

Regular Session, December 3, 2012, 9:30 a.m.
Catawba County Board of Commissioners

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The Catawba County Board of Commissioners met in regular session on Monday, December 3, 2012 at 9:30 a.m. in the Robert E. Hibbitts Meeting Room of the 1924 Courthouse, 30 North College Avenue, Newton, North Carolina.

Present were Chair Katherine W. Barnes and Commissioners Dan A. Hunsucker, Barbara G. Beatty and Randy Isenhower.

Vice-Chair Lynn M. Lail was present for the meeting through teleconferencing and had copies of all materials pertaining to the meeting.

Also present were County Manager J. Thomas Lundy, Assistant County Managers Dewey Harris and Mary Furtado, County Attorney Debra Bechtel and County Clerk Barbara Morris.

1. Chair Katherine W. Barnes called the meeting to order 9:30 a.m.
2. Chair Barnes led the Pledge of Allegiance to the Flag.
3. Commissioner Randy Isenhower offered the invocation.
4. Commissioner Barbara G. Beatty made a motion to approve the minutes of the Board's Regular Meeting of November 19, 2012. The motion carried unanimously.
5. Oaths of Office:
 - a. Board of Commissioners.

1. NC State Representative Mitchell Setzer administered the Oath of Office to Commissioner Barbara G. Beatty. Commissioner Beatty's parents were present for the occasion.
 2. NC State Representative Mitchell Setzer administered the Oath of Office to Commissioner Dan A. Hunsucker. Commissioner Hunsucker's wife and in-laws were present for the occasion.
 - b. Register of Deeds.
District Court Judge Gregory R. Hayes administered the Oath of Office to Register of Deeds Donna Hicks Spencer. Ms. Spencer's husband and three sons were present the occasion.
6. Organizational Meeting of the Board of Commissioners:
Election of Chair and Vice-Chair – Chair Barnes turned the meeting over to County Manager J. Thomas Lundy to take nominations for Chair. Vice-Chair Lynn M. Lail nominated Katherine W. Barnes as Chair. Board members voted on the nomination and the vote was unanimous. Vice-Chair Lynn M. Lail nominated Barbara Beatty as Vice-Chair. Board members voted on the nomination and the vote was unanimous.
Chair Barnes made the following organizational appointments recommendations:
County Attorney – Debra Bechtel
Counsel to the Board – David Hood
Finance and Personnel Subcommittee – Commissioners Beatty and Isenhower
Policy and Public Works Subcommittee – Commissioners Lail and Hunsucker
WPCOG Policy Board Delegate – Chair Barnes
WPCOG Policy Board Alternate – Commissioner Lail
Hospital Board of Trustees – Vice-Chair Beatty
Partners Behavioral Health management Board – Commissioner Isenhower
Public Health Board – Commissioner Hunsucker
Social Services Board and Community Service Block Grant Advisory Board – Commissioner Lail
Child Advocacy and Protection Center Board – Commissioner Hunsucker.
Chair Barnes noted these recommendations came in the form of a motion. The motion carried unanimously.
7. Presentation:
Chair Barnes presented the 2012 Distinguished Budget Presentation Award from the Government Finance Officers Association to Budget Manager Jennifer Mace and Budget Analyst Paul Murray. The award is given to local governments that prepare and publish a budget document judged to be both informative and understandable. Catawba County has won this award for 24 consecutive years. Budget Manager Jennifer Mace also introduced Barron Monroe, Budget Analyst, who has joined the Budget Office staff.
8. Recognition of Special Guests: Chair Barnes welcomed all present and specifically recognized Brad Lail of Hickory City Council and Sherry Butler of the Catawba County School Board.
9. Public Comments for Items Not on the Agenda:
Mr. Mike Roth of Sherrills Ford came forward and requested the Board consider working with the Sherriff's Office to develop a system which would notify property owners of break-ins that occurred in their neighborhoods so that homeowners could be on alert and protect themselves.
10. Appointments: None.

