

AGREEMENT

between

THE BOARD OF PUBLIC WORKS OF THE CITY OF LEWES

and

SUSSEX COUNTY

concerning

WASTEWATER TREATMENT

THIS AGREEMENT is made and entered into this 12th day of January 2026 (the “Effective Date”) by and between THE BOARD OF PUBLIC WORKS OF THE CITY OF LEWES (the “Lewes BPW”), a chartered utilities board of the State of Delaware, and SUSSEX COUNTY (the “County”), a political subdivision of the State of Delaware (each a “Party” and jointly the “Parties”).

WHEREAS, The County owns, operates, and maintains a major wastewater treatment system, including the WOLFE NECK REGIONAL WASTEWATER FACILITY (the “Wolfe Neck RWF”) and an associated collection and transmission network used to convey untreated sanitary sewage and wastewater (“Sewage”) to the Wolfe Neck RWF which currently discharges treated effluent via spray irrigation (collectively, the “County System”). The Lewes BPW also owns, operates, and maintains a major wastewater treatment system, including the Howard Seymour Water Reclamation Facility (the “Lewes BPW WWTF”) and an associated collection and transmission network used to convey Sewage to the Lewes BPW WWTF (the “Lewes BPW System”). The Lewes BPW WWTF currently discharges treated effluent into the Lewes and Rehoboth Canal pursuant to the Lewes BPW’s NPDES Permit Number DE 0021512.

WHEREAS, the Lewes BPW and the County have a history of mutual cooperation concerning transmission and treatment of Sewage and previously entered into agreements concerning the same; and

WHEREAS, specifically, the Parties entered into an agreement dated September 28, 2016 allowing the County to transmit Sewage from the Unified Sanitary Sewer District to the Lewes BPW WWTF for treatment and disposal, which Agreement was replaced in its entirety by the first revision dated March 28, 2018, and thereafter by a second revision dated January 28, 2019, and most recently a third revision was dated August 4, 2022 (the “Flow Agreement”); and

WHEREAS, the Lewes BPW and the County intend to further modify the Flow Agreement concurrent with this Agreement to address interim County Sewage flows to the Lewes BPW WWTF until the Wolfe Neck RWF is upgraded pursuant to this Agreement; and

WHEREAS, the Parties also entered into an agreement dated May 16, 2017 allowing the Lewes BPW to transmit biosolids to the County for handling and disposal; and

WHEREAS, the Parties also entered into an Agreement for Mutual Operational Assistance dated August 29, 2022; and

WHEREAS, beginning in 2021, Lewes BPW undertook a comprehensive analysis and review of its wastewater treatment system and has been evaluating future treatment options. This review has included multiple public meetings and workshops during which the public was provided an opportunity to offer comments and input on the various treatment options presented during that time by the Lewes BPW; and

WHEREAS, decommissioning the Lewes BPW WWTF would remove the facility from the floodplain, provide an opportunity for regional cooperation on wastewater treatment options, and in turn benefit the Lewes BPW ratepayers in the intermediate and long terms; and

WHEREAS, following this extensive review, including public feedback, the Lewes BPW finds and concludes that decommissioning the Lewes BPW WWTF and transmitting all of the Lewes BPW's Sewage to the Wolfe Neck RWF is in the best interests of the Lewes BPW ratepayers and the surrounding community; and

WHEREAS, this option will include upgrades to the Wolfe Neck RWF and require obtaining associated permits and approvals from DNREC; and

WHEREAS, until such time that: (i) improvements to the Wolfe Neck RWF are completed; (ii) the County obtains all necessary approvals and permits to receive the Lewes BPW Sewage; and (iii) Turnover of the Lewes Wastewater Treatment (as defined herein) occurs, the County and Lewes BPW will continue to transmit Sewage in accordance with the Flow Agreement between the Parties, as amended; and

WHEREAS, once Turnover of Lewes Wastewater Treatment occurs, the Lewes BPW wishes to send its Sewage to the County, and the County wishes to provide wastewater treatment services for the Lewes BPW, subject to the terms and conditions of this Agreement; and

