nays: None.

Motion carried unanimously.

Meeting adjourned at 6:32 p.m.

ATTEST:

Sarah Hopper, Town Clerk

E. Dwight Lake, Mayor

AGENDA ITEM COVER

Item for Agenda:	Technology Use Policy
Placement on Agenda:	Consent Agenda
Presenter:	Melody Shuler, Town Manager
Description of Agenda Item or Other Pertinent Information for Council:	Background The Town currently has an Internet Use Policy but no general computer use policy and no policy governing the use of artificial intelligence (AI) tools. The proposed Technology Use Policy combines computer, internet, email, device security, and AI use into a single document and replaces the existing Internet Use Policy. The policy provides that Town equipment, accounts, and internet access are for Town business only, and it addresses public records requirements under N.C.G.S. 132-1. For AI, it requires approval before connecting a tool to Town email, files, or calendars, identifies information that may never be entered into an AI tool (such as closed session material, personnel matters, Police Department information, and resident personal information), requires staff to verify AI output before relying on it, and requires incidents to be reported the same day. Where a Police Department policy is stricter, the Department policy controls. The Town Attorney reviewed the policy and provided feedback. Adopting a single, Town-wide policy will allow the Town to be consistent in its use of technology and AI across all departments. Requested Action Approve the Technology Use Policy as part of the Consent Agenda, replacing the Town's Internet Use Policy.

TOWN OF MAYODAN

210 W. Main Street · Mayodan, N.C. 27027 · (336) 427-0241 · Fax (336) 427-7592

Technology Use Policy

Effective _____ · Next review _____ · Supersedes the Internet Use Policy

1 Who this covers, and which policy wins

This applies to **everyone conducting Town business**: employees, department heads, elected officials, volunteers and contractors. It applies on Town equipment, and on personal equipment when the work is the Town's.

Police Department

Where a Police Department policy or a law enforcement requirement is stricter than this policy, the stricter one controls for Department personnel, Department systems, and anyone handling Department information. Where the Department has no policy on a point, this one applies.

2 Town equipment and Town accounts

- **Equipment and accounts are Town property, provided for Town business.**
- **Personal use is not permitted**, and that includes personal email, social media and browsing. Use your own phone for personal matters. This is a security rule before it is anything else, because a personal message opened on a Town computer is one of the most common ways ransomware gets into an organization.
- **There is no expectation of privacy on Town systems.** N.C.G.S. 132-1 makes electronic records received on or through Town property public records, and the Town can access and disclose anything on its systems.
- **Do not install software, extensions or apps without approval.**
- **Accounts are personal to you.** Do not share a password, work under someone else's login, or let family use Town equipment.
- **Equipment comes back** on separation or on request, along with any Town information on personal devices.

3 Internet use

Town internet access is provided for Town business only, and it is filtered, logged and monitored.

- **Nothing pornographic, obscene, hateful or harassing**, and nothing promoting violence or illegal activity.
- **No personal business, political campaign, gambling or private financial gain.**
- **Do not download or share copyrighted material** the Town has no right to.
- **Do not bypass Town filtering or security controls.** If a site you need for work is blocked, ask IT.
- **Keep large downloads, streaming and personal cloud backup off the Town network.**
- **Do not connect a personal device to the Town network without IT approval.**

4 Email, messaging and public records

Under N.C.G.S. 132-1, public records include electronic records made or received in the transaction of public business, whichever tool made them and whichever account was used.

- **Conduct Town business from Town accounts.** A personal address or messaging app puts a public record where the Town cannot search, retain or produce it.
- **Do not auto-forward Town email to a personal account.**
- **Do not delete anything to avoid disclosure.** If you are unsure whether something must be kept, ask before deleting it.
- **Phishing is how organizations like the Town get breached.** Treat unexpected requests for payment, credentials or urgent transfers as suspect, and verify by phone on a number you already have.

5 Social media

- **Only staff authorized by the Town Manager post for the Town.**
- **Town accounts belong to the Town**, with at least two Town administrators and never tied to an employee's personal profile, so the Town does not lose a page when someone leaves.
- **Do not delete or hide resident comments** except under a written standard applied regardless of viewpoint. Removing criticism from a government page carries real legal risk.
- **Posts, comments and messages are public records**, and nothing from Section 8 belongs on social media.
- **On personal accounts, do not speak for the Town.** Department social media stays under Police Department policy.

6 Passwords, devices and working remotely

- **A different password for every account**, long rather than complicated, never written down or saved in a file on your computer.
- **Multi-factor authentication stays on.** If you are asked to approve a sign-in you did not start, deny it and tell IT, because it means someone has your password.
- **Never give a password or an authentication code to anyone**, including someone claiming to be from IT or a vendor. Nobody legitimate will ask.
- **Lock your screen when you walk away**, and keep laptops and phones secure, particularly in vehicles.
- **Report a lost device, or anything that looks like a compromise, the same day.** Speed matters more than certainty.
- **Reach Town systems only by the methods IT has set up**, treat public Wi-Fi as hostile, and keep Town files off personal email, cloud drives and USB sticks.

7 Artificial intelligence: what is covered, and approvals

This covers **any tool that generates or summarizes content from a prompt**, such as ChatGPT, Copilot, Gemini and Claude, AI features inside products the Town already uses, and **meeting notetakers and transcription services**.

- **Town business goes through Town accounts.** Anything in a personal AI subscription sits where the Town cannot audit, produce or recover it.
- **Get approval before connecting an AI tool to Town email, files, calendar or Teams.** Those are approved for named individuals, and the request goes to IT.
- **Ask before adopting a new tool**, including free ones. The question is what the tool is allowed to do with what you give it.

8 What must never be entered into an AI tool

- **Closed session material**, including any document prepared for one.
- **Personnel matters involving an identifiable employee**, including performance, discipline, complaints, medical information and pay. North Carolina treats these records as confidential, and that follows the information into whatever tool you paste it in.
- **Police Department information**, including active investigations and anything from state or federal criminal justice systems.
- **Personal information about residents and customers**, such as Social Security numbers, dates of birth, driver's license numbers, bank or card numbers, and utility account details.
- **Communications with the Town Attorney**, and anything touching pending or threatened litigation.
- **Passwords, credentials and details of how Town systems are configured.**
- **Anything a statute, court order, contract or grant agreement requires the Town to keep confidential.**

The test to use when you are unsure

If you would not put it in an email to someone outside the Town, do not put it in an AI tool. If you are still unsure, ask the Town Manager before you paste it, not after.

9 AI output, meetings, and what you are responsible for

AI conversations about Town business are Town records. Save the result into the Town's files rather than leaving a chat window as the only copy.

You are responsible for what it produces. These tools invent figures, citations and legal references in the same confident tone they use when correct. Check anything factual before it reaches the Board, the public, another agency or a decision. They are a drafting aid, not a source of legal, personnel, financial or engineering advice.

- **Never in closed session.** No notetaker, no transcription, no recording beyond what the Clerk must keep.
- **For meetings the Town hosts, use Teams,** which already records and transcribes at no extra cost and keeps the file in the Town's own systems.
- **Say so at the start of any meeting being recorded or transcribed,** every time.

Within those limits these tools help, and this policy is not meant to discourage use. Drafting routine correspondence, summarizing documents you already have the right to read, and rewriting something dense into plain language for residents are all good uses of the Town's time.

10 If something goes wrong, report it

A document gets pasted in before anyone notices what is in it. A link gets clicked. A laptop gets left somewhere. The policy only works if that gets reported instead of quietly closed.

- **Tell the Town Manager and IT the same day,** and say roughly what happened and when.
- **Report it before you delete anything.** What was exposed, and when, is what has to be established, and deleting it first removes the only record of it.
- **Nobody is disciplined for reporting promptly.** The situation the Town cannot manage is the one nobody mentioned.

11 Questions, enforcement, and keeping this current

Whether a particular use is appropriate	The Town Manager.
Approving a tool, unblocking a site, or connecting something to Town systems	The Town's IT provider.
Anything involving Police Department information or systems	The Chief of Police, before anything else.
Records retention and public records requests	The Town Clerk.

Everyone completes security awareness training on a recurring basis. New staff sign this policy at onboarding, before accounts and equipment are handed over, and existing staff sign on adoption and again whenever it is materially revised.

Violations are handled under the Town's personnel policy, and the Town may withdraw access to any system where that is necessary to protect Town information. This policy is reviewed at least once a year.

Acknowledgment

I hereby certify that I received a copy of this policy. I further certify that I have read and understand this policy, that it applies to my use of Town equipment, accounts and information, and that an employee violating this policy is subject to disciplinary action without further notice or warning.

Signature of employee _____ Date _____

Print name _____ Department _____

Witness, signature of supervisor _____ Date _____



TOWN OF MAYODAN

OFFICE OF THE FINANCE DIRECTOR

210 W. MAIN STREET • MAYODAN, N.C. 27027
(336) 427-0241
FAX (336) 427-7592
bcardwell@mayodannnc.org

DATE: September 16, 2026

FROM: Brianna Cardwell CPA, Finance Director

TO: Mayodan Town Council

RE: Town Council Budget Amendment to recognize Donation
for Police and Fire Department allocation

Town Council Budget Amendment #3

<u>REVENUE:</u>	<u>Decrease</u>	<u>Increase</u>
10-4641 Donations	-	\$501
<u>EXPENDITURE:</u>	<u>Increase</u>	<u>Decrease</u>
10-5300-551 Supplies	\$250.50	-
10-5400-551 Supplies	\$250.50	
	\$ 501.00	\$ 501.00

Signature

Date

AGENDA ITEM COVER

Item for Agenda:	Adoption of the Amended Procurement Policy, New Credit Card Policy (with authorizing resolution), and New Purchasing and Purchase Order Policy
Placement on Agenda:	Consent
Presenter:	Brianna Cardwell, Finance Officer
Description of Agenda Item or Other Pertinent Information for Council:	Background Staff has reviewed the Town's purchasing-related policies. The Town's Procurement Policy for federally funded contracts was adopted in 2019 and has not been updated. The Town has no written credit card, purchasing or purchase order policy. The three attached policies were prepared using the North Carolina General Statutes, the federal Uniform Guidance (2 C.F.R. Part 200), and model policies and guidance from the UNC School of Government and the NC Local Government Commission. They are designed to work together. 1. Procurement Policy (amended and restated). This policy applies only when federal grant or loan funds pay for a purchase, and federal rules require the Town to have it. The update reflects the 2024 revisions to the Uniform Guidance and the federal thresholds that took effect October 1, 2025. 2. Credit Card Policy (new). State law requires that every card purchase be preaudited before it is made, and Local Government Commission rule 20 NCAC 03 .0409 requires a Council resolution authorizing electronic payments, a written policy, an encumbrance system, cardholder training, and quarterly budget-to-actual reports to Council. The policy limits cards to documented business need; sets limits; prohibits unauthorized use; requires itemized receipts and monthly reconciliation; and requires independent review of the Town Manager's and Finance Officer's card charges. It includes the authorizing resolution (Attachment A) and a Cardholder Agreement (Attachment B). 3. Purchasing and Purchase Order Policy (new). This policy applies to all Town purchases regardless of funding source. Part One sets approval levels, quote requirements, the state bidding thresholds. Part Two requires a purchase order, bearing the Finance Officer's preaudit certificate required by G.S. 159-28, before any order is placed, and sets procedures for blanket purchase orders, invoice matching, change orders, and year-end. Requested Action Staff requests that Council consider a motion to: 1. Adopt the amended and restated Procurement Policy for Contracts Funded with Federal Financial Assistance; 2. Adopt a Resolution Authorizing Electronic Payments and Adopt a Credit Card Policy; and 3. Adopt the Purchasing and Purchase Order Policy. Attachments: (1) Amended Procurement Policy; (2) Credit Card Policy, with Resolution and Cardholder Agreement; (3) Purchasing and Purchase Order Policy.

Credit Card and Electronic Payment Policy

Town of Mayodan

Adopted **October 12, 2026**

I. Purpose

The purpose of this policy is to establish procedures for the issuance, use, administration, and oversight of Town credit cards and other electronic payment methods, and to regulate their use. This policy is also the Town's written policy for the preaudit of obligations incurred by electronic payment, as required by G.S. 159-28 and the Local Government Commission rule at 20 NCAC 03 .0409. Card purchases commit public funds before an invoice is ever reviewed, so the Town permits them only where they provide a genuine operational benefit and only under the controls in this policy.

II. Scope

This policy applies to all Town departments and to every employee or official who is issued, uses, approves, or reconciles a Town card. It covers all electronic payment methods that obligate the Town, including credit cards, purchasing cards (p-cards), fuel cards, virtual card numbers, store charge accounts, and online vendor accounts that are billed to the Town or store a Town card number. This policy does not replace or circumvent the Town's purchasing and procurement policies, including the Procurement Policy for Contracts Funded with Federal Financial Assistance, the travel policy, or any other applicable Town policy. Payments made by the Finance Office through ACH or wire transfer are governed by the Town's separate electronic disbursement procedures under 20 NCAC 03 .0410.

Debit cards are prohibited. A debit card incurs the obligation and removes the money from the Town's bank account at the same moment, which eliminates the Finance Office's independent review before payment. No Town debit card shall be issued or used.

III. Authority and Responsibilities

- A. **Town Council.** By resolution (Attachment A), the Town Council authorizes the Town to make electronic payments as required by 20 NCAC 03 .0409(a)(1) and .0410(a)(1), adopts this policy, and receives the quarterly reports described in Section XII. Town Council members shall not be issued Town cards. Council members' authorized expenses shall be paid through the Town's normal purchasing or reimbursement process.
- B. **Finance Officer.** The Finance Officer is the program administrator and has sole authority to open card accounts on the Town's behalf. The Finance Officer, or a deputy finance officer appointed by the Town Council, performs the preaudit and disbursement duties required by G.S. 159-28, maintains the encumbrance system and the list of cardholders, sets card limits and merchant restrictions within this policy, provides training, and may suspend or cancel any card at any time. The Finance Officer may adopt written administrative procedures and forms to carry out this policy.
- C. **Town Manager.** The Town Manager approves the issuance of each card, approves the Finance Officer's card transactions, and ensures that department heads enforce this policy.

- D. **Department Heads (Approving Officials).** Department heads request cards only where there is a documented business need, review and approve their cardholders' monthly reconciliations, and ensure that purchases are necessary, reasonable, and charged to the correct budget account.
- E. **Cardholders.** Each cardholder is personally responsible for the security and proper use of the card, for following the preaudit steps before each purchase, and for timely documentation and reconciliation.

IV. Card Issuance and Limits

- A. **Limited Issuance.** The Town will keep the number of cards to the minimum needed for operations. A card is issued based on documented business need, not job title. Where a need is occasional, the Town will use a purchase order, a single-use virtual card, or a card held in the Finance Office instead of issuing an individual card.
- B. **Request and Approval.** A department head may submit a written request to the Finance Officer to issue a card to an employee. The request must describe the types of purchases to be made, explain why the standard purchase order process is not sufficient, and recommend transaction and monthly limits. No card may be issued without the written approval of both the Finance Officer and the Town Manager.
- C. **Training and Cardholder Agreement.** Before receiving a card, the employee must complete the Town's card training and sign the Cardholder Agreement (Attachment B). The Finance Office keeps the original agreement, and a copy is placed in the cardholder's personnel file. Cardholders and approving officials must repeat training whenever this policy changes materially.
- D. **Card Limits and Restrictions.** Unless the Finance Officer sets a lower limit, each card is subject to a monthly limit of **\$5,000**, except for the Town Manager's card having a monthly limit of **\$10,000**. The Finance Officer shall use the card issuer's controls to block merchant categories that are not needed for Town business, such as cash advances, ATMs, liquor stores, bars, casinos, and similar categories. A temporary increase requires written approval of the Finance Officer and Town Manager and must still be preaudited under Section V.
- E. **Card Ownership.** Each card is Town property. It is issued in the cardholder's name for identification only and does not affect the cardholder's personal credit. Only the named cardholder may use a card. Cards and card numbers may not be loaned or shared, and card numbers may not be saved in online accounts unless the Finance Officer approves the account in writing.

V. Preaudit and Encumbrance of Card Purchases

North Carolina law requires that every obligation, including a card purchase, be preaudited **before** it is incurred. Reviewing a charge after the purchase is not a preaudit, and an obligation incurred without a proper preaudit is invalid (G.S. 159-28(a2)). The following procedures satisfy 20 NCAC 03 .0409 and replace the written preaudit certificate for card transactions.

- A. **Encumbrance System.** The Finance Office shall maintain a written encumbrance system that tracks card obligations against budget appropriations. The system may be kept in the Town's accounting software, in a controlled card-transaction log, or both. Only Finance Office staff may create, increase, reduce, or release a card encumbrance.

- B. **Cardholder Steps Before Each Purchase.** Before each purchase, the cardholder must confirm that the purchase falls within an approved encumbrance, is charged to the correct budget account, and will not cause the encumbrance or card limits to be exceeded. If the purchase would exceed the remaining encumbrance or is for an account without an encumbrance, the cardholder must obtain a new preaudit from the Finance Office before making the purchase.
- C. **Individual Preaudit for Larger or Unusual Purchases.** Any single purchase over **\$2,000**, any purchase charged to a capital, grant, or other project ordinance, and any purchase paid with federal or state grant funds must be individually preaudited and encumbered by the Finance Office before the purchase is made.
- D. **Monitoring and Release.** The Finance Office shall compare encumbrances with actual charges at least monthly, adjust encumbrances before additional purchases are made when needed, and release unused encumbrances at the end of each billing cycle.
- E. **Disbursement.** When the card statement arrives, the Finance Officer or a deputy finance officer shall perform the disbursement review required by G.S. 159-28(b) and 20 NCAC 03 .0410 before paying it. That review confirms that each amount claimed is payable, is authorized by an appropriation, is covered by an encumbrance or unencumbered balance, and that sufficient cash is available. The Town shall pay each statement in full by its due date so that no interest or late fees are incurred.

VI. Authorized Use

Town cards shall be used only for official Town business and only in the following situations:

- A. Emergencies that present a public safety hazard or threat, subject to Section VIII.
- B. Purchases where the vendor does not accept a purchase order or where the purchase cannot practically be paid through the routine accounts payable process. Examples include online purchases, conference and training registrations, software subscriptions, small field purchases of repair materials, and postage.
- C. Travel expenses such as lodging and registration, when allowed by and documented under the Town's travel policy.
- D. Fuel for Town vehicles and equipment.
- E. Other purchases specifically authorized in writing by the Finance Officer or designee.

All purchases shall comply with applicable Town policies and procurement procedures and shall be necessary, reasonable in cost, and directly related to Town business.

VII. Prohibited Uses

A Town card shall never be used for any of the following, even if the cardholder intends to repay the Town:

- A. Personal purchases or purchases for anyone's personal use or gain.
- B. Cash advances, ATM withdrawals, money orders, cash back, or wire transfers.
- C. Gift cards, prepaid cards, or other cash equivalents, unless approved in writing in advance by the Town Manager and Finance Officer for a specific budgeted program.

- D. Alcoholic beverages, tobacco or vaping products, or entertainment.
- E. Meals, except meals allowed and documented under the Town's travel policy or approved in writing in advance by the Town Manager for a Town meeting, training event, or program, with the business purpose and attendees documented.
- F. Gifts, flowers, awards, or donations, unless the expenditure is budgeted and approved in advance under a Town policy.
- G. Payments to employees, officials, or their immediate family members or businesses, or any purchase that violates G.S. 14-234 or G.S. 133-32.
- H. Personal services contracts, independent contractors who must receive a Form 1099, or any purchase that requires a written contract, unless the Finance Officer has approved the payment in advance.
- I. Purchases that are split into multiple transactions, or spread across cardholders or days, to stay under a card limit, a preaudit threshold, or a bidding threshold.
- J. Purchases from vendors with whom the Town has an open purchase order or contract for the same goods or services, unless the Finance Officer approves.
- K. Any purchase that is prohibited by law or that does not serve a public purpose.