County Attorney Debra Bechtel indicated that Commissioner Lail departed the meeting at 9:50 a.m.
11. Consent Agenda:
County Manager J. Thomas Lundy presented the following two items on the consent agenda:
a. A request for the Board to consider a change to a Social Services Fiscal Year 2012-2013 budget outcome. In November 2011, Child Welfare staff developed a Board outcome for Fiscal Year 2012-2013 that focuses on family in-home cases. The original outcome stated: *"To strengthen parental engagement and to keep children safely with biological parents, 70% (284 of 407) of all families with children found to have been abused, neglected, and/or dependent during Fiscal Year 2012/13, will participate in a Child and Family Team meeting within 30 days of case decision and will demonstrate positive parental behaviors which assure safety of children in their homes, as measured by case closure within one year."*

In August 2012, Catawba County Social Services learned from State DSS officials that there would be a quick shift needed in how county departments of social services determined IV-E eligibility for family in-home cases. IV-E dollars are a major funding source used across child welfare cases. For family in-home cases, Catawba County Social Services must now determine and document "imminent risk of removal" of children from their homes in order to use IV-E funds.

As a result of this shift, approximately 60% of Social Services open family in-home cases have been closed because they do not meet the imminent risk criteria, and more cases assessed or investigated on the front end have closed and have not been transferred to family in-home workers. Staff anticipates a continued drop in the number of cases assessed or investigated that transfer to family in-home workers. Child and Family Team meetings, therefore, will also be greatly reduced. Additionally, cases being investigated or assessed now require that social workers complete additional work, including development and signing of case plans. This will likely take beyond 30 days to complete.

The Board's Policy and Public Works Subcommittee recommended this outcome be changed as follows and noted that this change keeps the intent of the original outcome, but makes it reasonable in terms of achieving the percentage: *"To strengthen parental engagement and to keep children safely with biological parents, 70% (70 of 100) of all families with children found to have been abused, neglected, and/or dependent during Fiscal Year 2012/13, will participate in a Child and Family Team meeting within 60 days of case decision and will demonstrate positive parental behaviors which assure safety of children in their homes, as measured by case closure within one year."*

b. A request for the Board to consider authorizing the sole source exemption for purchase of three Physio-Control LIFEPAK® 15 Monitor/Defibrillators and accessories for Emergency Medical Services for \$83,887.35, including a trade-in allowance of \$15,000 for three surplus units. The N. C. Office of Emergency Medical Services requires that all EMT-Paramedic level ambulances have the capability to obtain and transmit 12-lead electrocardiograms (ECGs) to receiving hospitals. Both Frye Regional Medical Center and Catawba Valley Medical Center use LIFEPAK cardiac monitors and defibrillators and have the capability to receive transmissions from these devices. Their stations will not receive data from other manufacturers.

Catawba County currently owns approximately 40 Physio-Control cardiac monitors and/or defibrillators. This means that all the accessories are the same brand. If the County purchased another brand device, it would have to maintain two sets of accessories (batteries, battery charges, therapy cables, monitoring cables, defibrillator pads, paper, CO₂ probes, blood pressure tubes/cuffs, etc.). Catawba County EMS has used Physio-Control LIFEPAK® cardiac monitors and defibrillators for over 20 years and has experienced excellent service. Physio-Control, a division of Medtronic, Inc., is the only source to purchase LIFEPAK® monitor/defibrillators.

North Carolina General Statute 143-129 allows an exception from formal bidding for purchase contracts when performance or price competition for a product are not available; when a needed product is available from only one source of supply; or when standardization or compatibility is the overriding consideration. This exception requires governing body approval and a record must be maintained of purchases made.

For the past twelve years, Catawba County Emergency Medical Services has attempted to replace cardiac monitor/defibrillators in conjunction with the replacement of ambulances, typically three per year. This has resulted in EMS' stock of cardiac monitor/defibrillators being replaced approximately every ten years. The anticipated useful life of a cardiac monitor/defibrillator is five years, based on industry standards and guidance from accrediting bodies. Additionally, Physio-Control will only guarantee service and support for cardiac monitor/defibrillators for eight years from the manufacture date.

Catawba County EMS has three LIFEPAK 12 Monitor/Defibrillators that are surplus and would like to trade-in this equipment towards this purchase. The three surplus monitors were purchased 11 years ago, and therefore are overdue for replacement. The trade-in value is \$15,000, for a net bid award of \$83,887.35. These funds are available in the current County budget. The Board's Finance and Personnel Subcommittee recommended approval of this sole source exception.

Chair Barnes asked if any Board member wanted an item broken out of the consent agenda and none were requested. Commissioner Hunsucker made a motion to approve the consent agenda. The motion carried unanimously.