WHEREAS, upon Turnover of Lewes Wastewater Treatment, the County and the Lewes BPW shall each continue to own their respective systems and be responsible for the same except as otherwise provided herein; and

WHEREAS, for avoidance of doubt, the Lewes BPW retaining responsibility for the Lewes BPW System includes sole responsibility and authority to set rates for Lewes BPW ratepayers utilizing the Lewes BPW wastewater utility service. The Lewes BPW will remain the ratepayer contact, including after Turnover of Lewes Wastewater Treatment, for all matters concerning the Lewes BPW wastewater utility.

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

ARTICLE I

DEFINITIONS

“Actual Metered Quarterly Flow”: The quarterly sum of individual metered flows of Sewage discharged from the Lewes BPW System to the County System for treatment at the Wolfe Neck RWF.

“County System”: The infrastructure owned, operated, and maintained by the County, including the Wolfe Neck RWF and an associated collection and transmission network used to convey Sewage to the Wolfe Neck RWF.

“Greenfield Condition”: A state in which the property is returned to an undeveloped condition substantially similar to its condition prior to development, meaning free of all buildings, foundations, footings, utilities, and other above-ground and below-ground improvements, as well as free of all hazardous substances, debris, grading alterations, and other improvements, such that the property is suitable for general, unimproved land use.

“Lewes BPW Reimbursement”: The payments owed by the Lewes BPW to reimburse the County for twenty percent (20%) of the actual costs incurred for the Wolfe Neck RWF Upgrades (as defined per Exhibit B, which also includes upgrades to Lewes BPW pump stations 4 and 8 and the demolition and decommissioning of the Lewes BPW WWTF, including restoration of the land), subject to a maximum total obligation of \$40.0 million per Section 17.

“Lewes BPW Share”: The quarterly share of the Operating Maintenance and Replacement Expenses of the Wolfe Neck RWF incurred by the Lewes BPW based upon its Actual Metered Quarterly Flow, plus the EDU based unmetered flow adjustments, discharged from the Lewes BPW System to the County System.

“Lewes BPW System”: The infrastructure owned, operated, and maintained by the Lewes BPW, including the Lewes BPW WWTF and an associated collection and transmission network used to convey Sewage to the Lewes BPW WWTF.

“Lewes BPW WWTF”: The Howard Seymour Water Reclamation Facility currently owned, operated, and maintained by the Lewes BPW.

“Operating, Maintenance and Replacement Expenses of the Wolfe Neck RWF”: The expenses for the transmission and treatment services rendered by the County at the Wolfe Neck RWF that are summarized in EXHIBIT A.

“Sewage”: Untreated sanitary sewage and wastewater.

“Turnover of Lewes Wastewater Treatment”: The date at which time the USEPA concurs with DNREC’s request to transfer Lewes BPW’s waste load allocation in the Lewes and Rehoboth Canal from the Lewes BPW to the County.

“Wolfe Neck RWF”: The Wolfe Neck Regional Wastewater Facility. The wastewater treatment facility owned, operated, and maintained by Sussex County.

“Wolfe Neck RWF Upgrades”: The improvements to the Wolfe Neck Regional Wastewater Facility contemplated under this Agreement and summarized in EXHIBIT B.

ARTICLE II

DESCRIPTION OF FACILITIES

1. The Recitals set forth above are incorporated herein and made a part hereof.
2. The County shall diligently pursue, complete, and obtain all studies, designs, approvals, and construction necessary to upgrade the Wolfe Neck RWF to treat all Sewage discharged from the Lewes BPW System consistent with this Agreement, along with other related construction, demolition, and improvements. These capital improvements are summarized in

EXHIBIT B, which is incorporated herein by reference, (the “Wolfe Neck RWF Upgrades”), and include the conversion of the existing lagoon system to an enhanced treatment system and the demolition and decommissioning, including site restoration of the Lewes BPW WWTF to a Greenfield Condition. Time is of the essence in completing the Wolfe Neck RWF Upgrades.