VIII. Compliance with Purchasing Requirements

- A. **Bidding Laws.** Card purchases are subject to the same bidding and purchasing requirements as any other purchase. A card may not be used for any purchase of apparatus, supplies, materials, equipment, or construction or repair work that is subject to the informal bidding requirements of G.S. 143-131 (currently \$30,000 or more) or the formal bidding requirements of G.S. 143-129, unless the required procedures have been followed and the Finance Officer has approved card payment in advance.
- B. **Federal and Grant Funds.** Card purchases charged to federal awards must comply with the Town's Procurement Policy for Contracts Funded with Federal Financial Assistance and the terms of the award. This includes the micro-purchase rules, fair distribution among suppliers, and the prohibition on purchasing certain telecommunications and video surveillance equipment. Purchases charged to state or other grants must comply with the grant's terms.
- C. **Emergencies.** In an emergency presenting a public safety hazard or threat, a cardholder may make purchases needed to protect public health and safety. The cardholder must contact the Finance Officer or deputy finance officer as soon as possible, and before the purchase whenever practicable, so that the preaudit can be performed. Emergency purchases must be documented and reported to the Town Manager by the next business day. Emergencies do not suspend the preaudit requirement or the documentation requirements of this policy.
- D. **Sales Tax.** The Town pays North Carolina sales tax on card purchases and later applies for a refund under G.S. 105-164.14(c). Cardholders shall not claim a sales tax exemption, and receipts must show the sales tax paid so that the Town can claim its refund.
- E. **Rebates and Rewards.** All rebates, cash back, points, and other rewards earned on Town cards belong to the Town and shall be credited to the Town as directed by the Finance Officer. No employee may receive a personal benefit from card rewards.

IX. Documentation and Monthly Reconciliation

- A. **Itemized Receipts.** At the time of each transaction, the cardholder shall obtain an original, itemized receipt showing the vendor, date, each item purchased, unit price, sales tax, and total. A credit card slip showing only a total is not sufficient. For online purchases, the order confirmation and the invoice showing items purchased are required. The cardholder shall write or attach the business purpose and budget account on each receipt and submit it to the Finance Office within **five (5)** business days of the purchase.
- B. **Missing Receipts.** Securing a missing receipt is the cardholder's responsibility. If a receipt truly cannot be obtained from the vendor, the cardholder shall complete a missing receipt statement, approved by the department head, describing the purchase and its business purpose. More than **two (2)** missing receipt statements in a fiscal year may result in suspension of the card.
- C. **Monthly Reconciliation.** By the **fifteenth (15th)** day after the statement closes, each cardholder shall reconcile every charge on the statement to receipts and approved encumbrances, verify the budget coding, and sign the reconciliation. The department head shall review and sign the reconciliation, confirming that each purchase was necessary, allowed by this policy, and properly documented. The Finance Office shall review each reconciliation before the statement is paid.
- D. **Disputed and Fraudulent Charges.** A cardholder who finds an incorrect, duplicate, or unauthorized charge shall notify the Finance Office immediately and work with the vendor and card issuer to resolve it within the issuer's dispute period.
- E. **Segregation of Duties.** No person may approve his or her own card transactions. To the extent staffing allows, making a purchase, approving it, reconciling the statement, and paying the statement shall be done by different people. The Town Manager shall review and approve the Finance Officer's card transactions. The Finance Officer shall review and approve the Town Manager's card transactions each month. Where the Town's small staff prevents full separation of duties, the Finance Officer shall document a compensating control, such as review of the full statement by the Town Manager.

X. Lost, Stolen, or Compromised Cards

It is the responsibility of the cardholder to make notifications in the event of a lost, stolen, or compromised card. The cardholder shall immediately notify the card issuer and the Finance Office, and in any event no later than the next business day. The cardholder should notify the Mayodan Police Department after notifying the Finance Office if criminal activity may have occurred. The Town is not responsible for charges resulting from a cardholder's failure to report promptly or from the cardholder's negligence, to the extent permitted by law.

XI. Change in Position or Separation from Employment

When a cardholder transfers to a position that does not require a card, goes on extended leave, or separates from Town employment for any reason, the cardholder must return the card to the Finance Office and complete the final reconciliation on or before the last day of work in that position. The department head or Human Resources shall notify the Finance Office of the change as soon as it is known, and the Finance Office shall cancel the card immediately. Any person who uses a Town card after separation is subject to legal action.

XII. Oversight, Audit, and Reporting

- A. **Audit.** The Finance Office may audit card activity and supporting documentation at any time, and the Town's independent auditor may review the card program as part of the annual audit.
- B. **Quarterly Reporting to Council.** Each quarter, the Finance Officer shall provide the Town Council a budget-to-actual report for all major funds showing budgeted amounts, actual payments, amounts encumbered (including card obligations), and the remaining unobligated budget, as required by 20 NCAC 03 .0409(a)(5).
- C. **Annual Program Review.** At least annually, the Finance Officer shall inventory all active cards and accounts, cancel cards that have been inactive for **six (6)** months or are no longer needed, confirm that each cardholder still has a business need, review limits and merchant restrictions, and recommend any needed changes to this policy to the Town Manager.

XIII. Misuse and Consequences

Use of a Town card is a privilege, not an entitlement. Violations of this policy may result in retraining, suspension or cancellation of card privileges, disciplinary action up to and including dismissal, and referral for criminal investigation and prosecution. Individuals who use a Town card for personal business will be subject to corrective action up to and including termination and/or criminal prosecution. A cardholder is personally responsible for repaying the Town for any unauthorized, prohibited, or undocumented charge within **thirty (30)** days. Repayment by payroll deduction may be made only with the employee's written authorization, as required by the North Carolina Wage and Hour Act (G.S. 95-25.8). Repayment does not excuse the violation. Employees and officials who incur obligations without a proper preaudit may also be subject to the penalties in G.S. 159-28(e), G.S. 159-181, and G.S. 159-182.

XIV. Records

Card applications, cardholder agreements, training records, encumbrance records, receipts, reconciliations, and statements are public records and shall be retained in accordance with the records retention and disposition schedule for municipalities adopted under G.S. 121-5 and G.S. 132-8.1, and longer if required by a grant award. Full card numbers and other information that could be used to commit fraud shall be protected from public disclosure as permitted by G.S. 132-1.2.

XV. Administration and Amendment

The Finance Officer, with the approval of the Town Manager, may adopt administrative procedures and forms to implement this policy, including lower limits or additional restrictions. Changes to the dollar limits highlighted in this policy, the prohibition on debit cards, and the preaudit procedures in Section V require approval of the Town Council.

Adopted by the Mayodan Town Council on **October 12, 2026.**

Mayor

Town Clerk

Attachment A

RESOLUTION AUTHORIZING ELECTRONIC PAYMENTS AND ADOPTING A CREDIT CARD AND ELECTRONIC PAYMENT POLICY

WHEREAS, G.S. 159-28 authorizes the Town of Mayodan to pay bills, invoices, and other claims by electronic payment, including payment by credit card, procurement card, and gas card, and by electronic funds transfer; and

WHEREAS, G.S. 159-28(f)(3) exempts electronic payments from the preaudit certificate requirement when they are made in accordance with rules of the Local Government Commission; and

WHEREAS, 20 NCAC 03 .0409 and .0410 require the governing board to adopt a resolution authorizing the unit to engage in electronic payments, and require written policies and procedures to ensure that electronic payments are properly preaudited and disbursed; and

WHEREAS, the Town Council finds that the limited use of Town cards under strong internal controls will improve the efficiency of Town operations while protecting public funds;

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Mayodan that:

1. The Town is authorized to make electronic payments, including payments by credit card, purchasing card, fuel card, and virtual card, and to disburse funds by electronic funds transfer, in accordance with G.S. 159-28, 20 NCAC 03 .0409 and .0410, and the policies of the Town.
2. The Credit Card and Electronic Payment Policy attached to this resolution is adopted and shall serve as the Town's written policy for the preaudit of electronic payments.
3. The Finance Officer is authorized to establish card accounts with the Town's official depository or another financial institution approved by the Town Manager, to adopt written electronic disbursement procedures under 20 NCAC 03 .0410, and to adopt administrative procedures and forms consistent with the policy.
4. This resolution is effective upon adoption.

Adopted this 12th day of October, 2026.

Mayor

Attest: Town Clerk

Attachment B

TOWN OF MAYODAN CARDHOLDER AGREEMENT

Cardholder information	
Name	
Position / Department	
Card type	☐ Credit / purchasing card
Limits	Per transaction: \$2,000 Monthly: \$5,000
Authorized purchase types	

I have received a Town card and acknowledge and agree that:

1. I have read the Town's Credit Card and Electronic Payment Policy, completed the required training, and will follow the policy and any procedures issued under it.
2. The card is Town property. I will use it only for official Town business, only within my approved limits, and never for personal purchases, even if I intend to repay the Town.
3. Before each purchase, I will confirm that the purchase is covered by an approved encumbrance and budget account, and I will contact the Finance Office for a new preaudit when it is not.
4. I will not split purchases, allow anyone else to use my card or card number, or use the card for cash, gift cards, alcohol, or any other prohibited purchase.
5. I will obtain an itemized receipt for every purchase, submit receipts within the required time, and complete my monthly reconciliation on time.
6. I will keep the card secure and report a lost, stolen, or compromised card immediately to the card issuer and the Finance Office.
7. I will return the card to the Finance Office when I change positions, go on extended leave, or leave Town employment, or whenever the Town requests it.
8. I am personally responsible for repaying the Town for any unauthorized, prohibited, or undocumented charge. I understand that misuse may result in cancellation of the card, disciplinary action up to and including dismissal, and criminal prosecution.

Optional payroll deduction authorization: I authorize the Town to deduct from my wages any amount I owe for charges that I have acknowledged in writing to be unauthorized or undocumented, as permitted by G.S. 95-25.8. Initials: _____

Cardholder signature: _____ Date: _____

Finance Officer approval: _____ Date: _____

Town Manager approval: _____ Date: _____

Original to the Finance Office; copy to the cardholder's personnel file; copy to the cardholder.

Procurement Policy

Town of Mayodan

Contracts Funded in Whole or in Part with Federal Financial Assistance

Originally adopted November 11, 2019 | Amended and restated October 12, 2026

I. Purpose

The purpose of this policy is to establish procedures that meet or exceed the procurement requirements of federal and state law for purchases of goods (apparatus, supplies, materials, and equipment), services, and construction or repair work when federal financial assistance is used in whole or in part to pay for the cost of the contract. To the extent that other procurement policies and procedures adopted by the Town of Mayodan are more restrictive than those contained in this policy, the more restrictive local policies and procedures shall be followed, provided they are consistent with state and federal law.

II. Policy

- A. **Application of Policy.** This policy applies to contracts for purchases, services, and construction or repair work funded with federal financial assistance, whether received directly from a federal agency or through a state or other pass-through entity, and whether paid directly or by reimbursement. Federal financial assistance includes federal grants, loans, loan guarantees, and cooperative agreements. The requirements of this policy also apply to any subrecipient of federal funds awarded by the Town.

All federally funded projects, loans, grants, and subgrants, whether funded in part or wholly, are subject to the federal Guidance for Federal Financial Assistance (commonly called the Uniform Guidance), codified at 2 C.F.R. Part 200, unless otherwise directed in writing by the federal agency or pass-through entity that awarded the funds. Federal awards made on or after October 1, 2024, are subject to the 2024 revisions to the Uniform Guidance. Federal awards made before that date remain subject to the version of the Uniform Guidance incorporated into the award's terms and conditions unless the federal agency or pass-through entity directs otherwise in writing. The Requesting Department shall review the terms and conditions of each award for any additional or more restrictive procurement requirements imposed by the federal agency or pass-through entity.

- B. **Compliance with Federal and State Law.** All procurement activities involving the expenditure of federal funds shall be conducted in compliance with the procurement standards codified at 2 C.F.R. §§ 200.317 through 200.327 and with Article 8 of Chapter 143 of the North Carolina General Statutes and other applicable state law, unless otherwise directed in writing by the federal agency or pass-through entity that awarded the funds. Where federal, state, and Town requirements differ, the most restrictive requirement shall apply, so long as it is consistent with state and federal law.
- C. **Federal Dollar Thresholds.** The terms "micro-purchase threshold" and "simplified acquisition threshold" have the meanings given in 2 C.F.R. § 200.1, which adopts the thresholds established in the Federal Acquisition Regulation at 48 C.F.R. § 2.101. Effective October 1, 2025, the micro-purchase threshold is **\$15,000** and the simplified acquisition threshold is **\$350,000**. For construction contracts subject to the Davis-Bacon Act wage rate requirements, the micro-purchase threshold is **\$2,000**. When these federal thresholds are adjusted, the dollar amounts in

this policy that are tied to them shall adjust automatically for federal awards to which the adjusted thresholds apply, without further action of the Town Council. If the terms and conditions of a federal award establish a lower threshold, the lower threshold controls for that award.

- D. **Contract Award.** Contracts shall be awarded only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the contract. Contracts procured by bidding shall be awarded to the lowest responsive, responsible bidder. Contracts procured by competitive proposals shall be awarded to the responsible offeror whose proposal is most advantageous to the Town, with price and other factors considered. Contracts for architectural and engineering services shall be awarded to the most qualified firm with which fair and reasonable compensation is negotiated.
- E. **No Evasion.** No contract may be divided to bring the cost under a bid or procurement threshold or to evade any requirement under this policy or state or federal law.
- F. **Written Contracts and Required Provisions.** All contracts paid for in whole or in part with federal funds shall be in writing, as also required by G.S. 160A-16. The written contract must include, or incorporate by reference, the applicable provisions required under 2 C.F.R. § 200.327 and 2 C.F.R. Part 200, Appendix II, which are summarized in Appendix A of this policy, together with any additional provisions required by the federal agency or pass-through entity. Contracts shall bear the preaudit certificate required by G.S. 159-28 when applicable.
- G. **Contractors' Conflict of Interest.** In accordance with 2 C.F.R. § 200.319(b), contractors that develop or draft specifications, requirements, statements of work, invitations for bids, or requests for proposals shall be excluded from competing for such procurements.
- H. **Approval and Modification.** The procedures contained in this policy are administrative and may be changed as necessary by the Town Manager or designee to comply with state and federal law, including changes in statutory or regulatory dollar thresholds. Substantive changes to Town policy choices, including the Council elections in Section II.D and Section V, require approval of the Town Council.

III. Standards of Conduct and Conflicts of Interest

As required by 2 C.F.R. § 200.318(c)(1), the following written standards of conduct govern Town officers, employees, and agents engaged in the selection, award, and administration of contracts supported by federal funds. These standards supplement, and do not replace, any code of ethics, conflict of interest policy, or gift policy adopted by the Town.

- A. **Conflicts of Interest.** No officer, employee, or agent of the Town may participate in the selection, award, or administration of a contract supported by federal funds if he or she has a real or apparent conflict of interest. A conflict of interest arises when the officer, employee, or agent, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of them, has a financial or other interest in, or a tangible personal benefit from, a firm considered for a contract. An individual with a conflict shall disclose it in writing to the Town Manager and shall not participate in the procurement.
- B. **Gifts and Gratuities.** Town officers, employees, and agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. Unsolicited items of nominal value, such as advertising or promotional items, may be accepted only to the extent permitted by G.S. 133-32 and any gift policy adopted by the Town.

- C. **State Law.** Town officers and employees shall also comply with G.S. 14-234 (public officers or employees benefiting from public contracts), G.S. 133-32 (gifts and favors from contractors and suppliers), and all other applicable state conflict of interest laws.
- D. **Organizational Conflicts.** If the Town has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian Tribe, the Town shall maintain written standards of conduct covering organizational conflicts of interest, as required by 2 C.F.R. § 200.318(c)(2).
- E. **Mandatory Disclosures.** The Town shall disclose in writing any potential conflict of interest to the federal agency or pass-through entity in accordance with 2 C.F.R. § 200.112 and the terms of the award. The Town shall also promptly disclose in writing all violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award, as required by 2 C.F.R. § 200.113.
- F. **Disciplinary Action.** Violations of these standards by Town officers, employees, or agents shall be subject to disciplinary action, up to and including dismissal, in addition to any penalties provided by state or federal law. Contractors or their agents who violate these standards may be subject to termination of the contract and exclusion from future Town procurements, to the extent permitted by law.
- G. **Whistleblower Protections.** The Town shall inform its employees in writing of the rights and remedies provided under 41 U.S.C. § 4712, as required by 2 C.F.R. § 200.217, and shall not retaliate against any employee for making a disclosure protected by that statute.

IV. General Procurement Standards and Procedures

Either the Purchasing Department or the Requesting Department shall procure all contracts in accordance with the requirements of this Section of the policy.

- A. **Necessity.** Purchases must be necessary to perform the scope of work and must avoid the acquisition of unnecessary or duplicative items. The Purchasing Department and/or the Requesting Department should consider the use of federal excess and surplus property in lieu of purchasing new items when feasible and less expensive. Strategic sourcing, including consolidating or breaking out procurements and the use of intergovernmental or inter-entity agreements for common goods and services, should be considered to obtain better pricing, as encouraged by 2 C.F.R. § 200.318(d) through (f).
- B. **Value Engineering.** Value engineering clauses are encouraged in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions.
- C. **Clear Specifications.** All solicitations must incorporate a clear and accurate description of the technical requirements for the materials, products, or services to be procured, and shall identify all requirements that bidders or offerors must fulfill and all other factors to be used in evaluating bids or proposals. Technical requirements must not contain features that unduly restrict competition.
- D. **Use of Brand Names.** When possible, performance or functional specifications are preferred to allow for more competition, leaving the determination of how to reach the required result to the contractor. Brand names may be used only when it is impractical or uneconomical to write a clear and accurate description of the requirement(s). When a brand name is listed, it is used as reference only, and "or equal" must be included in the description, along with the specific features of the named brand that must be met.

- E. **Notice of Federal Funding.** All solicitations must acknowledge the use of federal funding for the contract. In addition, all prospective bidders or offerors must acknowledge that funding is contingent upon compliance with all terms and conditions of the funding award.
- F. **Compliance by Contractors.** All solicitations shall inform prospective contractors that they must comply with all applicable federal laws, regulations, executive orders, and terms and conditions of the funding award, and that required federal contract provisions will be included in the contract.
- G. **Contract Type.** Solicitations must state that bids shall be submitted on a fixed-price basis and that the contract shall be awarded on this basis unless otherwise provided for in this policy. Cost-plus-a-percentage-of-cost contracts are prohibited (2 C.F.R. § 200.324(d)). A time-and-materials contract may be used only after the Town Manager or designee determines in writing that no other contract type is suitable, and only if the contract includes a ceiling price that the contractor exceeds at its own risk (2 C.F.R. § 200.318(j)). The Requesting Department must provide a high degree of oversight of any time-and-materials contract. Where the terms of the award require prior approval of the federal agency or pass-through entity, a time-and-materials contract shall not be awarded without that approval.
- H. **Lease versus Purchase.** Under certain circumstances, it may be necessary to perform an analysis of lease versus purchase alternatives to determine the most economical approach.
- I. **Small Businesses, Minority Businesses, Women's Business Enterprises, Veteran-Owned Businesses, and Labor Surplus Area Firms.** In accordance with 2 C.F.R. § 200.321, the Town shall, when possible, ensure that these businesses are considered for procurements funded with federal funds. Consideration shall include the following steps, which shall be documented in the procurement file:
1. Placing qualified small businesses, minority businesses, women's business enterprises, and veteran-owned businesses on solicitation lists;
 2. Ensuring that these businesses are solicited whenever they are potential sources, including through the North Carolina HUB vendor directory;
 3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by these businesses, provided that a procurement may not be divided to bring the cost under a threshold or to evade any requirement of this policy;
 4. Establishing delivery schedules, where the requirement permits, that encourage participation by these businesses;
 5. Using the services and assistance of the U.S. Small Business Administration, the Minority Business Development Agency of the U.S. Department of Commerce, and the North Carolina Office for Historically Underutilized Businesses, as appropriate; and
 6. Requiring the prime contractor, if subcontracts are to be let, to take the steps listed above.
- These federal requirements are in addition to any historically underutilized business (HUB) outreach and good faith effort requirements that apply under state law, including G.S. 143-128.2 and G.S. 143-131(b).
- J. **Documentation.** Records sufficient to detail the history of each procurement must be maintained by the Purchasing Department and/or the Requesting Department, as required by 2 C.F.R. § 200.318(i). At a minimum, these records shall include the rationale for the procurement method, the selection of contract type, the basis for contractor selection or rejection, and the basis for the

contract price. As applicable, the file should also include sources solicited, public notices, cost estimates and cost or price analyses, bid documents, addenda, bid tabulations, the determination of contractor responsibility, the exclusion search described in Section IV.L, notices of award, notices to unsuccessful bidders or offerors, records of protests or disputes, bond documents, the notice to proceed, the purchase order, and the contract. For micro-purchases, the file must document the basis for concluding that the price is reasonable. All procurement records shall be made available to the federal agency or pass-through entity upon request and shall be retained for at least three years from the date of submission of the final financial report for the award, or longer if required by the award, 2 C.F.R. § 200.334, G.S. 143-128.2(i), or the Town's records retention schedule.