12. Departmental Reports:

A. Finance:

The Board received a report on the County's independent audit for fiscal year 2011-2012 and on the County's Comprehensive Annual Finance Report for FY 2011-2012. Paula Hodges, Partner with Martin, Starnes and Associates, reported that the County continued to deliver services in a sound fiscal manner in spite of significant challenges to the local economy. County Finance Director Rodney Miller presented an overview of the County's Annual Financial Report for the fiscal year that ended on June 30, 2012, which showed that the County continued to deliver services in a prudent fiscal manner.

Catawba County has traditionally had a goal to keep two months' worth of operating expenses in reserve in part because of cash flow issues since property tax bills are sent to taxpayers in July but revenues are slow to come in, as most taxpayers wait until near the January deadline to make payments. The reserve is also kept in case of emergency circumstances, and to insure adequate funds are available to meet urgent economic development opportunities that may arise during the course of the year. The audit report showed that the County has approximately 21% in reserve for fiscal year 2011-12, which exceeds the statutory amount of 16%.

Mr. Miller commended both Jeanne Jarrett and Kenneth Maynor for their efforts in ensuring the success of the audit process as well as all County staff for their budgetary efforts. Chair Barnes stated she appreciated the efforts of both Martin Starnes and Associates and County staff. Vice-Chair Beatty made a motion to accept the audit report. The motion carried unanimously.

B. Emergency Services:

Emergency Services Director Bryan Blanton and Purchasing Manager Debbie Anderson presented a request for the Board to award a bid for the construction of a new Animal Shelter to Edison Foard Construction, Inc., in the amount of \$3,310,410. Sufficient funds are available in the County budget for the construction, as well as architect fees, furniture, technology, crematory relocation, etc. The project will be financed in February 2013 along with school projects. The shelter will be a Silver Certified Leadership in Energy and Environmental Design (LEED) building with an expected return on investment of seven to nine years.

The current animal shelter was built in 1985 and had a capacity of 78 animals. In 2005, an additional (quarantine) building was constructed and, in 2011, a vehicle/storage garage was enclosed and portable cages added due to the number of animals being housed at the shelter. With these renovations, the total capacity of the shelter increased to 102 animals. Overcrowding at the animal shelter has been an ongoing issue for several years. The shelter averaged housing in excess of 150 animals per day between July 1, 2010 and June 30, 2012. The highest single day population occurred on August 10, 2010, when 259 animals were housed at the shelter.

In addition to overcrowding, the shelter design is such that there is no effective method to isolate specific areas of the shelter, which can cause disease to spread quickly throughout the facility. There is no secure place for animal control officers to unload animals from their vehicles. This creates an opportunity for animals to escape as well as a safety hazard for staff, citizens and the animals. The single lobby in the shelter is the primary entrance and exit for the facility and there is no room in the shelter for the public to get acquainted with animals they wish to adopt. The shelter design does not lend itself to the safest handling of animals and makes cleaning difficult because animals must be moved to portable cages each time cleaning is conducted.

The shelter receives animals from both the incorporated and unincorporated areas of Catawba County. In fiscal year 2012, a total of 7,050 animals were received; of these, 55% were from the unincorporated areas while 45% were from the cities and towns in the county. The County will pay for construction of the new shelter; however, through contractual agreement each municipality will continue to pay a portion of the ongoing operating costs.

A 15,740 square foot facility and two add-alternates for additional kennels, for a total 17,005 square feet, was designed by Daggett & Grigg Architects. The new facility will provide a total capacity of 233 animals. In 2009, Daggett & Grigg conducted a study to determine the size of the facility needed by Catawba County. The space study was based on U.S. Census Bureau data and the American Veterinary Medical Association's "U.S. Pet Ownership & Demographics Sourcebook." The results of the study were used as the basis for determining the shelter's size.

Two add-alternates were included in the initial design presented by Daggett and Grigg. They were changed to add-alternates because construction estimates obtained in early 2011 indicated construction costs would exceed the available budget. Since the actual construction bid was less than construction estimates, it was recommended that the alternates be included since they were identified as necessary during the space study.

One alternate will add eight additional indoor/outdoor runs in a stray holding area. This will allow animals to be held longer when the adoption area is at capacity, increasing the number of animals that may be adopted. Another alternate adds ten indoor/outdoor runs in the quarantine area. The current shelter has 16 kennels in the quarantine area. The area is used to house bite animals, potentially dangerous animals, animals that have potentially been exposed to rabies, and animals that are evidence in court cases. In many cases these animals must be held for extended periods of time. For example, State law requires bite animals to be held for a minimum of ten days. In the current shelter, the quarantine area frequently exceeds capacity and these animals cannot be housed in other areas of the shelter.