3. The Wolfe Neck RWF shall be designed and constructed to treat up to a maximum **annual average** daily flow of 4.0 million gallons per day (MGD) of Sewage. The County may not expand the treatment design capacity into the Lewes – Rehoboth Canal, which is based on the transfer of the waste loads under Lewes BPW’s current NPDES Permit DE 0021512, unless both Parties agree to such expansion in writing. Nor may the County alter, expand, shrink, or otherwise improve the Wolfe Neck RWF without the Lewes BPW’s express written consent where such alteration, expansion, contraction, or improvement will adversely impact the calculation for determining the actual amount owed by the Lewes BPW for wastewater treatment services per the Lewes BPW Share (as defined herein Section 15).

4. The Lewes BPW shall be entitled to transmit up to a maximum **annual average** daily flow of 0.80 MGD of Sewage to the Wolfe Neck RWF and the County agrees to reserve treatment capacity for said transmitted Sewage in the Wolfe Neck RWF. At any time prior to approval of the municipal bond referenced in Section 17, Lewes BPW may request additional treatment capacity beyond 0.80 MGD, which request shall not be unreasonably denied subject to adjustment to Lewes BPW’s pro rata payment in accordance with Section 17. After approval of said municipal bond, Lewes BPW may purchase additional treatment capacity for an amount equal to the then applicable County-wide unified sewer service charge established by County Council during the annual Sussex County budget process, or as otherwise mutually agreed to by the County and the Lewes BPW.

5. Lewes BPW agrees to transfer the waste loads included under its current NPDES Permit DE 0021512 to the Wolfe Neck RWF upon approval by the USEPA and DNREC as required (the “Turnover of Lewes Wastewater Treatment”). The County shall then begin accepting the Sewage from the Lewes BPW System for treatment.

6. Following the Turnover of Lewes Wastewater Treatment, the County agrees to receive in the County’s System the Sewage discharged from the Lewes BPW System and to thereafter transmit and treat said Sewage in the County’s System subject to the terms and conditions stated herein. The County shall treat Sewage to a degree sufficient to enable the final effluent to comply with the County’s to-be-obtained NPDES Permit.

7. The Biosolids Handling Agreement between the Parties dated May 16, 2017 and the Flow Agreement, as amended, concerning shared Sewage treatment shall both terminate upon Turnover of Lewes Wastewater Treatment.

8. Prior to Turnover of Lewes Wastewater Treatment, the County will integrate into the County SCADA system Lewes BPW lift stations 3, 6, and 7, in addition to Lewes BPW pump stations 4 and 8.

ARTICLE III

TERM OF AGREEMENT

9. The term of this Agreement shall be twenty (20) years, commencing upon the Effective Date and terminating twenty (20) years thereafter. This Agreement shall automatically renew for additional five (5) year terms in perpetuity unless the Lewes BPW chooses not to renew the Agreement. The Lewes BPW must notify the County in writing via first class U.S. mail of its intention to not renew the Agreement no later than one (1) year prior to this Agreement’s expiration or the expiration of any subsequent renewal term.

10. Time is of the essence with respect to the obligations of the County as the sole party responsible for completion of the Wolfe Neck RWF Upgrades resulting in the timely Turnover of Lewes Wastewater Treatment. In addition, either the Lewes BPW or the County may terminate this Agreement, in their respective sole discretion, within thirty (30) days of the study phase conclusion, meaning receipt of the Lewes and Rehoboth Canal evaluation, confirmation of the associated NPDES discharge point selection, and final determination of treatment technology. No reimbursement or payment shall be required from or to either Party following such termination. Furthermore, Lewes BPW and the County commit, within thirty (30) days of conclusion of the publicly advertised construction bid process, to convene a public bid review meeting before the County proceeds with any of the contract awards.