- K. **Cost Estimate and Cost or Price Analysis.** For every procurement exceeding the simplified acquisition threshold (currently \$350,000), including contract modifications, and for every procurement subject to the state formal bidding requirements of G.S. 143-129, the Purchasing Department and/or the Requesting Department shall make independent estimates before receiving bids or proposals and shall perform a cost or price analysis, as required by 2 C.F.R. § 200.324. The method and degree of analysis shall depend on the facts surrounding the particular procurement. Cost estimates may be developed by reviewing prior contract costs, reviewing published or online pricing for similar products or services, or other means by which a good faith estimate may be obtained. Cost estimates for construction and repair contracts may be developed by the project designer. When there is no price competition, or when a cost analysis is performed, the Town shall evaluate the reasonableness of the contractor's proposed profit.
- L. **Contractor Responsibility; Suspension and Debarment.** Before award, the Requesting Department shall determine that the contractor is responsible, considering the contractor's integrity, compliance with public policy, record of past performance, financial and technical resources, and the proper classification of its employees as required by 2 C.F.R. § 200.318(h). No contract shall be awarded to a contractor that is suspended, debarred, or otherwise excluded from receiving federal funds. Before entering into any contract expected to equal or exceed \$25,000, and for any other covered transaction under 2 C.F.R. Part 180, the Requesting Department shall verify that the contractor is not excluded by searching the exclusion records in the federal System for Award Management (SAM.gov), and shall place a copy of the search result in the procurement file. The Town recommends performing this search for all federally funded contracts regardless of amount.
- M. **Open Competition.** Solicitations shall be prepared in a way that is fair and provides full and open competition, as required by 2 C.F.R. § 200.319. The procurement process shall not restrict competition by imposing unreasonable requirements on bidders, including but not limited to unnecessary supplier experience or qualification requirements, excessive or unnecessary bonding, noncompetitive pricing practices between firms or affiliated companies, noncompetitive contracts to consultants on retainer, organizational conflicts of interest, specifying a brand name without allowing for "or equal" products, or any arbitrary action in the procurement process. Any prequalified list of persons, firms, or products used to acquire goods or services must be current, include enough qualified sources to ensure maximum open and free competition, and allow potential bidders to qualify during the solicitation period.
- N. **Geographic Preference.** No contract shall be awarded on the basis of a local or in-state geographic preference. Although the 2024 revisions to the Uniform Guidance removed the former federal prohibition on geographic preferences, North Carolina law requires contracts subject to state

bidding requirements to be awarded to the lowest responsible bidder and does not authorize local preferences.

- O. **Domestic Preferences; Build America, Buy America.** As appropriate and to the greatest extent consistent with law, the Town should provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States, and shall include this requirement in all contracts, as provided in 2 C.F.R. § 200.322. For infrastructure projects subject to the Build America, Buy America Act, the Town shall require that iron, steel, manufactured products, and construction materials used in the project be produced in the United States, as provided in 2 C.F.R. Part 184, unless a waiver has been granted.
- P. **Prohibited Telecommunications and Video Surveillance Equipment.** Federal funds shall not be used to procure or obtain covered telecommunications equipment or services, or video surveillance equipment or services, produced by the entities identified in 2 C.F.R. § 200.216 and Section 889 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, or by their subsidiaries or affiliates.
- Q. **Procurement of Recovered Materials.** The Town shall comply with Section 6002 of the Solid Waste Disposal Act and 2 C.F.R. § 200.323, including procuring items designated by the U.S. Environmental Protection Agency at 40 C.F.R. Part 247 that contain the highest percentage of recovered materials practicable when the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000. The Town is also encouraged to procure sustainable products and services, including reused, refurbished, recycled, biobased, and energy- and water-efficient products.
- R. **Contractor Oversight.** The Requesting Department receiving the federal funding must maintain oversight of the contract to ensure that the contractor performs in accordance with the contract terms, conditions, and specifications.
- S. **Contract Modifications and Change Orders.** Change orders and contract modifications must be within the scope of the original procurement. A change that materially alters the scope of work shall be treated as a new procurement. A cost or price analysis is required for any modification that exceeds the simplified acquisition threshold. Change orders on construction or repair projects are authorized under G.S. 143-129(e)(4) and must be approved in writing in accordance with the contract and the Town's approval procedures.
- T. **Protests and Disputes.** The Town is responsible for settling all contractual and administrative issues arising out of its procurements, as provided in 2 C.F.R. § 200.318(k). A bidder or offeror may file a written protest with the Town Manager within **five (5)** business days after notice of award or rejection. The Town Manager or designee shall review the protest and issue a written decision. Protest records shall be kept in the procurement file, and the Town shall notify the federal agency or pass-through entity of any protest when required by the award terms. Disputes on building projects shall be subject to the dispute resolution process required by G.S. 143-128(f1).
- U. **Additional State Law Requirements.** Contracts funded in whole or in part with federal funds must also comply with all applicable state requirements, including, without limitation, the E-Verify requirements of G.S. 143-133.3 and G.S. 143-129(j), the Iran Divestment Act certification requirements of G.S. 147-86.59, and the prohibition on contracting with companies that boycott Israel under G.S. 147-86.82.

V. Specific Procurement Procedures

Either the Purchasing Department or the Requesting Department shall solicit bids, quotes, or proposals in accordance with the requirements of this Section based on the type and estimated cost of the contract. The following table summarizes the procedures that apply; the text of this Section controls. Dollar amounts assume the federal thresholds in effect on October 1, 2025, and no Council election of a higher micro-purchase threshold under Section II.D.

Contract type	Micro-purchase	Simplified acquisition (informal)	Formal
Purchase contracts (goods)	\$15,000 or less	More than \$15,000 but less than \$90,000 (state informal bidding also applies at \$30,000 or more)	\$90,000 or more (state formal bidding and federal sealed bid)
Service contracts (other than A/E)	\$15,000 or less	More than \$15,000 up to \$350,000	More than \$350,000 (sealed bid or competitive proposals)
Construction and repair	\$15,000 or less (\$2,000 or less if Davis-Bacon applies)	More than \$15,000 up to \$350,000 (state informal bidding also applies at \$30,000 or more)	More than \$350,000 but less than \$500,000: federal sealed bid \$500,000 or more: state formal bidding and federal sealed bid
Architectural and engineering services	Mini-Brooks Act applies at any amount unless exempted by Council	Up to \$350,000: Mini-Brooks Act qualifications-based selection	More than \$350,000: federal qualifications-based competitive proposals and Mini-Brooks Act

A. Purchase Contracts (Apparatus, Supplies, Materials, and Equipment).

1. **Costing \$15,000 or less (micro-purchase threshold)** shall be procured using the Uniform Guidance micro-purchase procedure (2 C.F.R. § 200.320(a)(1)) as follows:
 - a. The contract may be awarded without soliciting price or rate quotations if the price is considered to be fair and reasonable. The basis for that conclusion shall be documented in the procurement file.
 - b. To the maximum extent practicable, micro-purchases must be distributed among qualified suppliers.
2. **Costing more than \$15,000 but less than \$30,000** shall be procured using the Uniform Guidance simplified acquisition procedure (2 C.F.R. § 200.320(a)(2)) as follows:
 - a. Obtain price or rate quotations from an adequate number of qualified sources. Because a federal agency may issue guidance interpreting "adequate number," the Requesting Department should review the terms and conditions of the award. The Town's practice is to seek at least three quotations where available and to document the reason if fewer are obtained.
 - b. Consider small businesses, minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms as provided in Section IV.I.
 - c. A cost or price analysis is not required prior to soliciting quotations.

- d. Award the contract on a fixed-price basis.
 - e. Award the contract to the lowest responsive, responsible bidder.
3. **Costing \$30,000 or more but less than \$90,000** shall be procured using a combination of the Uniform Guidance simplified acquisition procedure (2 C.F.R. § 200.320(a)(2)) and the state informal bidding procedure (G.S. 143-131) as follows:
- a. Follow all requirements in subsection A.2 above.
 - b. Informal bids may be solicited and received in any form, including by e-mail, but a record of all bids received must be kept. Bids become public records after the contract is awarded.
 - c. Award the contract to the lowest responsive, responsible bidder, taking into consideration quality, performance, and the time specified in the bids for performance of the contract. Governing board approval is not required unless otherwise required by Town policy.
4. **Costing \$90,000 or more** shall be procured using a combination of the most restrictive requirements of the Uniform Guidance and the state formal bidding procedure (G.S. 143-129) as follows:
- a. An independent cost estimate is required prior to soliciting bids, and a cost or price analysis is required as provided in Section IV.K.
 - b. Complete specifications or a complete purchase description must be made available to all bidders.
 - c. The bid must be advertised in a newspaper having general circulation in the Town, by electronic means, or both, so that at least seven full days elapse between the date of the advertisement and the date of the public bid opening. Advertising solely by electronic means must be approved by the Town Council at a regular meeting. The advertisement must state the date, time, and location of the public bid opening, indicate where specifications may be obtained, and reserve to the Town the right to reject any or all bids. Bids must be solicited from an adequate number of qualified sources, with sufficient time to respond.
 - d. Consider small businesses, minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms as provided in Section IV.I.
 - e. All bids must be submitted sealed. Bids may be received electronically in addition to or instead of paper bids under G.S. 143-129.9, using procedures that ensure the security, authenticity, and confidentiality of the bids to at least the same extent as sealed paper bids.
 - f. Open bids publicly on the date and at the time and location stated in the advertisement. State law does not require a minimum number of bids for purchase contracts. For a procurement that exceeds the simplified acquisition threshold, the federal sealed bid method assumes that two or more responsible bidders are willing and able to compete; if fewer than two responsive bids are received, the Requesting Department shall consult the Finance Officer about whether to readvertise or to proceed under Section VI.E.
 - g. Award the contract to the lowest responsive, responsible bidder on a firm fixed-price basis, taking into consideration quality, performance, and the time specified in the bids for performance of the contract. Town Council approval is required unless the Council has

delegated award authority under G.S. 143-129(a). Any or all bids may be rejected only for a sound documented reason.

- h. For purchases of information technology goods and services, the Town may use the request for proposals procedure authorized by G.S. 143-129.8, provided that the requirements of the Uniform Guidance competitive proposal procedure in subsection B.3 below are also met.

B. Service Contracts (Other Than Architectural and Engineering Services). State bidding laws do not apply to service contracts, so the Uniform Guidance procedures govern.

1. **Costing \$15,000 or less (micro-purchase threshold)** shall be procured using the micro-purchase procedure in subsection A.1 above.
2. **Costing more than \$15,000 up to \$350,000 (simplified acquisition threshold)** shall be procured using the simplified acquisition procedure in subsection A.2 above, except that a contract may be awarded on a not-to-exceed basis where obtaining a fixed price is not feasible.
3. **Costing more than \$350,000** shall be procured using the Uniform Guidance sealed bid procedure (2 C.F.R. § 200.320(b)(1)) following the steps in subsection A.4 above, or, when the sealed bid procedure is not appropriate for the particular type of service, the Uniform Guidance competitive proposal procedure (2 C.F.R. § 200.320(b)(2)) as follows:
 - a. An independent cost estimate is required prior to soliciting proposals, and a cost or price analysis is required as provided in Section IV.K.
 - b. A Request for Proposals (RFP) must be publicly advertised. Formal advertisement in a newspaper is not required so long as the method of advertisement will solicit proposals from an adequate number of qualified offerors.
 - c. Consider small businesses, minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms as provided in Section IV.I.
 - d. Identify all evaluation factors and their relative importance (weight) in the RFP.
 - e. Consider all responses to the publicized RFP to the maximum extent practical.
 - f. Use a written method for conducting technical evaluations of proposals and selecting the contractor.
 - g. Award the contract to the responsible offeror whose proposal is most advantageous to the Town, with price and other factors identified in the RFP considered. Governing board approval is not required unless otherwise required by Town policy.
 - h. Award the contract on a fixed-price or cost-reimbursement basis.

C. Construction and Repair Contracts.

1. **Costing \$15,000 or less (micro-purchase threshold)** shall be procured using the micro-purchase procedure in subsection A.1 above. If the contract is subject to Davis-Bacon Act wage rate requirements, the micro-purchase threshold is \$2,000.
2. **Costing more than \$15,000 but less than \$30,000** shall be procured using the Uniform Guidance simplified acquisition procedure (2 C.F.R. § 200.320(a)(2)) as follows:
 - a. Obtain price or rate quotations from an adequate number of qualified sources, as described in subsection A.2 above.

- b. Consider small businesses, minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms as provided in Section IV.I.
 - c. A cost or price analysis is not required prior to soliciting quotations, although price estimates may be provided by the project designer.
 - d. Award the contract on a fixed-price or not-to-exceed basis to the lowest responsive, responsible bidder.
3. **Costing \$30,000 or more up to \$350,000 (simplified acquisition threshold)** shall be procured using a combination of the Uniform Guidance simplified acquisition procedure (2 C.F.R. § 200.320(a)(2)) and the state informal bidding procedure (G.S. 143-131) as follows:
- a. Follow all requirements in subsection C.2 above.
 - b. Keep a record of all bids received. Bids become public records after the contract is awarded.
 - c. For building projects, solicit minority business participation in accordance with G.S. 143-131(b) and the Town's HUB outreach plan.
 - d. When the total amount of construction contracts awarded for the project exceeds \$300,000, performance and payment bonds are required for each contract of more than \$50,000, as provided in G.S. 44A-26.
 - e. Award the contract to the lowest responsive, responsible bidder, taking into consideration quality, performance, and the time specified in the bids for performance of the contract. Governing board approval is not required unless otherwise required by Town policy.
4. **Costing more than \$350,000 but less than \$500,000** shall be procured using the Uniform Guidance sealed bid procedure (2 C.F.R. § 200.320(b)(1)), together with the state informal bidding requirements, as follows:
- a. An independent cost estimate is required prior to soliciting bids, and a cost or price analysis is required as provided in Section IV.K. The estimate may be provided by the project designer.
 - b. Complete specifications must be made available to all bidders.
 - c. Publicly advertise the bid solicitation for a period of time sufficient to give bidders notice of the opportunity to submit bids. Formal advertisement in a newspaper is not required so long as other means of advertising will provide sufficient notice. The advertisement must state the date, time, and location of the public bid opening and indicate where specifications may be obtained. Bids must be solicited from an adequate number of qualified sources.
 - d. Consider small businesses, minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms as provided in Section IV.I, and comply with the HUB requirements in subsection C.6 for building projects.
 - e. Open the bids publicly on the date and at the time and location stated in the advertisement. All bids must be submitted sealed. A minimum of two bids must be received in order to open all bids.
 - f. A bid guarantee of 5% of the bid price is required of all bidders. Performance and payment bonds, each for 100% of the contract price, are required of the successful bidder (2 C.F.R. § 200.326 and G.S. 44A-26).

- g. Award the contract on a firm fixed-price basis.
 - h. Award the contract to the lowest responsive, responsible bidder. Governing board approval is not required unless otherwise required by Town policy. Any or all bids may be rejected only for a sound documented reason.
5. **Costing \$500,000 or more** shall be procured using a combination of the most restrictive requirements of the Uniform Guidance sealed bid procedure (2 C.F.R. § 200.320(b)(1)) and the state formal bidding procedure (G.S. 143-129) as follows:
- a. An independent cost estimate is required prior to soliciting bids, and a cost or price analysis is required as provided in Section IV.K. The estimate should be provided by the project designer.
 - b. Complete plans and specifications must be made available to all bidders.
 - c. Advertise the bid in a newspaper having general circulation in the Town, by electronic means, or both, so that at least seven full days elapse between the date of the advertisement and the date of the public bid opening. Advertising solely by electronic means must be approved by the Town Council at a regular meeting. The advertisement must state the date, time, and location of the public bid opening, indicate where plans and specifications may be obtained, and reserve to the Town the right to reject any or all bids.
 - d. Consider small businesses, minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms as provided in Section IV.I, and comply with the HUB requirements in subsection C.6 for building projects.
 - e. All bids must be submitted sealed and in paper form. (The electronic bidding authority in G.S. 143-129.9 applies only to purchase contracts.)
 - f. Open the bids publicly on the date and at the time and location stated in the advertisement. A minimum of three bids from reputable and qualified contractors must be received in order to open bids. If fewer than three bids are received after the first advertisement, the project must be readvertised; after the second advertisement, bids may be opened and the contract awarded even if fewer than three bids are received (G.S. 143-132).
 - g. A bid deposit or bid bond of at least 5% of the bid is required of all bidders; a bid that does not include the required bid security cannot be considered and does not count toward the three-bid minimum. Performance and payment bonds, each for 100% of the contract price, are required of the successful bidder (G.S. 143-129(c), G.S. 44A-26, and 2 C.F.R. § 200.326).
 - h. Award the contract on a firm fixed-price basis.
 - i. Award the contract to the lowest responsive, responsible bidder, taking into consideration quality, performance, and the time specified in the bids for performance of the contract. Town Council approval is required and cannot be delegated for construction or repair contracts. Any or all bids may be rejected only for a sound documented reason.
6. **Building projects costing \$300,000 or more** must also comply with the following additional requirements under state law:
- a. Formal HUB participation requirements under G.S. 143-128.2 apply, including the Town's adopted verifiable percentage goal for minority business participation, the Town's outreach efforts, and bidder good faith efforts and affidavits. For building projects of

\$100,000 or more that receive state funds, a verifiable 10% goal applies (G.S. 143-128.2(a)).

- b. Separate specifications shall be drawn for the HVAC, plumbing, electrical, and general construction work, as required under G.S. 143-128(a).
- c. The project shall be procured using a construction method authorized under G.S. 143-128(a1): separate-prime, single-prime, or dual bidding, or, subject to their statutory requirements, construction manager at risk (G.S. 143-128.1), design-build (G.S. 143-128.1A), design-build bridging (G.S. 143-128.1B), or public-private partnership (G.S. 143-128.1C). Before using an alternative delivery method with federal funds, the Requesting Department shall confirm with the federal agency or pass-through entity that the method complies with the award requirements.
- d. The Town shall provide a dispute resolution process as required by G.S. 143-128(f1).

D. Architectural, Engineering, Surveying, and Related Services.

1. **Costing up to \$350,000 (simplified acquisition threshold)** shall be procured using the state Mini-Brooks Act qualifications-based selection requirements (G.S. 143-64.31) as follows:
 - a. Publicly announce a Request for Qualifications (RFQ) to solicit qualifications from qualified firms. Formal advertisement in a newspaper is not required. Price (other than unit price information) shall not be solicited in the RFQ.
 - b. Consider small businesses, minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms as provided in Section IV.I.
 - c. Evaluate respondents on the basis of demonstrated competence and qualifications, using evaluation criteria developed by the Purchasing Department and/or Requesting Department and stated in the RFQ.
 - d. Rank respondents and select the best qualified firm. Price cannot be a factor in the selection.
 - e. Negotiate fair and reasonable compensation with the best qualified firm. If negotiations are not successful, terminate negotiations and repeat the process with the next best qualified firm.
 - f. Award the contract to the best qualified firm with which fair and reasonable compensation has been successfully negotiated. Governing board approval is not required unless otherwise required by Town policy.
 - g. The Town Council may exempt a particular project from the Mini-Brooks Act requirements when the estimated professional fee is less than \$50,000, as provided in G.S. 143-64.32. If an exemption is granted, the contract must be procured using the applicable Uniform Guidance micro-purchase or simplified acquisition procedure.
2. **Costing more than \$350,000** shall be procured using a combination of the Mini-Brooks Act and the Uniform Guidance qualifications-based competitive proposal procedure (2 C.F.R. § 200.320(b)(2)(iv)) as follows:
 - a. Publicly advertise a Request for Qualifications (RFQ) to solicit qualifications from qualified firms. Formal advertisement in a newspaper is not required. Price (other than unit price information) shall not be solicited in the RFQ.
 - b. Consider small businesses, minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms as provided in Section IV.I.

