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October 12, 2017

Gaston County Administrative Offices Attn: Earl Mathers, County Manager

Gastonia, NC 28053

Re: Proposed Bessemer City / Gastonia Water Systems Interconnect

Earl:

Thank-you for your time in discussing our proposed water line system interconnect between the cities of Bessemer City and Gastonia, as well as the recent County Commissioners consideration to join with us in this tri-party venture. As you know, due to low existing reservoir capacity, Bessemer City cannot provide confirmed water capacity for potential industrial customers in expansion of the South Ridge Business Park. In addition to being able to recruit new businesses and jobs, ensuring adequate water supply for existing major businesses remains an on-going priority. Through supporting these major employers and further supporting future economic development, this proposed interconnect will create a regional water grid between the two cities and can minimize other emergency (water) situations such as drought occurrences.

Accordingly, in an effort to address the County Commissioners concerns, we would propose (subject to both governing bodies approval) the following general terms and conditions of an agreement between Gaston County and the City of Gastonia:

- A 10-year term starting upon completion of the systems interconnect.
- Bessemer City's average daily water usage is approximately 1.1 million gallons per day (mgd). When water supplied by Gastonia to Bessemer City exceeds an average of 0.75 mgd over the course of a year, Gastonia would annually reimburse the County \$15,833 per year. This would provide a potential 10-year payback to Gaston County on its initial upfront capital investment.

We hope this will address the concerns of Gaston County and continue to move this important regional project forward. Thanks in advance for your consideration and prompt response. Should you have any questions or need further information, please contact me at (704) 866-6721.

Sincerely,

MiloCoper Michael Peoples, City Manager