ARTICLE IV

RESPONSIBILITIES

11. Subject to reimbursement from the Lewes BPW for a portion of associated costs under Sections 15, 16, and 17 herein, the County shall be responsible for the Wolfe Neck RWF Upgrades, which includes associated studies, permits, and construction, and for the subsequent operation of the Wolfe Neck RWF. For avoidance of doubt, the Parties acknowledge and agree that the Lewes BPW shall have no responsibility for, or liability concerning, the construction and operation of the Wolfe Neck RWF, except for paying its share of associated costs pursuant to Sections 15, 16, and 17 herein.

12. For avoidance of doubt, subject to reimbursement from the Lewes BPW for its portion of associated costs under Section 17 herein, the County shall also bear full responsibility for decommissioning and demolishing (including restoration of the area to a Greenfield Condition) the Lewes BPW WWTF, including all permits, construction, and liability. Restoration shall

include, but not be limited to, removal of all above-ground and below-ground improvements, backfilling, regrading, and compacting the surface to a stable, level condition consistent with surrounding topography, remediation of any environmental condition caused during the property's use for the Lewes BPW WWTF, and reseeding and stabilizing the surface as reasonably necessary to prevent erosion.

13. Each party shall properly operate and maintain cooperatively its respective Systems, and in the case of the County, including the Wolfe Neck RWF, in good and efficient operating condition and in compliance with all permits and applicable laws, regulations, orders, standards, and policies.

14. The County agrees to remedy any spills or discharges in the Lewes BPW System which are the result of issues in the County System, including but not limited to by assisting the Lewes BPW with a mitigating emergency response or a permanent repair associated with said spill or discharge.

ARTICLE V

BILLING AND PAYMENT

15. Following Turnover of Lewes Wastewater Treatment, the Lewes BPW shall pay quarterly for its proportionate share of those transmission and treatment services rendered by the County summarized in EXHIBIT A, which is incorporated herein by reference, (the "Operating Maintenance and Replacement Expenses of the Wolfe Neck RWF") that are incurred in the previous quarter based upon its Actual Metered Quarterly Flow, plus the EDU based unmetered flow adjustments (see Sections 25 and 26), discharged from the Lewes BPW System to the County System (the "Lewes BPW Share"). Such share shall be determined by dividing the Actual Metered Quarterly Flow, plus the EDU based unmetered flow adjustment, discharged from the Lewes BPW

System to the County System by the total gallons metered quarterly as received at the Wolfe Neck RWF and multiplying that factor by the budgeted Operating Maintenance and Replacement Expenses of the Wolfe Neck RWF. The County shall compile an annual reconciliation billing for the Operating Maintenance and Replacement Expenses based on the actual incurred costs for said fiscal year. The Lewes BPW Share shall also include a flat fee payment to cover indirect salaries related to the County-provided transmission and treatment services (the “Administration Fee”). The Administration Fee shall be \$6,250 each quarter for at least the first full year following Turnover of Lewes Wastewater Treatment. Thereafter, beginning January 1 after one full calendar year, the Administration Fee shall be adjusted each calendar year based on the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) for all items from the prior year. For example, if Turnover of Lewes Wastewater Treatment occurs in October 2030, then the quarterly Administration Fee will be \$6,250, pro rated, until January 2032, at which point it will increase by the percentage increase in CPI-U during the most recently reported full year.

16. Notwithstanding anything herein to the contrary, the Lewes BPW Share for any given quarter, and any given County fiscal year, shall not exceed a maximum of twenty-five-percent (25%) for the first five (5) years following Turnover of Lewes Wastewater Treatment. Beginning in year six (6), the Lewes BPW Share for any given quarter, and any given County fiscal year, shall not exceed twenty-percent (20%) of the Operating Maintenance and Replacement Expenses.