- c. Identify the evaluation criteria and the relative importance (weight) of each criterion in the RFQ.
 - d. Solicit qualifications from an adequate number of qualified sources.
 - e. Use a written method for conducting technical evaluations of the responses and selecting the most qualified firm.
 - f. Consider all responses to the publicized RFQ to the maximum extent practical.
 - g. Evaluate the qualifications of respondents to rank them and select the most qualified firm. Price cannot be a factor in the initial selection of the most qualified firm.
 - h. Once the most qualified firm is selected, negotiate fair and reasonable compensation, supported by a cost or price analysis as provided in Section IV.K. If negotiations are not successful, terminate negotiations and repeat the process with the next most qualified firm.
 - i. Award the contract to the most qualified firm with which fair and reasonable compensation has been successfully negotiated. Governing board approval is not required unless otherwise required by Town policy.
3. The qualifications-based procedures in this subsection may be used only to procure architectural and engineering professional services and other services subject to the Mini-Brooks Act. They may not be used to procure other types of services, even if an architectural or engineering firm is a potential source.
- E. **Cooperative Purchasing, Intergovernmental Agreements, and Piggybacking.** The Town is encouraged to use intergovernmental and cooperative agreements where appropriate (2 C.F.R. § 200.318(e)). State law permits the Town to purchase without bidding from state term contracts (G.S. 143-129(e)(9)), from federal contracts including U.S. General Services Administration (GSA) schedules where GSA makes them available to local governments (G.S. 143-129(e)(9a)), from other governmental units (G.S. 143-129(e)(1)), and, with Council approval after the required notice, under a contract previously bid by another public entity (G.S. 143-129(g)). When federal funds are used, the Town may use one of these methods only if the underlying contract was procured in a manner consistent with the Uniform Guidance and the required federal contract provisions are included in the Town's order or contract. The Requesting Department shall document that determination in the procurement file and should confirm the approach with the federal agency or pass-through entity before purchasing.

VI. Noncompetitive Procurement (Exceptions)

Noncompetitive procurement is allowed **only** when one or more of the following circumstances applies, as provided in 2 C.F.R. § 200.320(c), and only to the extent consistent with state law. The Purchasing Department and/or Requesting Department shall document the justification in the procurement file. A cost or price analysis is required for any noncompetitive procurement that exceeds the simplified acquisition threshold. Where the terms of the award require prior approval of the federal agency or pass-through entity for noncompetitive procurement, that approval must be obtained before award.

- A. **Micro-Purchase.** The aggregate amount of the procurement does not exceed the micro-purchase threshold, as provided in Section V.
- B. **Single Source.** The item or service is available only from a single source. The Purchasing Department and/or Requesting Department shall document the justification for, and the lack of

available competition for, the item. Under G.S. 143-129(e)(6), a sole source purchase of apparatus, supplies, materials, or equipment must be approved by the Town Council before the contract is awarded. State law does not provide a sole source exception for construction or repair contracts.

- C. **Public Exigency or Emergency.** The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation. A noncompetitive award under this exception shall be limited to the duration and scope of the exigency or emergency. For state law purposes, bidding requirements may be waived only in cases of special emergency involving the health and safety of the people or their property (G.S. 143-129(e)(2)). Emergency procurements shall be reported to the Town Council at its next regular meeting.
- D. **Awarding Agency Approval.** The federal agency or pass-through entity expressly authorizes a noncompetitive procurement in writing in response to a written request from the Town, and awarding the contract without competition is consistent with state law.
- E. **Inadequate Competition.** After soliciting several sources as required by this policy, competition is determined to be inadequate, and the solicitation did not result in a qualified winning bidder or offeror. Noncompetitive award under this exception must remain consistent with any applicable state bidding requirements, including the readvertisement requirements of G.S. 143-132 for formal construction contracts.

Originally adopted by the Mayodan Town Council on November 11, 2019. Amended and restated by the Mayodan Town Council on **October 12, 2026.**

Mayor

Town Clerk

Appendix A: Required Contract Provisions

Contracts paid in whole or in part with federal funds must include the following provisions, as applicable (2 C.F.R. § 200.327 and 2 C.F.R. Part 200, Appendix II). Federal agencies and pass-through entities may require additional provisions, so the award terms should always be reviewed. Dollar amounts refer to the contract amount.

Provision	When it applies	Citation
Administrative, contractual, or legal remedies for breach, with sanctions and penalties	Contracts exceeding the simplified acquisition threshold (\$350,000)	App. II(A)
Termination for cause and for convenience	Contracts exceeding \$10,000	App. II(B)
Equal Employment Opportunity clause	Construction contracts meeting the definition of federally assisted construction contract in 41 C.F.R. Part 60-1.3	App. II(C); 41 C.F.R. 60-1.4(b)
Davis-Bacon Act and Copeland "Anti-Kickback" Act	Prime construction contracts exceeding \$2,000 when required by the federal program legislation	App. II(D)
Contract Work Hours and Safety Standards Act	Contracts exceeding \$100,000 that involve the employment of mechanics or laborers	App. II(E)
Rights to inventions made under a contract or agreement	Funding agreements for experimental, developmental, or research work	App. II(F)
Clean Air Act and Federal Water Pollution Control Act	Contracts and subgrants exceeding \$150,000	App. II(G)
Debarment and suspension	Covered transactions under 2 C.F.R. Part 180 (generally contracts of \$25,000 or more)	App. II(H); 2 C.F.R. Part 180
Byrd Anti-Lobbying Amendment certification	Contracts of \$100,000 or more	App. II(I); 31 U.S.C. 1352
Procurement of recovered materials	Contracts involving EPA-designated items as described in Section IV.Q	App. II(J); § 200.323
Prohibition on certain telecommunications and video surveillance services or equipment	All contracts	App. II(K); § 200.216
Domestic preferences for procurements	All contracts	App. II(L); § 200.322
Build America, Buy America	Infrastructure projects subject to the Act, unless waived	2 C.F.R. Part 184
E-Verify; Iran Divestment Act; Israel boycott certifications (state law)	As provided in the cited statutes	G.S. 143-133.3; 147-86.59; 147-86.82

Purchasing and Purchase Order Policy

Town of Mayodan

Adopted **October 12, 2026**

PART ONE: PURCHASING POLICY

I. Purpose

The purpose of this policy is to establish uniform procedures for purchasing apparatus, supplies, materials, equipment, services, and construction or repair work for the Town of Mayodan. The policy is intended to ensure that purchases comply with state law, obtain the best value for the Town, provide fair and open competition, and protect public funds through proper budgetary control and documentation.

II. Scope and Relationship to Other Policies

This policy applies to all Town departments, employees, and officials and to all purchases and contracts paid with Town funds, regardless of funding source. It works together with the following Town policies:

- A. **Federally Funded Purchases.** Purchases paid in whole or in part with federal financial assistance must also comply with the Town's Procurement Policy for Contracts Funded with Federal Financial Assistance. Where the two policies differ, the more restrictive requirement applies.
- B. **Credit Cards.** Purchases made with Town credit, purchasing, or fuel cards must also comply with the Town's Credit Card and Electronic Payment Policy.
- C. **Grant Terms.** Purchases paid with state or other grant funds must comply with the terms of the grant.
- D. **Excluded Transactions.** This policy does not govern the sale or disposal of surplus property (G.S. 160A-265 through 160A-280), the purchase or lease of real property, employee compensation and benefits, or debt service, each of which is governed by other law or Town policy. Those obligations must still be preaudited as required by G.S. 159-28.

III. General Principles and Legal Requirements

- A. **Preaudit Before Every Obligation.** No employee or official may order goods or services, sign a contract, or otherwise obligate the Town until the Finance Officer or a deputy finance officer appointed by the Town Council has confirmed that the budget ordinance or a project ordinance contains an appropriation for the purchase and that a sufficient unencumbered balance remains (G.S. 159-28(a)). An obligation incurred without a proper preaudit is invalid and may not be enforced against the Town (G.S. 159-28(a2)). Part Two of this policy sets out how the preaudit is performed through the purchase order process.
- B. **Written Contracts.** All contracts made by or on behalf of the Town shall be in writing, as required by G.S. 160A-16. A purchase order signed by the Finance Officer with the preaudit certificate serves as the written contract for routine purchases of goods. Services, construction, and other purchases that involve work on Town property, ongoing obligations, or risk to the Town require a written contract approved as provided in Section VII.

- C. **Budget Authority.** Purchases must be for a public purpose, necessary for Town operations, and within the department's approved budget. A department may not make a purchase that requires a budget amendment until the amendment has been approved.
- D. **Best Value and Competition.** Employees shall seek the best value for the Town, considering price, quality, performance, delivery time, and service. Competition shall be obtained as required by Section V.
- E. **No Splitting of Purchases.** No purchase may be divided into smaller orders, spread across time, vendors, or departments, or otherwise structured to avoid a competition requirement, an approval level, or a state bidding threshold. When estimating cost, departments shall consider the total expected cost of the goods or services needed, not a single order.
- F. **Award Standard.** Contracts subject to bidding shall be awarded to the lowest responsive, responsible bidder, taking into consideration quality, performance, and the time specified for performance, as required by G.S. 143-129 and G.S. 143-131. The Town does not grant local or in-state preferences in bid awards.
- G. **Sales Tax.** The Town pays North Carolina sales tax on its purchases and applies for a refund under G.S. 105-164.14(c). Invoices and receipts must show sales tax separately.

IV. Roles and Approval Authority

- A. **Town Council.** The Council adopts the budget, awards contracts that require Council action under state law or this policy, approves sole source purchases and piggyback purchases as required by state law, and may delegate purchasing authority as permitted by law.
- B. **Town Manager.** The Town Manager is the chief purchasing official for the Town. The Town Manager may approve purchases and sign contracts within the limits in the table below, may designate a purchasing agent, and may adopt administrative procedures and forms to carry out this policy.
- C. **Finance Officer.** The Finance Officer performs the preaudit and signs the preaudit certificate, issues purchase orders, maintains the encumbrance system, approves disbursements under G.S. 159-28(b), and maintains purchasing records. The Finance Officer may refuse to issue a purchase order that does not comply with this policy.
- D. **Department Heads.** Department heads are responsible for planning purchases, obtaining the required competition, confirming budget availability, approving requisitions within their authority, confirming receipt of goods and services, and ensuring employees in their departments follow this policy.

Approval Authority. Approvals are based on the total estimated cost of the purchase or contract. Each level includes the approvals of the levels below it.

Total cost	Required approval before the purchase order or contract is issued
Less than \$5,000	Department head
\$5,001 to less than \$10,000	Department head and Finance Director
\$10,001 to less than \$30,000	Department head and Town Manager
\$30,000 to less than \$90,000	Department head and Town Manager; Town Manager signs the contract

Total cost	Required approval before the purchase order or contract is issued
\$90,000 or more	Town Council, except that Council has delegated to the Town Manager authority to award formal purchase contracts up to \$90,000 under G.S. 143-129(a). Construction or repair contracts of \$500,000 or more must be awarded by the Council and cannot be delegated.
All contracts	Finance Officer preaudit certificate before execution; Town Attorney review of any contract that is not on a Town-approved form or that includes indemnification, arbitration, or automatic renewal terms

V. Purchasing Methods and Competition Requirements

The following requirements apply based on the type and total estimated cost of the purchase. State bidding thresholds are set by G.S. 143-129 and G.S. 143-131; the Town's lower thresholds are local requirements. Written quotes may be received by e-mail, fax, or in writing and must be kept in the purchasing file.

Total cost	Apparatus, supplies, materials, and equipment	Construction and repair	Services (other than architectural and engineering)
Less than \$5,000	One price; employee documents that the price is reasonable	One price; employee documents that the price is reasonable	One price; employee documents that the price is reasonable
\$5,000 to less than \$30,000	At least three (3) written quotes where available	At least three (3) written quotes where available	At least three (3) written quotes where available
\$30,000 to less than \$90,000	State informal bidding (G.S. 143-131): at least three (3) written quotes; record of all bids kept	State informal bidding (G.S. 143-131): at least three (3) written quotes; record of all bids kept; informal HUB outreach for building projects	At least three (3) written quotes, or a written request for proposals
\$90,000 to less than \$500,000	State formal bidding (G.S. 143-129)	State informal bidding; informal HUB outreach for building projects; formal HUB and construction-method requirements for building projects of \$300,000 or more	Written request for proposals, publicly advertised
\$500,000 or more	State formal bidding (G.S. 143-129)	State formal bidding (G.S. 143-129)	Written request for proposals, publicly advertised

- A. **Informal Bidding (State).** For purchases of apparatus, supplies, materials, or equipment and for construction or repair work costing \$30,000 or more but less than the formal bidding thresholds, informal bids must be obtained and a record of all bids received must be kept (G.S. 143-131(a)). The record must show the vendors solicited, the prices received, and the basis for award. Informal bids become public records after the contract is awarded.

- B. **Formal Bidding (State).** Purchases of apparatus, supplies, materials, or equipment costing \$90,000 or more and construction or repair contracts costing \$500,000 or more must be formally bid under G.S. 143-129. Requirements include:
1. advertisement in a newspaper of general circulation in the Town, by electronic means, or both, at least seven full days before the bid opening, with electronic-only advertising only if approved by the Town Council.
 2. sealed bids opened in public at the advertised time and place; bids for purchase contracts may be received electronically under G.S. 143-129.9, but bids for construction or repair contracts must be sealed paper bids;
 3. for construction or repair, at least three bids to open on the first advertisement (G.S. 143-132), bid security of at least 5%, and performance and payment bonds as required by G.S. 44A-26; and
 4. award by the Town Council, or by the Town Manager for purchase contracts where the Council has delegated that authority under G.S. 143-129(a).
- C. **Building Projects of \$300,000 or More.** Building construction or repair projects costing \$300,000 or more must comply with the Town's HUB goal and outreach requirements (G.S. 143-128.2), separate specifications (G.S. 143-128(a)), an authorized construction method (G.S. 143-128(a1)), and the dispute resolution requirement (G.S. 143-128(f1)). Performance and payment bonds are required for each contract over \$50,000 when the total construction contracts for a project exceed \$300,000 (G.S. 44A-26).
- D. **Architectural, Engineering, and Surveying Services.** These services, and construction manager at risk and design-build services, must be procured using the qualifications-based selection process of the Mini-Brooks Act (G.S. 143-64.31). The Town announces the need, selects the best qualified firm without considering price, and then negotiates a fair and reasonable fee. The Town Council may exempt a particular project from these requirements if the estimated professional fee is less than \$50,000 (G.S. 143-64.32).
- E. **Information Technology.** Information technology goods and services may be procured using the request for proposals process in G.S. 143-129.8 as an alternative to bidding.
- F. **Documentation of Quotes.** When fewer than the required number of quotes are obtained, the department head shall document the vendors contacted and the reason, such as limited sources. All quotes, bid records, and award documentation shall be attached to the requisition.

VI. Exceptions to Competition Requirements

The following purchases may be made without the competition requirements of Section V, but they still require a preaudit, a purchase order or contract, and approval at the level required by Section IV. The reason for using an exception must be documented. Where state law requires Council approval, that approval must be obtained before the contract is awarded.

- A. **Sole Source, Standardization, or Compatibility.** Purchases of apparatus, supplies, materials, or equipment when performance or price competition is not available, the product is available from only one source, or standardization or compatibility is the overriding consideration. In the state bidding ranges, the Town Council must approve these purchases before award (G.S. 143-129(e)(6)). There is no sole source exception for construction or repair work.

- B. **Emergencies.** Purchases needed in a special emergency involving the health and safety of the people or their property (G.S. 143-129(e)(2)). The department head shall contact the Town Manager and Finance Officer before the purchase whenever possible so that the preaudit can be performed, and the Town Manager shall report emergency purchases to the Council at its next regular meeting.
- C. **Government and Cooperative Purchases.** Purchases from the United States or any other governmental unit; from North Carolina state term contracts; from federal contracts where the vendor extends the same or better terms; and through a competitive bidding group purchasing program, as permitted by G.S. 143-129(e)(1), (3), (9), and (9a).
- D. **Piggybacking.** Purchases from a vendor that has contracted with another public entity within the previous 12 months after a formal bid process, with Council approval at a regular meeting at least 10 days after public notice (G.S. 143-129(g)).
- E. **Used Equipment.** Purchases of used apparatus, supplies, materials, or equipment, not including remanufactured, refabricated, or demonstration items (G.S. 143-129(e)(10)).
- F. **Other Items.** Utilities, postage, publications and subscriptions, dues and memberships, conference and training registrations, legal advertising, insurance, and similar items for which competition is not practical. Fuel purchases remain subject to the informal bidding requirements of G.S. 143-131 when they fall in that range (G.S. 143-129(e)(5)).

Federally funded purchases may use these exceptions only if they are also permitted by the Town's Procurement Policy for Contracts Funded with Federal Financial Assistance.

VII. Contracts

- A. **When a Written Contract Is Required.** In addition to the purchase order, a written contract signed by the Town is required for construction or repair work, for services performed on Town property, for professional services, for any purchase that includes installation, maintenance, licensing, or ongoing obligations, and for any agreement lasting more than one year.
- B. **Required Terms.** Town contracts shall include, as applicable, the preaudit certificate, the scope of work and price, insurance and indemnification requirements approved by the Town, E-Verify and other required state certifications, and any required federal or grant provisions. Contractors performing work on Town property must provide certificates of insurance before work begins.
- C. **Multi-Year Contracts.** Contracts extending beyond the current fiscal year shall be preaudited for the amount due in the current fiscal year and shall state that payment in future years is subject to appropriation by the Town Council.
- D. **Signature Authority.** Only the Mayor, the Town Manager, or another person authorized by the Town Council may sign contracts on behalf of the Town, within the limits in Section IV. Department heads and other employees may not sign vendor agreements, including online "click-through" terms, quotes, or service agreements, unless authorized in writing by the Town Manager.
- E. **Change Orders and Amendments.** Change orders and contract amendments that increase the contract price must be preaudited and approved before the additional work is ordered. Approval is required at the level that applies to the new total contract amount.

VIII. Standards of Conduct

Employees and officials involved in purchasing shall act impartially and in the Town's best interest. No employee or official may participate in selecting, awarding, or administering a contract in which the employee or official, or a member of his or her immediate family, has a financial interest, and all such interests shall be disclosed to the Town Manager. Employees and officials shall comply with G.S. 14-234 (public officers or employees benefiting from public contracts) and G.S. 133-32 (gifts and favors from contractors and suppliers), and shall not solicit or accept gifts, favors, or anything of value from current or potential vendors except as permitted by law. Violations may result in disciplinary action up to and including dismissal and may be referred for prosecution.

IX. Records

Requisitions, quotes, bid records, purchase orders, contracts, receiving documents, invoices, and related records are public records and shall be retained in accordance with the records retention and disposition schedule for municipalities, and longer if required by a grant. Trade secrets and other confidential information submitted by vendors shall be protected as allowed by G.S. 132-1.2.

PART TWO: PURCHASE ORDER PROCEDURES

X. When a Purchase Order Is Required

A purchase order (PO) is the Town's written authorization to a vendor to provide goods or services at a stated price. It is also how the Finance Officer performs and documents the preaudit required by G.S. 159-28. **A purchase order must be issued for any purchase \$2,500 or higher, before any order is placed or any work begins** for every purchase of goods, services, or construction or repair work, except the following:

- A. Purchases made with a Town card in compliance with the Credit Card and Electronic Payment Policy.
- B. Payments under a written contract that already carries the Finance Officer's preaudit certificate for the current fiscal year, if the contract is recorded as an encumbrance in the accounting system.
- C. Payroll, employee benefits, payroll taxes and withholdings, and approved employee expense reimbursements.
- D. Utility bills, debt service payments, insurance premiums, payments to other governments, refunds, and court-ordered or statutory payments.
- E. Other recurring payments approved in writing by the Finance Officer, provided the Finance Officer has preaudited and encumbered the estimated annual amount.

These exceptions relieve only the requirement to issue a PO. Each of these obligations must still be preaudited under G.S. 159-28.

XI. Requisition and Purchase Order Process

- A. **Requisition.** The requesting department enters a requisition in the Town's financial system, or on the Town's requisition form, before contacting the vendor to place the order. The requisition must include the vendor, a description of the goods or services, quantities, unit prices, estimated freight and sales tax, total cost, the budget account(s) to be charged, and the required quotes or bid documentation.
- B. **Department Approval.** The department head reviews the requisition and confirms that the purchase is necessary, the price is reasonable, the competition requirements have been met, and the correct account is used. Requisitions that require Town Manager or Council approval under Section IV are forwarded for that approval.
- C. **Preaudit and Issuance.** The Finance Office reviews the requisition for compliance with this policy and confirms that the appropriation and a sufficient unencumbered balance exist. The Finance Officer or a deputy finance officer then encumbers the amount, signs the preaudit certificate, and issues the PO. The PO number is then provided to the department, which may place the order.
- D. **Preaudit Certificate.** Every PO shall bear the following certificate, signed by the Finance Officer or a deputy finance officer (G.S. 159-28(a1)):

"This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act." _____
(Signature of finance officer)

If the Town Council adopts a resolution under G.S. 159-28.1, the certificate may be signed with a facsimile or electronic signature under controls approved by the Finance Officer.