17. Lewes BPW shall reimburse the County for twenty percent (20%) of the actual costs incurred for the Wolfe Neck RWF Upgrades. This twenty-percent payment is known as the “Lewes BPW Reimbursement”. The County intends to secure funding for the Wolfe Neck RWF Upgrades through a municipal bond. The Lewes BPW shall have no obligation to make any

payment towards the Lewes BPW Reimbursement until after the County obtains approval for said municipal bond. In the first quarterly invoice following approval of said bond, the County shall bill Lewes BPW for its share of the Wolfe Neck RWF costs actually incurred as of the date of said first quarterly invoice, which amount billed shall not exceed three-million-dollars (\$3,000,000.00). The balance of the Lewes BPW Reimbursement, including interest charged per the terms of municipal bond issuance, will be paid via quarterly payments. The County shall have the sole discretion to structure the municipal bond advertisement and ultimately the issuance in the best fiduciary interest of both Parties with the longest term not to exceed thirty (30) years. Notwithstanding anything herein to the contrary, the Lewes BPW Reimbursement, excluding any interest, shall not exceed a maximum total of forty-million dollars (\$40,000,000.00).

18. The County shall bill Lewes BPW, for both the Lewes BPW Share and the Lewes BPW Reimbursement, by sending quarterly invoices and an annual reconciliation invoice to Lewes BPW, at 107 Franklin Street, Lewes, Delaware 19958. The Lewes BPW shall pay the invoice within thirty (30) days of receipt, or the next business day if the 30th day falls on a weekend or County holiday. The County shall reimburse the Lewes BPW for any overages identified following an annual reconciliation within thirty (30) days of the annual reconciliation invoice.

19. If Lewes BPW disputes any invoices received from the County, it shall notify the County in writing, within thirty (30) days of receipt of the invoice, as to the amount that is disputed and the basis of the dispute. To the extent Lewes BPW disputes any invoices received from the County, Lewes BPW shall, during the pendency of such dispute, pay the amount billed.

20. To the extent Lewes BPW fails to pay within thirty (30) days after receiving an invoice from the County, the outstanding balance due shall accrue a financing charge in the amount of one percent (1.0%) per month. Upon request by the Lewes BPW, the Parties shall discuss the

matter at the Executive Level Communications meetings set forth in Section 30 prior to the Lewes BPW being required to pay a financing charge.

21. The County shall respond to any billing inquiries from Lewes BPW within a reasonable time, which shall generally be within seven (7) business days.

ARTICLE VI

MEASUREMENT OF SEWAGE FLOW

22. The County will install magnetic flow meters at pump station 4 and 8, recording wastewater volume delivered by the Lewes BPW System to the County System. All measurements of the Lewes BPW's Sewage flow, as required by this Agreement, shall be performed under a monitoring program agreed upon by the General Manager and County Engineer that is conducted by the County and reviewed by the Lewes BPW. The results of all flow measurements shall be evaluated monthly and shall serve as the metered basis of the County's quarterly service charges.

23. The metering devices utilized to measure Lewes BPW's Sewage flow shall be calibrated annually by an independent testing agency at the County's sole cost. The results of calibrations shall be made available to the Lewes BPW. If said calibration reveals a discrepancy greater than five percent (5%), then the quarterly sewer billing to the Lewes BPW shall be adjusted (up or down) on the next billing period immediately following the discovery of the discrepancy. No action shall be taken if the discrepancy is less than five percent (5%).

24. In addition, the County shall provide the Lewes BPW with an adjustment (up or down) for the quarter immediately preceding the calibration if said calibration reveals a discrepancy greater than five percent (5%).

25. The Lewes BPW's unmetered flow contribution shall be limited to the phases of the Whites Pond Meadow Subdivision, Whites Pond Preserve, Henlopen Bluff, and the Gibbs

Commercial property, situated within the corporate limits of the City of Lewes, and any tax parcels located off Old Orchard Road, New Road, and Gills Neck Road as previously agreed upon. Additional unmetered flow contributions may be negotiated between the General Manager and the County Engineer and subject to approval by Lewes BPW.