- E. **Delivery to Vendor.** The PO number must appear on the vendor's invoice and on all related correspondence. Vendors shall be told that the Town is not responsible for goods or services provided without a valid PO number, except as allowed in Section X.

XII. Orders Placed Without a Purchase Order

An order placed before a PO is issued (an "after-the-fact" or "confirming" order) violates this policy and G.S. 159-28, because the obligation was not preaudited before it was incurred. When this occurs, the department head shall submit a written explanation to the Finance Officer and Town Manager. The Finance Officer will determine how to address the invoice in accordance with law. Repeated violations shall result in disciplinary action, and the employee may be held personally responsible for an unauthorized purchase to the extent permitted by law. Employees who incur obligations without a preaudit may also be subject to the penalties in G.S. 159-28(e) and G.S. 159-181.

XIII. Blanket Purchase Orders

A blanket PO may be issued for repetitive purchases of low-cost items from a single vendor, such as hardware, auto parts, or janitorial supplies. A blanket PO shall:

- A. be preaudited and encumbered for a stated maximum amount, and expire no later than June 30 of the fiscal year in which it is issued;
- B. identify the vendor, the types of items that may be purchased, the budget account(s), the employees authorized to make purchases, and any per-order limit, which shall not exceed **\$1,500** unless the Finance Officer approves;
- C. be used only for items that are not subject to the competition requirements of Section V when considered in total for the year, unless those requirements were met when the blanket PO was established; and
- D. be monitored by the department head, who shall request a new preaudit and an increase from the Finance Office before the remaining balance is exceeded.

XIV. Receiving, Invoices, and Payment

- A. **Receiving.** When goods or services are received, the department shall inspect them, compare them to the PO, and confirm receipt in the financial system or by signing and dating the packing slip or delivery ticket. The employee who receives the goods should be someone other than the employee who placed the order, whenever staffing allows.
- B. **Invoices.** Vendors shall send invoices directly to the Finance Office. Invoices sent to a department shall be forwarded to the Finance Office immediately.
- C. **Matching.** Before payment, the Finance Office shall match the PO, the receiving document, and the invoice, and resolve any differences in quantity, price, or items with the department.
- D. **Disbursement.** The Finance Officer or a deputy finance officer shall approve each payment under G.S. 159-28(b), confirming that the amount is payable and that the appropriation and encumbrance or unencumbered balance are sufficient. Checks and drafts shall bear the

disbursement certificate required by G.S. 159-28(d1), and electronic payments shall follow the Town's electronic disbursement procedures.

- E. **Timely Payment.** The Town shall pay approved invoices promptly and take advantage of available discounts.

XV. Changes and Cancellations

- A. **Increases.** If the cost of an order will exceed the PO amount, the department must request a change order from the Finance Office before authorizing the additional cost. The Finance Office shall preaudit the increase and issue a revised PO. Approval is required at the level that applies to the new total. The Finance Officer may approve payment of an invoice that exceeds the PO by no more than **5% or \$500, whichever is less** for freight, sales tax, or minor price changes, provided the unencumbered balance is sufficient.
- B. **Other Changes.** Changes in vendor, items, or scope require a new or revised PO. A change that makes the total subject to a higher competition requirement requires the competition in Section V.
- C. **Cancellations.** Departments shall notify the Finance Office promptly when an order is cancelled or will not be completed so that the encumbrance can be released.

XVI. Fiscal Year-End

Appropriations lapse at the end of the fiscal year on June 30. The Finance Office shall review all open POs with departments each **May** and cancel those that are no longer needed. Goods and services should be received by June 30 to be charged to the current year. A PO that must remain open into the new fiscal year shall be preaudited and encumbered again against an appropriation in the new fiscal year's budget ordinance, or a budget amendment, before the obligation continues.

XVII. Administration and Amendment

The Town Manager may adopt administrative procedures and forms to carry out this policy, and the Finance Officer may adopt procedures for the preaudit, encumbrance, and disbursement process. Changes to state thresholds shall apply automatically when state law changes. Changes to the local thresholds and approval levels highlighted in this policy require approval of the Town Council.

Adopted by the Mayodan Town Council on **October 12, 2026.**

Mayor

Town Clerk

TOWN OF MAYODAN

North Carolina

**AN ORDINANCE DECLARING A TEMPORARY ROAD CLOSURE FOR THE
CHRISTMAS STROLL**

WHEREAS, the Town Council of the Town of Mayodan, in partnership with the Downtown Mayodan Merchants Association, is sponsoring the Christmas Stroll in downtown Mayodan for the enjoyment of its citizens and visitors; and

WHEREAS, the Town Council of the Town of Mayodan acknowledges that the Christmas Stroll draws residents and visitors to the downtown commercial district and provides a financial benefit to downtown merchants; and

WHEREAS, the Town Council of the Town of Mayodan finds that the safe operation of the Christmas Stroll requires the temporary closure of portions of Main Street and 2nd Avenue (Business US 220) to vehicular traffic; and

WHEREAS, the Town Council of the Town of Mayodan acknowledges that the Christmas Stroll requires time before the event to install barricades, signing and traffic control, and time after the event to remove barricades, signs and litter, and that the closure period set forth below includes that time; and

WHEREAS, the Mayodan Public Works Department will place barricades at the appropriate locations and the Mayodan Police Department will provide traffic control for the duration of the closure;

NOW THEREFORE BE IT ORDAINED by the Town Council of the Town of Mayodan, pursuant to the authority granted by G.S. 20-169, that it does hereby declare a temporary road closure during the day and times set forth below on the following described portions of the State Highway System and the Town street system:

Date: Friday, December 4, 2026

Times: 3:00 p.m. to 8:00 p.m.

Route Description:

1. Main Street between 1st Avenue and 4th Avenue
2. 2nd Avenue (Business US 220) between Jefferson Street and Adams Street

The Mayodan Public Works Department shall place and remove barricades and signs giving notice of the limits and times of the closure. The Mayodan Police Department shall be responsible for traffic control, including guiding through vehicles around the closed area. Access for emergency vehicles shall be maintained at all times during the closure.

This ordinance shall become effective when signs are erected giving notice of the limits and times of the Christmas Stroll closure, and adequate traffic control is implemented to guide through vehicles around the Christmas Stroll area.

ORDINANCE NO. 2026-10

Adopted this 8th day of October, 2026.

E. Dwight Lake, Mayor

Attest:

Sarah Hopper, Town Clerk

TOWN OF MAYODAN

North Carolina

AN ORDINANCE DECLARING A TEMPORARY ROAD CLOSURE FOR THE 47TH ANNUAL MADISON-MAYODAN CHRISTMAS PARADE

WHEREAS, the 47th Annual Madison-Mayodan Christmas Parade will be held for the enjoyment of residents and visitors; and

WHEREAS, the Town Council of the Town of Mayodan recognizes that the Christmas Parade is a longstanding community tradition that brings residents and visitors together; and

WHEREAS, the Town Council of the Town of Mayodan finds that the safe operation of the Christmas Parade requires the temporary closure of portions of Main Street and 2nd Avenue (Business US 220) to vehicular traffic; and

WHEREAS, the Town Council of the Town of Mayodan acknowledges that the Christmas Parade requires time before the event to install barricades, signs and traffic control, and time after the event to remove barricades, signs and litter, and that the closure period set forth below includes that time; and

WHEREAS, the Mayodan Public Works Department will place barricades at the appropriate locations and the Mayodan Police Department will provide traffic control for the duration of the closure;

NOW THEREFORE BE IT ORDAINED by the Town Council of the Town of Mayodan, pursuant to the authority granted by G.S. 20-169, that it does hereby declare a temporary road closure during the day and times set forth below on the following described portions of the State Highway System and the Town street system:

Date: Saturday, December 12, 2026

Times: 10:00 a.m. to 3:30 p.m.

Route Description:

1. Main Street between 2nd Avenue and 7th Avenue
2. 2nd Avenue (Business US 220) between Main Street and Burton Street

The Mayodan Public Works Department shall place and remove barricades and signs giving notice of the limits and times of the closure. The Mayodan Police Department shall be responsible for traffic control, including guiding through vehicles around the closed area. Access for emergency vehicles shall be maintained at all times during the closure.

This ordinance shall become effective when signs are erected giving notice of the limits and times of the Christmas Parade closure, and adequate traffic control is implemented to guide through vehicles around the Christmas Parade area.

ORDINANCE NO. 2026-09

Adopted this _____ day of _____, 2026.

E. Dwight Lake, Mayor

Attest:

Sarah Hopper, Town Clerk

AGENDA ITEM COVER

Item for Agenda:	Bulk Water Supply and Reciprocal Assistance Agreement with the Town of Madison
Placement on Agenda:	New Business
Presenter:	Melody Shuler, Town Manager
Description of Agenda Item or Other Pertinent Information for Council:	Background The Town of Madison’s water treatment plant is scheduled to be taken out of service for improvements beginning on or about November 10, 2026 and continuing through February 10, 2027. During this period, Madison will be unable to produce water to serve its own retail customers and to meet its obligation to supply Rockingham County under the 2022 Interlocal Agreement. Mayodan has available treatment and delivery capacity to temporarily supply Madison on a wholesale, bulk basis during this outage. A Bulk Water Supply and Reciprocal Assistance Agreement has been drafted with the Town of Madison to formalize this arrangement. In addition to addressing Madison’s immediate need, the agreement establishes a broader, ongoing framework under which either town may request temporary bulk water assistance from the other in the future, including a provision authorizing each municipality’s Town Manager to approve emergency water assistance to the other town on short notice. Attorneys for both the Town of Mayodan and the Town of Madison have completed legal review of the agreement. The Town of Madison’s Board of Aldermen is scheduled to consider this same agreement at its meeting on October 8, 2026. Operational Impact The Water Treatment Plant Director has planned ahead for the operational increase associated with supplying Madison during this period. Within the last month, Brandon Fann earned his C Surface License, which qualifies him to operate the plant independently. As a result, no additional staffing will be needed to meet the increased demand, though the plant will need to run approximately 20 hours a day during the supply period. Financial Impact Mayodan will sell Water to Madison at Mayodan’s current bulk water rate of \$4.22 per 1,000 gallons — the same rate applicable to Mayodan’s other wholesale and bulk customers — subject to Mayodan’s standard annual rate review. This agreement is a revenue-generating opportunity

	for the Water & Sewer Fund and does not create a cost to the Town beyond ordinary administrative and operational time.
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Requested Action

MOTION to approve the Bulk Water Supply and Reciprocal Assistance Agreement between the Town of Mayodan and the Town of Madison.

BULK WATER SUPPLY AND RECIPROCAL ASSISTANCE AGREEMENT
BETWEEN
TOWN OF MAYODAN, NORTH CAROLINA
AND
TOWN OF MADISON, NORTH CAROLINA

This Bulk Water Supply and Reciprocal Assistance Agreement (this “Agreement”) is entered into as of the ____ day of _____, 2026, by and between the Town of Mayodan, North Carolina, a North Carolina municipal corporation (“Mayodan”), and the Town of Madison, North Carolina, a North Carolina municipal corporation (“Madison”). Mayodan and Madison are each sometimes referred to individually as a “Party” and collectively as the “Parties.”

W I T N E S S E T H:

WHEREAS, Mayodan and Madison, along with Rockingham County, North Carolina (the “County”) are parties to that certain *Interlocal Agreement for Current and Future Water Needs* dated September 20, 2022 (the “Existing Agreement”), pursuant to which, among other matters, Madison agreed to make available to the County up to 1,000,000 GPD of water upon request, with further amounts negotiable, and Mayodan agreed to make available to Madison 1,000,000 GPD of water to be delivered by Madison to the County for the County's use; and,

WHEREAS, both Mayodan and Madison have identified the need to formalize a bulk water supply agreement between the two said parties to address anticipated system repairs scheduled to occur in the future, which needs are not contemplated by the Existing Agreement; and,

WHEREAS, Madison's water treatment plant is anticipated to be temporarily out of service and unable to produce water beginning on or about November 10, 2026 and continuing through February 10, 2027 (the “Initial Service Period”); and,

WHEREAS, during the Initial Service Period, Madison will be unable to produce at its water treatment plant, water sufficient to serve either Madison's retail water customers or the water Madison is obligated to make available to the County pursuant to the Existing Agreement; and,

WHEREAS, Mayodan has, or anticipates having, available treatment and delivery capacity to temporarily supply additional water to Madison on a wholesale, bulk basis during the Initial Service Period for Madison's use in serving both Madison's retail system and Madison's obligations to the County under the Existing Agreement, with such combined anticipated daily requirements ranging from approximately 400,000 GPD to a maximum of 800,000 GPD; and,

WHEREAS, Madison desires to purchase, and Mayodan is willing to sell, water on a temporary bulk basis during the Initial Service Period upon the terms and conditions set forth in this Agreement, at Mayodan's current bulk water rate of \$4.22 per 1,000 gallons; and,

WHEREAS, Mayodan anticipates that it may in the future need to temporarily shutdown all or a portion of its water treatment plant for future repairs or upgrades and desires that the Parties establish an

open-ended framework under which either Party may request temporary water assistance from the other in connection with future planned or unexpected circumstances; and

WHEREAS, the Parties intend that, in the event Mayodan in the future requests and receives temporary water assistance from Madison under Article 12, the rate applicable to Water delivered by Madison to Mayodan shall be \$3.77 per 1,000 gallons or the then-current bulk water rate applicable to its wholesale or bulk customers generally, following the annual water bulk rate calculation completed after the annual audit, consistent with Section 12.5; and

WHEREAS, the Parties intend that this Agreement shall supplement, and operate alongside, the Existing Agreement, and shall not supersede or terminate the Existing Agreement except to the limited extent expressly set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1 — DEFINITIONS

- 1.1 “Agreement” means this Bulk Water Supply and Reciprocal Assistance Agreement, including all Exhibits attached hereto.
- 1.2 “County” means Rockingham County, North Carolina.
- 1.3 “Delivery Point” means the specific location(s), by reference to road, meter identification, or other physical description, at which Water sold under this Agreement will be measured and delivered from Mayodan's water distribution system to Madison's water distribution system.
- 1.4 “Existing Agreement” means the Interlocal Agreement for Current and Future Water Needs dated September 20, 2022, among the County, Madison, and Mayodan, as it may have been amended.
- 1.5 “GPD” means gallons per day. “MGD” means million gallons per day.
- 1.6 “Maximum Daily Quantity” has the meaning set forth in Section 4.2.
- 1.7 “Initial Service Period” means the period described in Article 3.
- 1.8 “Water” means potable water meeting the quality standards described in Article 8.
- 1.9 “Service Period” means the Initial Service Period, or any other period during which either Party furnishes temporary bulk water assistance to the other Party under Article 12, as established in the applicable amendment or separate agreement described in Section 12.3.

ARTICLE 2 — PURPOSE; RELATIONSHIP TO EXISTING AGREEMENT

- 2.1 Purpose. The purpose of this Agreement is to establish the terms upon which Mayodan will temporarily sell, and Madison will temporarily purchase, water on a bulk basis during the Initial Service Period, in order to permit Madison to meet (a) the demand of Madison's own retail water system, and (b)

Madison's obligation to make water available to the County under the Existing Agreement, during the period in which Madison's water treatment plant is unavailable. This Agreement also provides for Mayodan's reciprocal right, in the future, to receive temporary water assistance from Madison in connection with future planned or unexpected circumstances.

- 2.2 The Existing Agreement Remains in Effect. Except as expressly and specifically modified by this Agreement, the Existing Agreement remains in full force and effect according to its terms, including as among the County, Madison, and Mayodan.
- 2.3 No Modification of County's Rights Against Mayodan. This Agreement is solely between Mayodan and Madison. Nothing in this Agreement creates a direct contractual relationship, obligation, or right of action between Mayodan and the County, and this Agreement does not modify, assign, or diminish the County's rights against Madison under the Existing Agreement.
- 2.4 Temporary Substitution; Coordination With Section 8 of the Existing Agreement. The Parties acknowledge that Section 8 of the Existing Agreement obligates Mayodan to make available 1,000,000 GPD to Madison "to be delivered to the County." During the Initial Service Period, Mayodan's sale of Water to Madison under this Agreement is intended to include, but is not necessarily limited to, that 1,000,000 GPD obligation, together with such additional Water as Madison requires to meet Madison's own retail demand that would otherwise have been met by Madison's water treatment plant. To the extent any provision of the Existing Agreement would otherwise conflict with the temporary supply arrangement described in this Agreement, the Parties agree that the terms of this Agreement shall govern the Mayodan-to-Madison supply relationship during the Initial Service Period only, and the Existing Agreement's terms shall resume unmodified upon expiration of the Initial Service Period or any future Service Period.

ARTICLE 3 — TERM

- 3.1 Initial Service Period. The Initial Service Period under this Agreement shall be effective as of November 10, 2026 and shall continue through February 10, 2027, unless earlier terminated or extended in accordance with this Article 3.
- 3.2 Extension by Mutual Agreement. If Madison's water treatment plant remains unavailable beyond the Initial Service Period, the Parties may extend the Initial Service Period by written amendment executed by their respective authorized representatives and approved by each Party's governing board to the extent required by law. Any such extension shall be documented in accordance with Article 13.2 prior to the expiration of Initial Service Period.
- 3.3 Early Termination of Initial Service Period. If Madison's water treatment plant becomes available for use prior to the end of the Initial Service Period, Madison shall provide Mayodan written notice immediately that Madison intends to cease purchasing Water under the Initial Service Period phase of this Agreement.
- 3.4 Survival. The obligations of the Parties under this Agreement to provide future services shall survive the expiration or earlier termination of the Initial Service Period.

ARTICLE 4 — WATER SUPPLY; QUANTITY

- 4.1 Sale and Purchase. Subject to the terms of this Agreement, Mayodan agrees to sell and deliver, and Madison agrees to purchase and accept, Water at the Delivery Point during the Initial Service Period.
- 4.2 Maximum Daily Quantity. Mayodan's obligation to deliver Water under this Agreement shall not exceed a maximum of 800,000 GPD (0.80 MGD) (the "Maximum Daily Quantity") on any given day, inclusive of the water needed to meet the County's demand under Section 4.10, unless otherwise agreed in writing by the Parties. The Maximum Daily Quantity established in this Section 4.2 is specific to the Initial Service Period (and any extension of the Initial Service Period under Section 3.2) and does not establish a quantity limitation applicable to any other Service Period, which shall instead be established as provided in Section 12.3 or Section 12.6.
- 4.2A Maximum Instantaneous Flow Rate. In addition to the Maximum Daily Quantity, the rate of flow at which Madison draws Water through the Delivery Point shall at no time exceed 2,000 gallons per minute (GPM), in order to protect the operational integrity and water pressure of Mayodan's distribution system, unless a higher rate of flow is agreed to in writing by the Parties based on the physical capacity of the interconnection then in use.
- 4.3 Available Capacity; No Guarantee. Mayodan's obligation to supply Water is subject to the available treatment, storage, and delivery capacity of Mayodan's water system after Mayodan first satisfies the needs of Mayodan's own retail customers and any pre-existing contractual commitments. Except as set forth in Section 4.4, Mayodan does not guarantee delivery of any minimum quantity of Water and shall not be obligated to deliver Water in excess of the Maximum Daily Quantity or Mayodan's then-available capacity.
- 4.4 Anticipated Minimum. The Parties anticipate that Madison's actual daily requirement, inclusive of the County's demand, will generally be not less than approximately 400,000 GPD (0.4 MGD). This anticipated minimum is provided for planning purposes only. It does not create a minimum purchase obligation, and if Madison's actual demand on any given day is less than this amount, Madison shall be obligated to pay only for water actually metered in accordance with Article 6.
- 4.5 Notice of Anticipated Demand in Excess of Maximum Daily Quantity. If Madison anticipates that its demand, including the County's demand, will exceed the Maximum Daily Quantity on any given day or during any given period, Madison shall notify Mayodan as far in advance as reasonably practicable, and in no event less than 240 hours (10 days) in advance except in the case of an emergency described in Section 4.7. Mayodan shall use reasonable, good-faith efforts to accommodate such additional demand to the extent of Mayodan's available capacity but shall not be obligated to deliver Water in excess of the Maximum Daily Quantity or Mayodan's available capacity.
- 4.6 Requests for Additional Water. Requests for Water in excess of the Maximum Daily Quantity, whether on a temporary or a permanent basis, shall be made in writing to Mayodan's Town Manager and shall be subject to Mayodan's available capacity and to any additional terms the Parties may agree upon in writing.
- 4.7 Emergency or Extraordinary Demand. In the event of an emergency affecting Madison's or the County's water system (including, without limitation, fire flow demand, a water main break, or a public health

emergency), Mayodan shall use reasonable efforts, subject to its available capacity, to provide Water in excess of the Maximum Daily Quantity upon request. Nothing in this Section obligates Mayodan to jeopardize the adequacy of service to Mayodan's own retail customers.