26. Unmetered flow contributions shall be calculated by multiplying the number of EDUs connected to the County's sewer system by 250 gallons per day. An EDU is considered connected after receiving a Certificate of Occupancy from the appropriate government entity having jurisdiction over land use. Notwithstanding anything herein to the contrary, the Lewes BPW may, at its expense and in its sole discretion, install meters to determine the actual flow for purposes of the Lewes BPW Share under this Agreement. These metering devices shall be maintained by Lewes BPW in accordance with Section 23 and the flow volume shall be added to the measured Lewes BPW's pump station flows determined under Section 22.

ARTICLE VII

FUTURE UPGRADES TO WOLFE NECK RWF

27. Lewes BPW's responsibility for future upgrades to the Wolfe Neck RWF is limited to its proportionate share of those upgrades that are specifically necessary to address NPDES permit compliance requirements. Lewes BPW's proportionate share under this Section shall be calculated based on the Actual Metered Quarterly Flow for the quarter immediately preceding the County's request for reimbursement, which is not to exceed the maximum total percentage share allowed under Section 16. Based on the funding mechanism the County is using to finance the future upgrade, the Parties will mutually agree on the timing and terms of Lewes BPW's proportionate share. For avoidance of doubt, the County shall bear sole responsibility, including associated costs, for any and all future growth-related upgrades to the Wolfe Neck RWF (e.g., to

serve more properties in unincorporated Sussex County), including associated studies, permits, and approvals, and the Lewes BPW shall bear no responsibility to share in the costs of such improvements. Notwithstanding anything herein to the contrary, the Parties may mutually agree to other cost sharing.

ARTICLE VIII

OTHER SOURCES OF FUNDING

28. If the County applies for and receives any other funding provided through the State of Delaware, the federal government, or other grantors, that benefits the County in its rights and obligations hereunder, the Parties agree that prior to the County's acceptance of such funding, the Parties will enter into a separate agreement to address the impact of those funds on this Agreement, if any. For avoidance of doubt, in the absence of unforeseen circumstances or contingencies, the Parties' intention is that the benefit from any such funding shall be attributed to the Parties in accordance with the respective ratios of capacity reserved at the Wolfe Neck RWF for each Party.

ARTICLE IX

COOPERATION AND INFORMATION SHARING

29. The County and the Lewes BPW shall closely cooperate in development of any studies associated with the Lewes – Rehoboth Canal and the evaluations and ultimate selection of technology applied in the design of the Wolfe Neck RWF. Notwithstanding the foregoing, the County shall execute all contracts and be solely and completely responsible for implementing the design and construction of the Wolfe Neck RWF Upgrades, and for the subsequent operation of the Wolfe Neck RWF, subject to reimbursement by Lewes BPW for a portion of associated costs under this Agreement.

30. The Lewes BPW President and County Administrator and their relevant staff shall meet quarterly to receive an update regarding treatment and transmission issues and to otherwise ensure communication and coordination between the Parties (the “Executive Level Communications”).

31. The Parties shall maintain all financial and operational books, records, and supporting documentation related to their functions and services provided under this Agreement. Each Party shall make such records available to the other Party upon ten (10) days’ written request. In addition, upon written request, the County shall provide all metering and qualitative data collected in relation to the operations of the Wolfe Neck RWF. Without limiting the foregoing, upon a Party’s written request, the other Party shall produce any documents necessary to support the methodology, amounts, and other associated issues in connection with the other Party’s calculation of the fees charged under this Agreement. The Lewes BPW may request to conduct, at its own expense, additional sampling, metering, or other tests of the wastewater at the Wolfe Neck RWF, and the County’s approval of such request shall not be unreasonably withheld.

32. The County shall provide Lewes BPW quarterly with a copy of the Daily Monitoring Reports submitted to DNREC for the previous three (3) months for the Wolfe Neck RWF.

33. The County shall also provide Lewes BPW monthly with a mutually agreed upon data summary report concerning operations at the Wolfe Neck RWF.