- 4.8 Conservation or Shortage Conditions. If Mayodan's water supply becomes subject to a declared water shortage, drought response stage, or other conservation measure under applicable state or local law or Mayodan's own water shortage response plan, Mayodan may reduce or suspend deliveries of Water under this Agreement upon written notice to Madison, provided that any such reduction shall be applied to Madison on a basis that is no less favorable than the reduction applied to other bulk or wholesale customers of Mayodan's water system, if any, under similar conditions.
- 4.9 Temporary Inability to Supply. If Mayodan is temporarily unable to supply Water because of mechanical failure, water quality event, loss of power, or similar operational condition not constituting an event of Force Majeure under Article 11, Mayodan shall notify Madison as soon as reasonably practicable and shall use reasonable efforts to restore service promptly.
- 4.10 Use of Water Sold Hereunder. The Parties acknowledge that Water sold to Madison under this Agreement may be used by Madison to serve both Madison's own retail customers and the County pursuant to Madison's obligations under the Existing Agreement.

ARTICLE 5 — DELIVERY POINT; METERING

- 5.1 Delivery Point. Water sold under this Agreement shall be delivered at the Delivery Point identified as follows: The existing master meter described in Section 6 of the Existing Agreement, located on Lela Road, and the metered interconnection located at Turner Road/Island Drive. Acting through their respective Town Managers or designees, the Parties may identify and use additional or alternate Delivery Points equipped with an appropriate meter, including the interconnection in the vicinity of the Hardee's restaurant, if the Parties determine that interconnection is metered and suitable for use. For any future Service Period during which Madison supplies Water to Mayodan under Article 12, the anticipated Delivery Point is the interconnection located on Turner Road equipped with a booster pump connection, subject to confirmation by, and mutual written agreement of, the Parties at the time such assistance is requested.
- 5.2 Metering. Water delivered under this Agreement shall be measured by meter(s) located at the Delivery Point.
- 5.3 Access; Calibration. Each Party shall have access to the meter(s) at the Delivery Point and to resulting flow data. Either Party may request, at its own expense, that the meter(s) be tested for accuracy, consistent with the calibration procedure described in the Existing Agreement.
- 5.4 Meter Repairs. Meter Repairs shall be performed by Mayodan, with costs shared equally by Madison and Mayodan.
- 5.4A Meter Calibration. In addition to either Party's right to request meter testing under Section 5.3, each Party shall have the meter(s) it owns or is responsible for at the Delivery Point tested and calibrated for

accuracy not less than annually, consistent with generally accepted water utility practice, given the importance of accurate measurement to both Parties' operations.

ARTICLE 6 — RATE; BILLING; PAYMENT

- 6.1 Bulk Rate. Madison shall pay Mayodan for Water actually delivered and metered at the Delivery Point at the rate of \$4.22 per 1,000 gallons (the "Bulk Rate"), which is Mayodan's 2026 bulk water rate. This rate was established following completion of Mayodan's Water Production Analysis for 2026, communicated to Madison by letter dated April 2, 2026, and made effective with the March 31, 2026 billing.
- 6.2 Annual Rate Review. The Parties acknowledge that Mayodan reviews, and may adjust, its bulk water rate on a periodic basis following completion of Mayodan's Water Production Analysis, based on the prior year's recorded expenses, and that flexibility to accommodate such an adjustment during the Initial Service Period is anticipated to be necessary. The Parties further acknowledge that Mayodan's current Bulk Rate of \$4.22 per 1,000 gallons was established through Mayodan's 2026 Water Production Analysis, communicated to Madison by letter dated April 2, 2026, and made effective with the March 31, 2026 billing. Accordingly, if Mayodan's periodic review results in an adjusted bulk water rate applicable to Mayodan's wholesale or bulk customers generally during the Initial Service Period, the adjusted rate shall automatically apply to Water delivered under this Agreement effective as of the date Mayodan provides Madison not less than thirty (30) days prior notice of the adjusted rate.
- 6.3 Meter Reading; Invoicing. Mayodan shall read the meter(s) at the Delivery Point on a monthly basis and shall invoice Madison by the **last** day of the month following the month in which Water was delivered. Each invoice shall state the volume of Water delivered, the Bulk Rate applied, any Base Monthly Charge, and the total amount due.
- 6.4 Payment. Madison shall pay each invoice within fifteen (15)) days of the invoice date. If not paid in full by the 15th of the month, a 10% late fee will be applied.
- 6.5 Disputed Measurements. If Madison disputes the accuracy of any meter reading, Madison may request, at Madison's expense, that the applicable meter be tested for accuracy in accordance with Section 5.3. If the meter is found to be inaccurate by more than the standard tolerance customarily applied to water meters of that type, the Parties shall adjust the disputed invoice(s) to reflect the corrected measurement for the period during which the meter is shown to have been inaccurate, not to exceed thirty (30) days prior to the date the inaccuracy is discovered, absent evidence establishing a longer period of inaccuracy.
- 6.6 Correction of Billing Errors. Either Party may bring a billing error to the other Party's attention, and the Parties shall promptly cooperate to correct any such error and adjust future invoices accordingly.

ARTICLE 7 — ROCKINGHAM COUNTY

- 7.1 Two-Party Agreement. This Agreement is entered into solely between Mayodan and Madison. The County is not a party to this Agreement.

- 7.2 Madison's Continuing Obligations to the County. As between Madison and the County, Madison remains solely responsible for performance of Madison's obligations to the County under Section 7 of the Existing Agreement, including billing and collection, at the rate established under Section 10 of the Existing Agreement, of amounts owed by the County to Madison. This Agreement does not relieve Madison of any obligation to the County, and Madison shall pay Mayodan for all Water delivered under this Agreement, including Water ultimately delivered by Madison to the County.
- 7.3 No Direct Obligation of Mayodan to the County. Mayodan has no direct contractual obligation to the County under this Agreement, and the County shall have no right to enforce this Agreement against Mayodan. Mayodan's sole contractual counterparty under this Agreement is Madison.
- 7.4 Service to the County. As between Mayodan and Madison, responsibility for service interruptions, water-quality complaints, and operational communications with the County during the Initial Service Period shall remain with Madison, except that Mayodan shall provide Madison with the notices required under Articles 8 and 9 so that Madison may in turn satisfy Madison's own notice obligations to the County.

ARTICLE 8 — WATER QUALITY; COMPLIANCE WITH LAW

- 8.1 Compliance. All Water delivered under this Agreement shall comply with all applicable requirements of the federal Safe Drinking Water Act and implementing regulations, and applicable rules of the North Carolina Department of Environmental Quality, Division of Water Resources, governing public water systems.
- 8.2 Responsibility for Facilities. Each Party shall own, operate, and maintain its own water system facilities up to the Delivery Point, consistent with the ownership and maintenance allocation described in the Existing Agreement.
- 8.3 Testing and Monitoring. Each Party shall conduct water quality testing and monitoring as required by applicable law with respect to its own system and shall make relevant test results available to the other Party upon reasonable request.
- 8.4 Notice of Water Quality Incidents. Each Party shall promptly notify the other Party of any water quality incident, boil water notice, or other event that may affect the safety or adequacy of Water delivered under this Agreement, consistent with applicable public notification requirements.

ARTICLE 9 — OPERATIONS; MAINTENANCE; INTERRUPTIONS

- 9.1 Maintenance. Each Party is responsible, at its own cost, for the operation, maintenance, and repair of its own facilities up to the Delivery Point, in a manner consistent with generally accepted water utility practice and applicable law.
- 9.2 Planned Interruptions. Each Party shall provide the other Party at least 240 hours (10 days) advance written notice of any planned interruption of service that may affect deliveries under this Agreement, except in cases of emergency.

- 9.3 Unplanned Interruptions. In the event of an unplanned interruption affecting deliveries under this Agreement, the affected Party shall notify the other Party as soon as reasonably practicable and shall use reasonable efforts to restore service promptly.
- 9.4 No Liability for Certain Interruptions. Neither Party shall be liable to the other for interruption of service resulting from an event of Force Majeure under Article 11 or from a reduction made in accordance with Section 4.8, provided the affected Party has complied with the applicable notice provisions of this Agreement.

ARTICLE 10 — LIABILITY; INDEMNIFICATION; GOVERNMENTAL IMMUNITY

- 10.1 No Waiver of Immunity. Nothing in this Agreement shall be construed as a waiver of any governmental immunity available to either Party under North Carolina law, except to the extent, if any, that immunity has been waived through the purchase of liability insurance as provided by North Carolina law.
- 10.2 Responsibility for Own Negligence. Except as otherwise provided by law, each Party shall be responsible for its own acts and omissions, and those of its officers, employees, and agents, in connection with this Agreement, to the extent permitted by North Carolina law.
- 10.3 No Consequential Damages. Except in the case of gross negligence or willful misconduct, neither Party shall be liable to the other for consequential, incidental, or punitive damages arising from an interruption or reduction of Water delivered under this Agreement.

ARTICLE 11 — FORCE MAJEURE

- 11.1 Neither Party shall be liable for any failure or delay in performance under this Agreement to the extent caused by an event of Force Majeure, meaning an act of God, natural disaster, fire, explosion, epidemic or pandemic, war, riot, civil unrest, act of a governmental authority, labor dispute not caused by the affected Party, or other cause beyond the reasonable control of the affected Party that could not have been avoided or mitigated through the exercise of reasonable diligence, and which is not the result of the affected Party's failure to properly maintain its facilities.
- 11.2 The Party claiming Force Majeure shall notify the other Party as soon as reasonably practicable, describe the nature and expected duration of the event, and use reasonable efforts to resume performance as soon as practicable.

ARTICLE 12 — RECIPROCAL WATER ASSISTANCE

- 12.1 Plate-Settler Installation. The Parties acknowledge that Mayodan's water treatment plant is anticipated to undergo installation of plate settlers within approximately the year following the effective date of this Agreement. Mayodan presently anticipates completing this installation without needing to obtain water from Madison in connection with this installation. However, Mayodan reserves its right to request temporary assistance from Madison under Section 12.2 if circumstances change.

- 12.2 General, Open-Ended Mutual Assistance. Independent of Section 12.1, the Parties wish to leave open the possibility that either Party may in the future request the other Party to supply water to it on a temporary basis, whether in connection with planned maintenance or construction, an unanticipated operational circumstance, or other future need of either Party's water system. Accordingly, either Party (the "Requesting Party") may request temporary water assistance from the other Party (the "Responding Party") by written notice describing the anticipated need, estimated quantity, proposed delivery point, and anticipated duration. The Responding Party shall use reasonable, good-faith efforts to accommodate such a request to the extent of its available capacity after serving its own retail customers and existing contractual commitments, but nothing in this Section obligates either Party to provide such assistance.
- 12.2A Emergency Mutual Aid; Town Manager Authority. Notwithstanding Section 12.3, if either Party's Town Manager determines that an emergency condition exists — including, without limitation, a water main break, a water treatment plant or pump failure, a contamination event, fire-flow demand, or other sudden and unanticipated loss of that Party's ability to meet its own system's water demand — and that Water is needed from the other Party on shorter notice than is practicable under Section 12.2, the Town Managers of both Parties are each authorized, without prior action by their respective governing boards, to agree by telephone or other prompt means of communication to the immediate transfer of Water from one Party's system to the other's, on such terms as the Town Managers agree are reasonably necessary to address the emergency. Any Water furnished under this Section 12.2A is subject to the available capacity of the supplying Party's system after first meeting its own retail customers' needs and existing contractual commitments, and nothing in this Section obligates either Party to provide such assistance.
- 12.2B Duration; Confirmation; Rate for Emergency Mutual Aid. Water assistance authorized under Section 12.2A shall continue only for so long as reasonably necessary to address the emergency condition, not to exceed five (5) days, unless the Parties' Town Managers agree in writing to extend it or the Parties proceed to document continued assistance under Section 12.3. As soon as reasonably practicable, and in no event more than forty-eight (48) hours after Water assistance begins under Section 12.2A, the Town Managers shall exchange written confirmation (which may be by email) memorializing the date and time assistance began, the estimated quantity and rate of flow, the Delivery Point used, and the nature of the emergency, and each shall report the emergency assistance to that Party's governing board at its next regular meeting. The rate applicable to Water delivered under Section 12.2A shall be determined in accordance with Section 12.5.
- 12.3 Except for emergency assistance authorized under Section 12.2A, Separate Agreement Required. Any water assistance provided under Section 12.2 shall be documented in a separate written agreement or amendment, approved by the governing board of each Party to the extent required by law, specifying the quantity, rate, delivery point, term, and other terms applicable to that specific circumstance, unless the Parties instead agree in writing to proceed under an extension or amendment of this Agreement pursuant to Article 13.2.
- 12.4 No Binding Effect on Future Governing Board Action. Nothing in this Article commits either Party's governing board to approve the terms of any future reciprocal water supply agreement, approval of which shall remain subject to each Party's respective governing board and applicable law.

- 12.5 Rate for Future Assistance. Unless the Parties agree otherwise in writing, the rate applicable to any Water delivered by a Responding Party under this Article 12 shall be the Responding Party's then-current bulk water rate applicable to its wholesale or bulk customers generally, in effect at the time of delivery, together with any other charges the Responding Party then applies to its wholesale or bulk customers generally.
- 12.6 Application of Certain Provisions to Future Service Periods. Unless a separate agreement or amendment under Section 12.3 expressly provides otherwise, the terms of Articles 4 through 11 of this Agreement shall apply, mutatis mutandis, to any future Service Period under this Article 12, with the Party then supplying Water performing the role of Mayodan, and the Party then receiving Water performing the role of Madison, for purposes of those Articles, except that the Maximum Daily Quantity, Anticipated Minimum, Maximum Instantaneous Flow Rate, and rate figures specific to the Initial Service Period set forth in Sections 4.2, 4.2A, and 4.4, and in Article 6, shall not apply to any other Service Period and shall instead be as established for that Service Period in accordance with Section 12.3 or Section 12.5, as applicable.

ARTICLE 13 — GENERAL PROVISIONS

- 13.1 Assignment. Neither Party may assign this Agreement, in whole or in part, without the prior written consent of the other Party.
- 13.2 Amendment. This Agreement may be amended only by a written instrument signed by authorized representatives of both Parties and approved by each Party's governing board to the extent required by applicable law.
- 13.3 Entire Agreement. This Agreement, together with the Existing Agreement (to the extent not modified hereby), constitutes the entire agreement of the Parties concerning the subject matter of the temporary bulk water supply arrangement described herein, and supersedes all prior negotiations, understandings, and agreements, whether written or oral, concerning that subject matter.
- 13.4 Severability. If any provision of this Agreement is held invalid or unenforceable, the remaining provisions shall remain in full force and effect, and the Parties shall negotiate in good faith a substitute provision that most nearly achieves the original intent of the invalid or unenforceable provision.
- 13.5 Waiver. No waiver of any breach of this Agreement shall be construed as a waiver of any subsequent breach. No waiver shall be effective unless in writing and signed by the waiving Party.
- 13.6 Governing Law. This Agreement shall be interpreted and construed according to the laws of the State of North Carolina.
- 13.7 Notices. All notices required or permitted under this Agreement shall be in writing and delivered to the following addresses, or such other address as a Party may designate by written notice to the other Party:

Town of Mayodan: Town Manager
Town of Mayodan

210 W. Main Street
Mayodan, NC 27027

Town of Madison: Town Manager
Town of Madison
120 N. Market Street
Madison, NC 27025

13.8 No Third-Party Beneficiaries. This Agreement is entered into solely for the benefit of Mayodan and Madison. Nothing in this Agreement, express or implied, is intended to or shall confer upon any other person or entity, including the County, any right, benefit, or remedy of any nature whatsoever. The County's rights, if any, regarding water supply during the Initial Service Period remain solely as set forth in the Existing Agreement and solely against Madison.

13.9 Counterparts; Electronic Signatures. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one instrument. The Parties agree that this Agreement may be executed by electronic signature to the extent permitted by applicable law.

13.10 Authority to Execute. Each person executing this Agreement on behalf of a Party represents and warrants that such person is duly authorized to do so by the governing board of such Party. This Agreement is entered into pursuant to the general statutory authority of North Carolina municipalities to provide, operate, and contract for water service.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

TOWN OF MAYODAN, NORTH CAROLINA

By: _____
Mayor **Date**

ATTEST:

Town Clerk

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Mayodan Finance Officer

APPROVED AS TO FORM AND LEGAL SUFFICIENCY.

Mayodan Town Attorney

TOWN OF MADISON, NORTH CAROLINA

By: _____
Mayor **Date**

ATTEST:

Town Clerk

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Madison Finance Officer

APPROVED AS TO FORM AND LEGAL SUFFICIENCY.

Madison Town Attorney

EXHIBIT A
FORM OF NOTICE AND ACKNOWLEDGMENT BY ROCKINGHAM COUNTY

The undersigned, on behalf of Rockingham County, North Carolina, acknowledges that it has been advised that, during the period described in the attached Bulk Water Supply and Reciprocal Assistance Agreement between the Town of Mayodan and the Town of Madison (the “Agreement”), water delivered to the County by the Town of Madison pursuant to the Interlocal Agreement for Current and Future Water Needs dated 2022 may originate, in whole or in part, from the Town of Mayodan's water system pursuant to the Agreement. The County acknowledges that it is not a party to the Agreement, that the Agreement does not create any direct contractual relationship between the County and the Town of Mayodan, and that the County's rights and remedies regarding water supply remain solely against the Town of Madison under the Interlocal Agreement for Current and Future Water Needs.

ROCKINGHAM COUNTY, NORTH CAROLINA

By: _____
Chair, Board of Commissioners Date

AGENDA ITEM COVER

Item for Agenda:	Initiation of Voluntary Annexation Petition ANX-002-2026 (parcel #169086Z1)
Placement on Agenda:	New Business
Presenter:	Melody Shuler, Town Manager
Description of Agenda Item or Other Pertinent Information for Council:	Background A voluntary annexation petition has been submitted by the applicants, Dr. Charles Marcus Vaughn and wife, Annette Stallings Vaughn, requesting annexation of approximately 14.27 acres of Rockingham County Tax Parcel Number 169086Z1 (Deed Book 1422, Page 1791), adjoining the terminus of Tenth Avenue and Eleventh Avenue. The parcel is partially within the Town's corporate limits; the petition requests annexation of the portion currently outside the corporate limits, which is contiguous to the Town's corporate limits. The petition was received by the Town on September 10, 2026. Pursuant to N.C.G.S. §160A-31, the Town Clerk must investigate the sufficiency of the petition before further annexation proceedings may take place. Upon certification of sufficiency, the Town Council must fix a date for a public hearing, with notice published in a newspaper having general circulation in the Town at least 10 days prior to the date of the public hearing. Staff recommends setting the public hearing for November 9, 2026, at 6:00 pm in the Town Hall Council Chambers, 210 W Main Street, Mayodan. Requested Action • MOTION to approve a resolution directing the Town Clerk to investigate Annexation Petition ANX-002-2026. Town Clerk to verify the petition was investigated and is sufficient. • MOTION to approve a resolution fixing the public hearing for November 9, 2026, at 6:00 pm in the Town Hall Council Chambers.



Resolution Directing the Town Clerk to Investigate Annexation Petition ANX-002-2026

WHEREAS, a petition requesting annexation of an area described in said petition was received on September 10, 2026, by the Mayodan Town Council;

WHEREAS, N.C.G.S. §160A-31 provides that the sufficiency of the petition shall be investigated by the Town Clerk before further annexation proceedings may take place; and

WHEREAS, the Town Council of Mayodan, North Carolina deems it advisable to proceed in response to this request for annexation.

NOW, THEREFORE, BE IT RESOLVED, by the Town Council of the Town of Mayodan, North Carolina that the Town Clerk is hereby directed to investigate the sufficiency of the above described petition and to certify as soon as possible to the Town Council the results of her investigation.

Duly adopted this the 12th day of October, 2026.

Dwight Lake, Mayor

ATTEST:

Sarah Hopper, Town Clerk



Resolution Fixing Date of Public Hearing on Annexation Petition ANX-002-2026

WHEREAS, a petition requesting annexation of an area described herein has been received;

WHEREAS, the Town Council of the Town of Mayodan, North Carolina, has by resolution, directed the Town Clerk to investigate the sufficiency of the petition; and

WHEREAS, certification by the Town Clerk as to the sufficiency of the petition has been made.