34. The Parties agree to fully cooperate in all matters pertinent to this Agreement. Notwithstanding any provisions of this Agreement calling for cooperation or receipt of input from the Lewes BPW, nothing in this Agreement is intended to limit the County’s ability to operate the Wolfe Neck RWF as deemed necessary in the County’s reasonable discretion.

ARTICLE X

LAW GOVERNING AND GOVERNMENTAL AUTHORITY

35. This Agreement shall be governed, construed and interpreted by the Laws of the State of Delaware, without regarding to principles of conflict of laws, and any action brought to enforce any right or obligation under this Agreement may only be brought in the courts of the State of Delaware.

36. This Agreement shall be contingent upon, and subject to, all governmental and regulatory approvals required to enable either party to enter into and perform pursuant to this Agreement including but not limited to any approvals required from the Delaware Department of Natural Resources and Environmental Control. In addition, the Parties agree to comply with all applicable laws, regulations, permits and policies of the federal, state, county and local authorities in the performance of this Agreement.

ARTICLE XI

MISCELLANEOUS

37. If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

38. This Agreement supersedes any and all previous agreements and understandings, written or oral, between the Parties hereto concerning the subject matter hereof, except the Agreement for Mutual Operational Assistance dated August 29, 2022 and except as otherwise provided herein, including concerning the Biosolids Handling Agreement dated May 16, 2017 and the Flow Agreement.

39. This Agreement constitutes the entire understanding of the Parties regarding the subject matter hereof, and the Parties acknowledge and agree that there is no other agreement or understanding, written or oral, between the Parties hereto concerning the subject matter hereof, except as otherwise provided herein.

40. No change, modification, revision, or amendment to this Agreement shall be made or enforceable unless such change, modification, revision, or amendment is reduced to a writing duly executed by both Parties hereto.

41. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors, heirs, and assigns. No third-party beneficiaries to this Agreement are intended.

42. Any notice required to be delivered to or by either party under this Agreement shall be sent via first class US mail. For purposes of this provision, the BPW's address shall be: 107 Franklin Street, Lewes BPW Administration Building, Lewes, Delaware 19958, and the County's address shall be: Attn: Sussex County Engineer, 2 The Circle, P.O. Box 589, Georgetown, Delaware 19947.

43. Assignment, subcontracting, or transfers of this Agreement or any part hereof, shall be prohibited, unless both Parties sign a written consent.

44. Any headings used herein are for convenience of reference only and shall not affect the construction of or be taken into consideration in interpreting this Agreement.

45. All claims, disputes or other matters in question between the Parties arising out of or relating to this Agreement or breach thereof shall be decided by arbitration presided over by a single arbitrator in accordance with the Rules of the American Arbitration Association unless the Parties mutually agree otherwise. In selecting the arbitrator, the Parties agree to give consideration

to an arbitrator who is a former Delaware federal or state court judge with at least ten (10) years of judicial experience in complex commercial litigation preferably in the United States District Court for the District of Delaware, the Court of Chancery, or the Complex Commercial Litigation Division of the Delaware Superior Court. No arbitration arising out of or relating to this Agreement shall include, by consolidation, joinder, or in any other matter, any additional party not a party to this Agreement, except by written consent containing a specified reference to this Agreement and signed by the Parties hereto. Any consent to arbitration involving an additional party or the Parties shall not constitute consent to arbitration of any dispute not described therein or with any party not named or described herein. This Agreement to arbitrate and any agreement to arbitrate with an additional party or the Parties duly consented to by the Parties hereto shall be specifically enforceable under the prevailing arbitration law. The demand for arbitration shall be filed in writing with the other Party to this Agreement. The award rendered by the arbitrator(s) shall be final, and judgment may be entered upon it in accordance with the applicable law in any court having jurisdiction thereof. The costs of arbitration shall be split equally; provided, however, that each Party shall bear its own fees and the costs of preparing for and participating in any arbitration.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, intending to be legally bound hereby, the Parties to this Agreement have hereunto set their respective hands and seals the day and year first above written.

BOARD OF PUBLIC WORKS OF THE CITY OF LEWES

ATTEST:



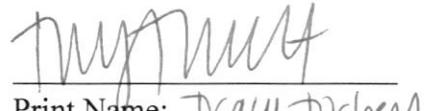
Print Name: ROBIN DANIEL

BY: 
(Seal)
Thomas S. Panetta
President, Lewes BPW

12 JAN '26
Date

SUSSEX COUNTY

ATTEST:



Print Name: Tracy Turben

BY: 
(Seal)
Douglas B. Hudson
President, Sussex County Council

1/13/26
Date

EXHIBIT A

Eligible Operating, Maintenance and Replacement Expenses of the Wolfe Neck RWF

The Lewes BPW's proportionate share (per this Agreement) of the following actual expenses (e.g., add the total actual expenses for the below items and the Lewes BPW's proportionate share of this total would be based on its actual flow-based proportionate share, subject to a maximum of 25% of the total actual expenses in years one through five and 20% in year six and thereafter):

- a. Direct Salaries, including benefits and workers compensation, for employees assigned to Wolfe Neck operation, including one (1) Full-Time-Equivalent mechanic and one (1) Full-Time-Equivalent electrician;
- b. SCADA Allocation – 20% of one (1) Full-Time-Equivalent for SCADA staffing;
- c. Vehicle Expenses, including procurement, maintenance, fuel, and insurance for staff assigned to Wolfe Neck and listed under subsection (a) above
- d. Diesel Fuel – specific to Wolfe Neck RWF upon delivery
- e. Chemicals – specific to Wolfe Neck RWF upon delivery
- f. Utilities (including electric, communication, and any future necessary utilities) – specific to Wolfe Neck RWF
- g. Biosolids Disposal –specific to Wolfe Neck RWF upon disposal
- h. Analytical testing – to be identified by specific Wolfe Neck sample code
- i. Insurance – costs applicable to the Wolfe Neck operations
- j. Engineering Services – task orders required for Wolfe Neck operations
- k. Necessary maintenance and repair costs for the Wolfe Neck RWF, County pump station 210 (located at 33881 Wescoats Road), County pump station 196 (located at 35775 Tarpon Drive), Lewes BPW pump station 4 (located at 101 Gills Neck Road in the City of Lewes), and Lewes BPW pump station 8 (located at the south side of American Legion Road in the City of Lewes), including building and plant operational systems, and associated necessary contracts and equipment rentals, but excluding any maintenance and repairs attributable to the County's negligence or misconduct
- l. Required replacement costs for eligible major transmission and treatment equipment at the Wolfe Neck RWF, County pump stations 210 and 196, and Lewes BPW pump stations 4 and 8.
- m. All other expenses not listed in Exhibit A are excluded.

*OM&R eligible expenses exclude administrative fines

EXHIBIT B

Capital Project Scope

- a. Rehabilitation and upgrade of LBPW Pump Stations 4 & 8 (including SCADA upgrades) SCADA upgrades to Lewes BPW Lift Stations 3, 6 & 7.
- b. Manifolded wastewater transmission system upgrades along Gills Neck Road from Lewes BPW Pump Station 4 & 8 to County transmission system in front of Wolfe Pointe using in part upgraded Lewes BPW water distribution system assets.
- c. Wolfe Neck Regional Wastewater Facility design and construction based on technology evaluation from consultants and subconsultants, with a particular focus on value engineering the ultimate design.
- d. Removal of bottom 18-inches of sludge from Lagoon 2
- e. Electrical upgrades associated with service to the new treatment facility
- f. Effluent conveyance to current point of NPDES discharge or alternate conveyance to Canal.
- g. Howard Seymour Water Reclamation Facility demolition, decommissioning in accordance with State Regulations, and area restoration to Greenfield Condition.
- h. Any professional services contracts awarded by County Council to accomplish the capital projects identified under subsections (a) through (h) above and the professional services scope agreed to under Section 29.