NOW, THEREFORE, BE IT RESOLVED, by the Town Council of the Town of Mayodan, North Carolina that:

Section 1: A public hearing on the question of annexation of the area described herein will be held in the Town Hall Council Chambers located at 210 W Main Street, Mayodan, North Carolina, on November 9, 2026, at 6:00 pm.

Section 2: The area proposed for annexation is described as follows: that portion of Rockingham County Tax Parcel Number 169086Z1, owned by Dr. Charles Marcus Vaughn (Deed Book 1422, Page 1791, Rockingham County Registry), lying outside the corporate limits of the Town of Mayodan, comprising approximately 14.27 acres, adjoining the terminus of Tenth Avenue and Eleventh Avenue, Mayodan, North Carolina, and more particularly described in the legal description attached hereto as Exhibit A.

Section 3: Notice of the public hearing shall be published in the News & Record, a newspaper having general circulation in the Town of Mayodan, North Carolina, at least 10 days prior to the date of the public hearing.

Duly adopted this the 12th day of October, 2026.

Dwight Lake, Mayor

ATTEST:

Sarah Hopper, Town Clerk

EXHIBIT A

Legal Description of the Area Proposed for Annexation – ANX-002-2026

BEGINNING at a stone marking Harry V. Smith's southeast corner, See Deed Book 589, Page 331; thence along Smith's east line North 07 deg. 57 min. 37 sec. West 476.13 feet to an existing iron pipe marking a corner with Joseph H. Smith Heirs' property described in Deed Book 399, Page 132; thence along the Heirs' of Joseph H. Smith South 87 deg. 16 min. 01 sec. East 467.81 feet to a new iron pipe in a pile of stones; thence continuing along Joseph H. Smith Heirs' line North 21 deg. 58 min. 36 sec. West 320.26 feet to a new iron pipe; thence continuing along Joseph H. Smith Heirs' line North 76 deg. 29 min. 37 sec. East 745.58 feet to a new iron pipe in the east side of an old road marking Joseph H. Smith Heirs' corner in the property line of Ray DeMoss line, See Deed Book 350, Page 292; thence along DeMoss' line and along the centerline of an old road the following ten (10) courses and distances: (1) South 06 deg. 54 min. 26 sec. West 35.74 feet to a point in the centerline of an old road; (2) South 25 deg. 16 min. 09 sec. East 155.18 feet to a point in the centerline of an old road; (3) South 22 deg. 48 min. 17 sec. East 159.23 feet to a point in the centerline of an old road; (4) South 17 deg. 51 min. 52 sec. East 56.96 feet to a point in the centerline of an old road; (5) South 26 deg. 07 min. 30 sec. East 179.48 feet to a point in the centerline of an old road; (6) South 23 deg. 13 min. 55 sec. East 100.17 feet to a point in the centerline of an old road; (7) South 16 deg. 56 min. 28 sec. East 100.32 feet to a point in the centerline of an old road; (8) South 16 deg. 39 min. 01 sec. East 117.92 feet to a point in the centerline of an old road; (9) South 39 deg. 28 min. 12 sec. East 161.94 feet to a point in the centerline of an old road; and (10) South 47 deg. 04 min. 19 sec. East 143.60 feet to a steel stake in the centerline of an old road in Purgason's line; thence along Purgason's line, South 77 deg. 55 min. 27 sec. West 281.97 feet to a steel stake; thence continuing along Purgason's line South 84 deg. 23 min. 35 sec. West 302.23 feet to a steel stake in Purgason's line; thence continuing along Purgason's line North 82 deg. 15 min. 05 sec. West 117.93 feet to a steel stake; thence South 57 deg. 21 min. 41 sec. West 42.11 feet to a steel stake in Purgason's line; thence along Purgason's line South 25 deg. 42 min. 18 sec. West 217.03 feet to a steel stake; thence continuing along Purgason's line South 33 deg. 35 min. 54 sec. West (passing an existing iron pipe in line at 150.20 feet) and running a total distance of 157.20 feet to a point in the centerline of a branch; thence South 15 deg. 01 min. 59 sec. East 72.75 feet to a point in the centerline of a branch; thence South 19 deg. 05 min. 53 sec. West 40.61 feet to a point in the centerline of a branch in the property line of Forest Grove Subdivision; thence along the centerline of said branch in the property line of Forest Grove Subdivision the following five (5) courses and distances: (1) North 50 deg. 29 min. 12 sec. West 57.11 feet to a point in the center of said branch; (2) North 66 deg. 10 min. 35 sec. West 74.83 feet to a point in the center of said branch; (3) North 86 deg. 17 min. 18 sec. West 100.08 feet to a point in the center of said branch; (4) North 85 deg. 36 min. 23 sec. West 106.85 feet to an existing iron pipe in the centerline of said branch; and (5) North 88 deg. 53 min. 17 sec. West 43.25 feet to an existing iron pipe in the center of said branch in the east property line of the Forest Grove Swim Club property; thence along the east line of Forest Grove Swim Club, North 22 deg. 35 min. 43 sec. East 66.60 feet to a steel stake in the east property line of said Forest Grove Swim Club; thence continuing along the east line of Forest Grove Swim Club North 22 deg. 28 min. 15 sec. East 199.62 feet to a steel stake marking the northeast corner of the Forest Grove Swim Club tract of land; thence along the north line of the said Forest Grove Swim Club property line North 67 deg. 29 min. 51 sec. West 299.92 feet to a steel stake marking the northwest corner of Forest Grove Swim Club; thence along the west line of said Forest Grove Swim Club South 22 deg. 27 min. 54 sec. West 199.72 feet to a steel stake in the west property line of said Forest Grove Swim Club; thence continuing along the west line of said Swim Club, South 27 deg. 12 min. West 150.53 feet to a point marking the termination of the eastern right-of-way margin of Tenth Avenue; thence along the northern termination line of Tenth Avenue, North 67 deg. 27 min. 31 F sec. West 39.41 feet to a new iron pipe in the western right-of-way margin of Tenth Avenue at the point of its termination, also said a new iron pipe marking the northeast corner now or formerly owned by Wilkins; thence along Wilkins' north line North 67 deg. 30 min. West 175.00 feet to an existing iron pipe marking Wilkins' northwest corner in Williams' line; thence along Williams' east line, North 22 deg. 37 min. 27 sec. East 50.00 feet to an existing iron pipe marking Williams' northeast corner; thence along Williams' corner, North 67 deg. 26 min. 15 sec. West 164.06 feet to an existing iron pipe marking Williams' northwest corner; thence along Williams' west line, South 18 deg. 18 min. 56 sec. West 50.07 feet to an existing iron pipe in the eastern right-of-way margin of . Eleventh Avenue at its point of termination; thence along the north i, margin of Eleventh Avenue at its termination, North 67 deg. 37 min. 53 sec. West 39.74 feet to an existing iron pipe in the western right-of-way margin of Eleventh Avenue at its point of termination in the property line of VanHoy; thence along the property line of VanHoy and along the property line of Case, North 18 deg. 30 min. 01 sec. East 225.07 feet to an existing iron pipe marking Case's northeast corner; thence along Case's north line, North 67 deg. 31 min. 57 sec. West 150.00 feet to a point marking Case's northwest corner; thence along Case's west line South 18 deg. 19 min. 23 sec. West 150.00 feet to an existing iron pipe in VanHoys' line; thence along VanHoy's line North 67 deg. 32 min. 26 sec. West 74.30 feet to an existing iron pipe marking VanHoy's northwest corner; thence North 18 deg. 05 min. 04 sec. East 295.05 feet to an existing iron pipe in Harry V. Smith's property line, See Deed Book 589, Page 331; thence along Harry V. Smith's line South 86 deg. 03 min. 23

RESOLUTION: RES-2026-07

sec. East 526.17 feet to the point and place of first Beginning and containing 37.44 acres, more or less, as shown on plat entitled "Survey Plat for Daisy Baughn" dated September 30, 1985, which plat is made a part of the description of the herein conveyed property. Said property being a part of the property described in Deed Book 339, Page 366 of the Rockingham County Registry.

That portion of the following described 37.44 acre tract lying outside of the corporate limits of the Town of Mayodan. This portion is designated as Rockingham County Tax Parcel # 169086Z2 and contains approximately 14.270 acres.



TOWN OF MAYODAN

210 West Main Street • Mayodan, NC 27027

Voluntary Annexation Application

Please complete all applicable fields (use N/A if not applicable to your situation).

Date of Application:

9/10/26

Application No. (staff use):

#2

1. Applicant Information

Applicant Name:

Dr. Charles Marcus Vaughn and wife Annette Stallings

Mailing Address:

PO Box 69 Sandy Ridge, NC 27046 Vaughn

Phone Number:

(336) 848-1397

Email Address:

CMVAUGHN@TRIAD-RR.COM

2. Property Information

Property Owner(s) Name:

Rockingham County Parcel No.:

16908621

Acreage:

36 +/- Acres

Property Physical Address:

Owner Consent to Annexation:

☒

Yes

☐

No

Acres to be annexed: 14.27

About This Process

Voluntary annexation of a contiguous area is governed by North Carolina General Statute § 160A-31. The petition must be signed by every owner of real property within the area to be annexed. Upon certification of a sufficient petition, the Town Council will set a public hearing before voting on the annexation ordinance.



TOWN OF MAYODAN

210 West Main Street • Mayodan, NC 27027

Voluntary Annexation Application

3. Required Documentation

The following documentation must be submitted along with this application:

- ☒ Annexation Petition Form (completed and signed by all property owners)
- ☒ Legal Description of Property (metes and bounds — submitted in Word format)
- ☒ Property Deed
- ☒ Survey / Map of Property
- ☐ List of Abutting (Adjoining) Property Owners

Deed Book Number: 1422

Page Number: 1791-1794

4. Vested Rights

We acknowledge that any zoning vested rights acquired pursuant to N.C.G.S. § 160D-108 or § 160D-108.1 must be declared and identified on this petition. We further acknowledge that failure to declare such rights on this petition shall result in a termination of any vested rights previously acquired for the property.

Do you declare vested rights? ☐ Yes ☐ No (If yes, attach proof of vested rights.)

This application is a public record and is subject to disclosure upon request pursuant to the North Carolina Public Records Law (N.C.G.S. § 132-1).



TOWN OF MAYODAN

210 West Main Street • Mayodan, NC 27027

Voluntary Annexation Application

5. Acknowledgments, Certification & Signatures

I/We, the undersigned property owner(s), respectfully request annexation of the above-referenced property into the corporate limits of the Town of Mayodan. I/We understand that this request is subject to verification of sufficiency by the Town Clerk and approval by the Town Council, and I/We affirm that all information provided in this application is true and accurate to the best of my/our knowledge. All property owners must sign this application.

Original (wet) ink signatures are required for all property owners. Typed or electronic signatures are not accepted.

Property Owner 1 – Print Name

Dr. Charles Marcus Vaughn

Signature (original ink)

Charles Marcus Vaughn

Date

9/10/26

Property Owner 2 – Print Name

Annette Stallings Vaughn

Signature (original ink)

Annette Stallings Vaughn

Date

9-10-26

Property owner(s) must sign by hand in ink; do not type a name in the signature line.

Title of Authorized Signature (if signing on behalf of a corporation or LLC):

For Office Use Only

Date Received:
9/10/2026

Received By:
Melody Shuler

Case Number:
ANX-002-2026

Sufficiency Determination:



Sufficient



Insufficient

Date of Clerk's Certification:

Public Hearing Date:
11/9/2026

Notices Mailed On:
10/19/2026

Newspaper Name:
News & Record

Date Notice Published:
10/23/2026

Town Council Meeting Date:
11/9/2026

Council Action:



Approved



Denied

Date of Ordinance Adoption:

Effective Date:



TOWN OF MAYODAN

210 West Main Street • Mayodan, NC 27027

Electronic Submission

This application may be completed electronically, but property owner signatures must be original (wet) ink signatures — electronic or typed signatures are not accepted.

1. Complete all applicable fields on pages 1–3 of this form.
2. Print page 3 and have every property owner sign the Signature line in original ink.
3. Scan the signed page 3 and attach it to this PDF, or attach it as a separate file to your submission email.
4. Click the Submit by Email button below. Your default email application will open with this completed form attached and addressed to the Town Manager's Office.
5. Send the email, including the scanned signed page 3 and the required attachments listed in Section 3 (petition, legal description, deed, survey, and list of abutting property owners).

Before You Submit

Please open this form in the free Adobe Acrobat Reader app (desktop or mobile) to fill it out and use the Submit by Email button. Opening the PDF directly in a web browser, or in your device's built-in PDF viewer, may prevent the submit button from working. Get Adobe Acrobat Reader free at get.adobe.com/reader.

Submit by Email

Button not working? You can also email your completed, signed PDF directly to:

mshuler@mayodannnc.org

Unofficial Document

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485

4

NORTH CAROLINA GENERAL WARRANTY DEED

Revenue Stamps: \$-0-

Parcel I.D. No: 169086Z1 & 169086Z2
Tax Map No.: 7917-14-44-1850-00

Mail after recording to: ☒ Grantee

Prepared by: Ben F. Tucker, Folger & Tucker, P.A., 117 E. Murphy Street, Madison, NC 27025

THIS DEED made this 4TH day of OCTOBER, 2011, by and between:

GRANTOR

CHARLES MARSHALL VAUGHN, Unmarried
PO BOX 186
MADISON, NC 27025

GRANTEE

CHARLES MARCUS VAUGHN
PO BOX 69
SANDY RIDGE, NC 27046

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land located in City of Mayodan, Madison Township, Rockingham County, North Carolina, and more particularly described as follows:

Please see EXHIBIT "A" attached hereto and incorporated herein by reference.

All or a portion of the property hereinabove described was acquired by Grantor by instrument recorded in Book 988, Page 2246, Rockingham County, North Carolina.

ALL OR A PORTION OF THE HEREIN CONVEYED PROPERTY _____ INCLUDES OR XX DOES NOT INCLUDE THE PRIMARY RESIDENCE OF THE GRANTOR.

A map showing the above described property is recorded in Plat Book n/a, Page _____, and referenced within this instrument.

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TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever except for the exceptions hereinafter stated.

Title to the property hereinabove described is subject to the following exceptions:

1. Taxes for the current year, rights of way of public highways and roads and public utilities, easements and restrictions of public record, and noncompliance, if any, with local, county, state or federal government laws, ordinances or regulations relative to zoning, environment, subdivision, occupancy, use, construction or the development of the subject property.
2. The law firm of Folger & Tucker, P.A. has not examined the title to the above described real property and therefore in no way guarantees that good and marketable title is being conveyed.

IN WITNESS WHEREOF, the Grantor has hereunto set his hand and seal, or if corporate, has caused this instrument to be signed in its corporate name by its duly authorized officer(s), the day and year first above written.

 (SEAL)
CHARLES MARSHALL VAUGHN

State of North Carolina
County of Rockingham

I, KARA C. CARRICK, Notary Public, certify that **CHARLES MARSHALL VAUGHN** personally appeared before me this day, and acknowledged to me that he voluntarily signed the foregoing document for the purpose stated therein.

Witness my hand and official seal, this the 12th day of OCTOBER, 2011. ✓

 (SEAL)
Notary Public

My Commission expires: 06/13/2015 ✓



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EXHIBIT "A"

BEGINNING at a stone marking Harry V. Smith's southeast corner, See Deed Book 589, Page 331; thence along Smith's east line North 07 deg. 57 min. 37 sec. West 476.13 feet to an existing iron pipe marking a corner with Joseph H. Smith Heirs' property described in Deed Book 399, Page 132; thence along the Heirs' of Joseph H. Smith South 87 deg. 16 min. 01 sec. East 467.81 feet to a new iron pipe in a pile of stones; thence continuing along Joseph H. Smith Heirs' line North 21 deg. 58 min. 36 sec. West 320.26 feet to a new iron pipe; thence continuing along Joseph H. Smith Heirs' line North 76 deg. 29 min. 37 sec. East 745.58 feet to a new iron pipe in the east side of an old road marking Joseph H. Smith Heirs' corner in the property line of Ray DeMoss line, See Deed Book 350, Page 292; thence along DeMoss' line and along the centerline of an old road the following ten (10) courses and distances: (1) South 06 deg. 54 min. 26 sec. West 35.74 feet to a point in the centerline of an old road; (2) South 25 deg. 16 min. 09 sec. East 155.18 feet to a point in the centerline of an old road; (3) South 22 deg. 48 min. 17 sec. East 159.23 feet to a point in the centerline of an old road; (4) South 17 deg. 51 min. 52 sec. East 56.96 feet to a point in the centerline of an old road; (5) South 26 deg. 07 min. 30 sec. East 179.48 feet to a point in the centerline of an old road; (6) South 23 deg. 13 min. 55 sec. East 100.17 feet to a point in the centerline of an old road; (7) South 16 deg. 56 min. 28 sec. East 100.32 feet to a point in the centerline of an old road; (8) South 16 deg. 39 min. 01 sec. East 117.92 feet to a point in the centerline of an old road; (9) South 39 deg. 28 min. 12 sec. East 161.94 feet to a point in the centerline of an old road; and (10) South 47 deg. 04 min. 19 sec. East 143.60 feet to a steel stake in the centerline of an old road in Purgason's line; thence along Purgason's line, South 77 deg. 55 min. 27 sec. West 281.97 feet to a steel stake; thence continuing along Purgason's line South 84 deg. 23 min. 35 sec. West 302.23 feet to a steel stake in Purgason's line; thence continuing along Purgason's line North 83 deg. 15 min. 05 sec. West 117.93 feet to a steel stake; thence South 57 deg. 21 min. 41 sec. West 42.11 feet to a steel stake in Purgason's line; thence along Purgason's line South 25 deg. 42 min. 18 sec. West 217.03 feet to a steel stake; thence continuing along Purgason's line South 33 deg. 35 min. 54 sec. West (passing an existing iron pipe in line at 150.20 feet) and running a total distance of 157.20 feet to a point in the centerline of a branch; thence South 15 deg. 01 min. 59 sec. East 72.75 feet to a point in the centerline of a branch; thence South 19 deg. 05 min. 53 sec. West 40.61 feet to a point in the centerline of a branch in the property line of Forest Grove Subdivision; thence along the centerline of said branch in the property line of Forest Grove Subdivision the following five (5) courses and distances: (1) North 50 deg. 29 min. 12 sec. West 57.11 feet to a point in the center of said branch; (2) North 66 deg. 10 min. 35 sec. West 74.83 feet to a point in the center of said branch; (3) North 86 deg. 17 min. 18 sec. West 100.08 feet to a point in the center of said branch; (4) North 85 deg. 36 min. 23 sec. West 106.85 feet to an existing iron pipe in the centerline of said branch; and (5) North 88 deg. 53 min. 17 sec. West 43.25 feet to an existing iron pipe in the center of said branch in the east property line of the Forest Grove Swim Club property; thence along the east line of Forest Grove Swim Club, North 22 deg. 35 min. 43 sec. East 66.60 feet to a steel stake in the east property line of said Forest Grove Swim Club; thence continuing along the east line of Forest Grove Swim Club North 22 deg. 28 min. 15 sec. East 199.62 feet to a steel stake marking the northeast corner of the Forest Grove Swim Club tract of land; thence along the north line of the said Forest Grove Swim Club property line North 67 deg. 29 min. 51 sec. West 299.92 feet to a steel stake marking the northwest corner of Forest Grove Swim Club; thence along the west line of said Forest Grove Swim Club South 22 deg. 27 min. 54 sec. West 199.72 feet to a steel stake in the west property line of said Forest Grove Swim Club; thence continuing along the west line of said Swim Club, South 27 deg. 12 min. West 150.53 feet to a point marking the termination of the eastern right-of-way margin of Tenth Avenue; thence along the

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EXHIBIT "A"

northern termination line of Tenth Avenue, North 67 deg. 27 min. 31 sec. West 39.41 feet to a new iron pipe in the western right-of-way margin of Tenth Avenue at the point of its termination, also said new iron pipe marking the northeast corner now or formerly owned by Wilkins; thence along Wilkins' north line North 67 deg. 30 min. West 175.00 feet to an existing iron pipe marking Wilkins' northwest corner in Williams' line; thence along Williams' east line, North 22 deg. 37 min. 27 sec. East 50.00 feet to an existing iron pipe marking Williams' northeast corner; thence along Williams' corner, North 67 deg. 26 min. 15 sec. West 164.06 feet to an existing iron pipe marking Williams' northwest corner; thence along Williams' west line, South 18 deg. 18 min. 56 sec. West 50.07 feet to an existing iron pipe in the eastern right-of-way margin of Eleventh Avenue at its point of termination; thence along the north margin of Eleventh Avenue at its termination, North 67 deg. 37 min. 53 sec. West 39.74 feet to an existing iron pipe in the western right-of-way margin of Eleventh Avenue at its point of termination in the property line of VanHoy; thence along the property line of VanHoy and along the property line of Case, North 18 deg. 30 min. 01 sec. East 225.07 feet to an existing iron pipe marking Case's northeast corner; thence along Case's north line, North 67 deg. 31 min. 57 sec. West 150.00 feet to a point marking Case's northwest corner; thence along Case's west line South 18 deg. 19 min. 23 sec. West 150.00 feet to an existing iron pipe in VanHoy's line; thence along VanHoy's line North 67 deg. 32 min. 26 sec. West 74.30 feet to an existing iron pipe marking VanHoy's northwest corner; thence North 18 deg. 05 min. 04 sec. East 295.05 feet to an existing iron pipe in Harry V. Smith's property line, See Deed Book 589, Page 331; thence along Harry V. Smith's line South 86 deg. 03 min. 23 sec. East 526.17 feet to the point and place of first Beginning and containing 37.44 acres, more or less, as shown on plat entitled "Survey Plat for Daisy Baughn" dated September 30, 1985, which plat is made a part of the description of the herein conveyed property.

Said property being a part of the property described in Deed Book 339, Page 366 of the Rockingham County Registry.

L E B N D
EIP EXISTING
NIP NEW INCH
PIPE

NOTE:
THIS PLAT SUBJECT TO ANY EASEMENTS, AGREEMENTS, OR RIGHTS-OF-WAY OF RECORD ON APPLICABLE RECORDS.
NOTES:
LINES A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z, AA, AB, AC, AD, AE, AF, AG, AH, AI, AJ, AK, AL, AM, AN, AO, AP, AQ, AR, AS, AT, AU, AV, AW, AX, AY, AZ, BA, BB, BC, BD, BE, BF, BG, BH, BI, BJ, BK, BL, BM, BN, BO, BP, BQ, BR, BS, BT, BU, BV, BW, BX, BY, BZ, CA, CB, CC, CD, CE, CF, CG, CH, CI, CJ, CK, CL, CM, CN, CO, CP, CQ, CR, CS, CT, CU, CV, CW, CX, CY, CZ, DA, DB, DC, DD, DE, DF, DG, DH, DI, DJ, DK, DL, DM, DN, DO, DP, DQ, DR, DS, DT, DU, DV, DW, DX, DY, DZ, EA, EB, EC, ED, EE, EF, EG, EH, EI, EJ, EK, EL, EM, EN, EO, EP, EQ, ER, ES, ET, EU, EV, EW, EX, EY, EZ, FA, FB, FC, FD, FE, FF, FG, FH, FI, FJ, FK, FL, FM, FN, FO, FP, FQ, FR, FS, FT, FU, FV, FW, FX, FY, FZ, GA, GB, GC, GD, GE, GF, GG, GH, GI, GJ, GK, GL, GM, GN, GO, GP, GQ, GR, GS, GT, GU, GV, GW, GX, GY, GZ, HA, HB, HC, HD, HE, HF, HG, HH, HI, HJ, HK, HL, HM, HN, HO, HP, HQ, HR, HS, HT, HU, HV, HW, HX, HY, HZ, IA, IB, IC, ID, IE, IF, IG, IH, II, IJ, IK, IL, IM, IN, IO, IP, IQ, IR, IS, IT, IU, IV, IW, IX, IY, IZ, JA, JB, JC, JD, JE, JF, JG, JH, JI, JJ, JK, JL, JM, JN, JO, JP, JQ, JR, JS, JT, JU, JV, JW, JX, JY, JZ, KA, KB, KC, KD, KE, KF, KG, KH, KI, KJ, KK, KL, KM, KN, KO, KP, KQ, KR, KS, KT, KU, KV, KW, KX, KY, KZ, LA, LB, LC, LD, LE, LF, LG, LH, LI, LJ, LK, LL, LM, LN, LO, LP, LQ, LR, LS, LT, LU, LV, LW, LX, LY, LZ, MA, MB, MC, MD, ME, MF, MG, MH, MI, MJ, MK, ML, MM, MN, MO, MP, MQ, MR, MS, MT, MU, MV, MW, MX, MY, MZ, NA, NB, NC, ND, NE, NF, NG, NH, NI, NJ, NK, NL, NM, NN, NO, NP, NQ, NR, NS, NT, NU, NV, NW, NX, NY, NZ, OA, OB, OC, OD, OE, OF, OG, OH, OI, OJ, OK, OL, OM, ON, OO, OP, OQ, OR, OS, OT, OU, OV, OW, OX, OY, OZ, PA, PB, PC, PD, PE, PF, PG, PH, PI, PJ, PK, PL, PM, PN, PO, PP, PQ, PR, PS, PT, PU, PV, PW, PX, PY, PZ, QA, QB, QC, QD, QE, QF, QG, QH, QI, QJ, QK, QL, QM, QN, QO, QP, QQ, QR, QS, QT, QU, QV, QW, QX, QY, QZ, RA, RB, RC, RD, RE, RF, RG, RH, RI, RJ, RK, RL, RM, RN, RO, RP, RQ, RR, RS, RT, RU, RV, RW, RX, RY, RZ, SA, SB, SC, SD, SE, SF, SG, SH, SI, SJ, SK, SL, SM, SN, SO, SP, SQ, SR, SS, ST, SU, SV, SW, SX, SY, SZ, TA, TB, TC, TD, TE, TF, TG, TH, TI, TJ, TK, TL, TM, TN, TO, TP, TQ, TR, TS, TT, TU, TV, TW, TX, TY, TZ, UA, UB, UC, UD, UE, UF, UG, UH, UI, UJ, UK, UL, UM, UN, UO, UP, UQ, UR, US, UT, UU, UV, UW, UX, UY, UZ, VA, VB, VC, VD, VE, VF, VG, VH, VI, VJ, VK, VL, VM, VN, VO, VP, VQ, VR, VS, VT, VU, VV, VW, VX, VY, VZ, WA, WB, WC, WD, WE, WF, WG, WH, WI, WJ, WK, WL, WM, WN, WO, WP, WQ, WR, WS, WT, WU, WV, WW, WX, WY, WZ, XA, XB, XC, XD, XE, XF, XG, XH, XI, XJ, XK, XL, XM, XN, XO, XP, XQ, XR, XS, XT, XU, XV, XW, XX, XY, XZ, YA, YB, YC, YD, YE, YF, YG, YH, YI, YJ, YK, YL, YM, YN, YO, YP, YQ, YR, YS, YT, YU, YV, YW, YX, YY, YZ, ZA, ZB, ZC, ZD, ZE, ZF, ZG, ZH, ZI, ZJ, ZK, ZL, ZM, ZN, ZO, ZP, ZQ, ZR, ZS, ZT, ZU, ZV, ZW, ZX, ZY, ZZ.

HARRY V. SMITH
D.B. 589 - PG. 331

JOSEPH H. SMITH HEIRS
D.B. 399 - PG. 122

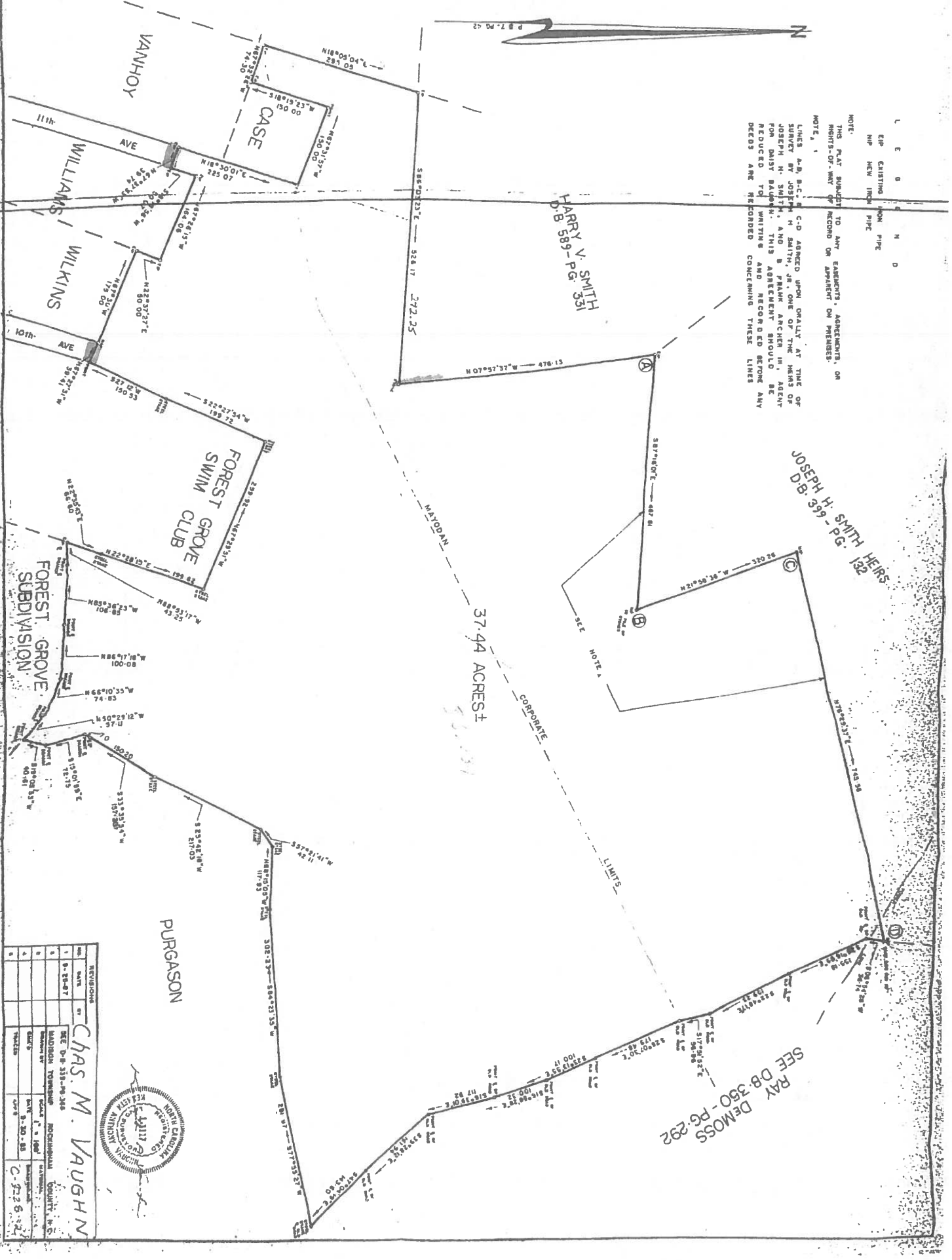
37.44 ACRES ±

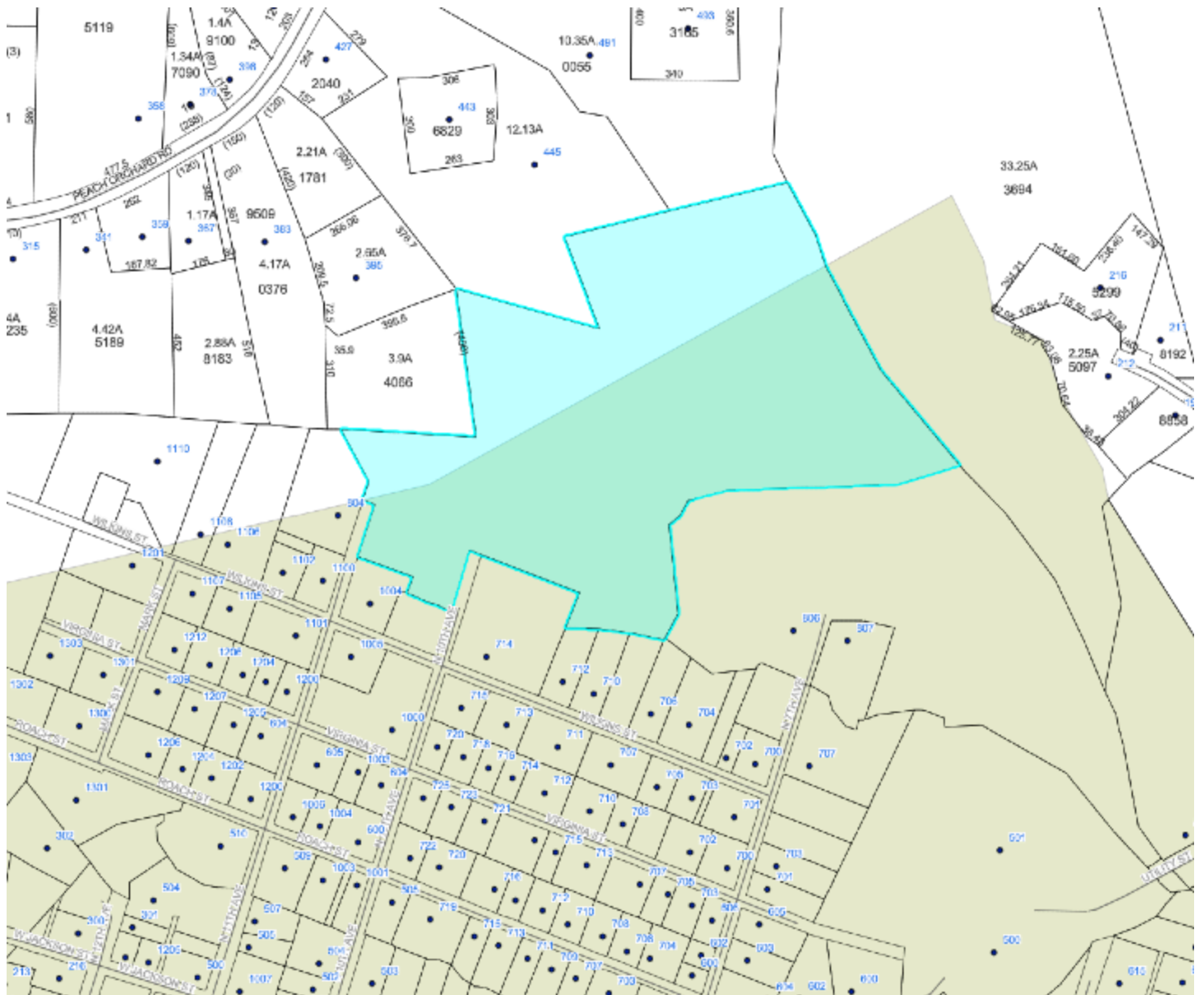
RAY DEMOSS
SEE DB 350 - PG. 292



REVISIONS		DATE	BY	DESCRIPTION
1		5-11-07	SEE DB 338 - PG. 245	HAIRSON TOWNSHIP, ROCKWELL COUNTY, MO.
2		5-11-07	SEE DB 338 - PG. 245	HAIRSON TOWNSHIP, ROCKWELL COUNTY, MO.
3		5-11-07	SEE DB 338 - PG. 245	HAIRSON TOWNSHIP, ROCKWELL COUNTY, MO.
4		5-11-07	SEE DB 338 - PG. 245	HAIRSON TOWNSHIP, ROCKWELL COUNTY, MO.
5		5-11-07	SEE DB 338 - PG. 245	HAIRSON TOWNSHIP, ROCKWELL COUNTY, MO.
6		5-11-07	SEE DB 338 - PG. 245	HAIRSON TOWNSHIP, ROCKWELL COUNTY, MO.
7		5-11-07	SEE DB 338 - PG. 245	HAIRSON TOWNSHIP, ROCKWELL COUNTY, MO.
8		5-11-07	SEE DB 338 - PG. 245	HAIRSON TOWNSHIP, ROCKWELL COUNTY, MO.
9		5-11-07	SEE DB 338 - PG. 245	HAIRSON TOWNSHIP, ROCKWELL COUNTY, MO.
10		5-11-07	SEE DB 338 - PG. 245	HAIRSON TOWNSHIP, ROCKWELL COUNTY, MO.

CHAS. M. VAUGHN





Rockingham County Parcels Details

Question about Parcel?

Long PIN: 791714441850 Parcel Number: 169086Z1

OWNER: VAUGHN CHARLES MARCUS,

Mailing Label:

PO BOX 69

SANDY RIDGE NC, 27046-0069

Property Area: 22.210000 acres

Zoning: **See Zoning Layer**

Year Built: 0

Last Sale Date: 20111013

Last Sale Amount: \$0

Deed Book: 1422

Deed Page: 1791

Deed Year: 2011

Assessment Information:

Improvement Value: \$0

Land Value: \$72802

Total Value: \$72802



MAYODAN FIRE DEPARTMENT

Monthly Department Report

September 2026

Proudly serving the Town of Mayodan and the M&M Fire District



67

Total Incidents

Avg. 2.2 Calls per day



0:05:15

Dispatch to Unit Arrival

Average



0:07:31

Dispatch to Unit Arrival

90th Percentile



62

Sep-25

Monthly Call Count Comparison

As of the current month

67

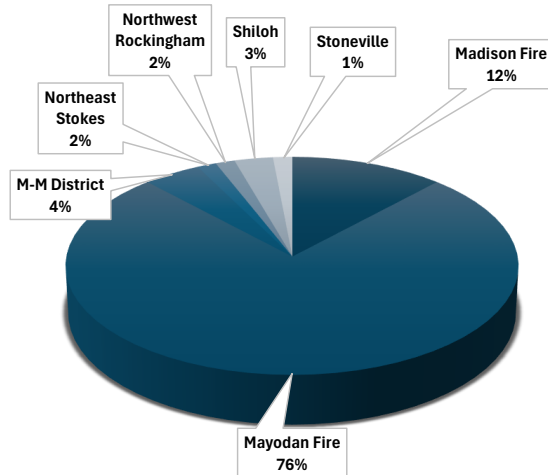
Sep-26

544

Yearly Call Count

Responses By District

Percentages of Calls by District September 2026

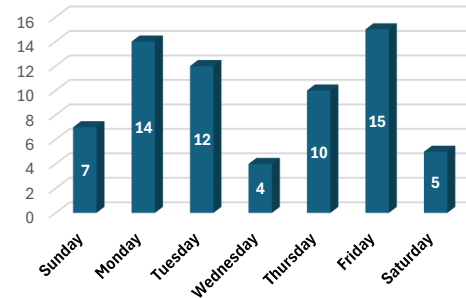


Fire Department Response Times

Dispatched to Arrival NFPA 1710 0:05:20 90th Percentile

Response Times	Average	90th Percentile
Turnout Time	0:01:40	0:05:08
Travel Time	0:03:35	0:06:13
Response Time	0:05:15	0:07:31

Calls by day of the week



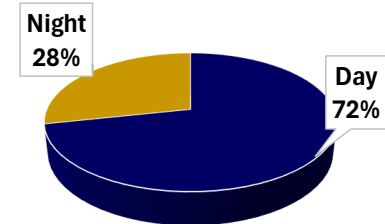
Monthly Call Response

Monthly Call Type

Emergency Incidents	40
Non Emergency Incidents	27
Medical	31
Fire	24
Motor Vehicle Accident	3
Other	9

Day Calls Vs Night Calls

Day Calls 8AM-8PM Night Calls 8PM-8AM



Department Updates

Needs Assessment: The partnership with NC Fire Chiefs Consulting LLC is currently underway. Apparatus, facilities, and internal assessments have been completed.

New Volunteer Member: Firefighter Luke Hill has joined the Mayodan Fire Department. He began his volunteer service on October 2nd.

Cub Scouts Station Visit: Mayodan cub scouts visited the fire station and went over fire safety and prevention activities. The scouts looked over the fire trucks and equipment. 9/28/2026

Department Training

Water Supply Drafting: Fire Personnel trained on how to set up a water supply using a drop tank and obtaining a draft on 63. Practiced Flowing multiple lines and supplying Engine 61. 9/8/2026

Needs Assessment Internal Meeting: NC Fire Chief's Consulting conducted a internal meeting with fire department personnel. 9/22/2026

Daytime Training Events: Water Supply Training 9/11/2026, Preplan Walk through 9/23/2026, water supply and firefighter search training 9/30/2026

Notable Incidents

Structure Fire Boles Street: Mayodan Fire was dispatched to a residential structure fire. E61 arrived on scene to find a single story duplex with smoke showing from the structure. Fire personnel deployed a 1 3/4 attack line to the front door. Fire personnel entered the structure and found fire in the kitchen area. Fire personnel extinguished the fire. Mutual aid assistance from Madison Fire, Northwest Fire and Huntsville Fire. 9/2/2026

September 2026 Call Map