The new shelter's design includes separate adoption and relinquishment service areas which will help control disease by reducing cross contamination. The expanded space will alleviate overcrowding and increase the length of stay from three to seven days, creating better opportunities for adoption. The County is strongly committed to finding homes for all adoptable animals and an inviting lobby, feline adoption corridor, and acquaintance areas would enhance staff's ability to place adoptable animals.

Despite overcrowding, design problems, and disease, staff was able to find homes for 3,347 animals through adoption, rescue groups, and foster homes between July 1, 2010 and June 30, 2012. In addition, 972 animals were returned to their owners during this same period. The combination of a secure sally port for animal control vehicles and indoor/outdoor kennels will increase safety for both staff and animals.

On October 10, 2011, the Board approved a conceptual design and authorized the initiation of the bid process for a new shelter on the Government Center/Justice Center campus. Qualification statements were received from 18 general contractors and nine were deemed qualified to participate in the bid process. On November 7, 2012, eight bids were received. Edison Foard Construction, Inc. is the lowest, responsible, responsive bidder. They have been in business for 73 years and all references were good. They have constructed similar projects including several LEED buildings. Edison Foard will exceed the County's minority participation goal of 5%.

When County Planning Department staff met with the City of Newton to discuss the Master Plan and the new animal shelter, the City of Newton requested the County include a parking area for its Heritage Trail since it is so close to the proposed shelter. The bid received from Edison Foard for a Heritage Trail parking area is \$35,500. Staff did not recommend constructing this parking area at this time as the area will be needed for construction staging. As the project nears completion, this option could be considered if funding is available.

The three lowest bids received, including the alternates requested, are:

Edison Foard	\$3,310,410
Hickory Construction	\$3,595,800
Matthews Construction	\$3,638,170

Chair Barnes asked if the site preparation would include prep for expansion. Ms. Anderson stated this would not occur as the LEED certification requirements had limits on land disturbance. County Manager Lundy

asked that Ms. Anderson explain the benefit of the LEED methods – Ms. Anderson indicated the energy efficiency would make the payback on the project approximately seven to ten years.

Commissioner Isenhower clarified that without the alternates, the capacity would be increased to 211 with daily averages of 150 – so why the alternates? Mr. Blanton explained that while 150 was a daily average there were times that capacity reached 259 and the alternates would add to the quarantine area which was usually at capacity. Mr. Lundy asked if the alternates would affect the ability to adopt out more animals and Mr. Blanton said it would in that the capacity would allow the shelter to hold animals longer for adoption opportunities.

While this was not a formal public hearing, Chair Barnes opened the floor for citizen comments. One citizen questioned the fire protection included in the design and the use of animal waste for fuel. Staff indicated the shelter design was in full compliance with North Carolina Fire Codes and research was ongoing at the County's EcoComplex regarding the use of animal waste for fuel.

Vice-Chair Beatty made a motion to award the bid with the two alternates to Edison Foard in the amount of \$3,310,410. Commissioner Isenhower amended the motion to award the bid to Edison Foard minus the two alternate bids (approximately \$182,000). Chair Barnes instructed Board members that the amendment would be voted on first – Commissioner Isenhower voted for the amended motion; Commissioners Barnes, Beatty and Hunsucker voted against the amended motion. The amended motion did not carry. The original motion was then voted on – Commissioners Barnes, Beatty and Hunsucker voted in favor; Commissioner Isenhower voted against. The motion carried.

C. Utilities and Engineering:

Utilities and Engineering Director Barry Edwards and Purchasing Manager Debbie Anderson presented a request for the Board to approve an agreement between Catawba County and the City of Hickory for construction and administration/observation services for the Hickory-Catawba Wastewater Treatment Plant Expansion in the amount of \$5,920,154; award a bid for construction of the Highway 150 Sewer Project, Divisions 1, 4 and 5, to Neill Grading and Construction Co., Inc. of Hickory for a total of \$2,975,354; award a bid for construction of the Highway 150 Sewer Project, Divisions 2 and 3, to Hickory Sand Company, Inc. of Hickory for a total of \$3,711,763; approve a contract amendment for construction services, post-construction phase services, and re-design of the old Highway 16 & Marina Pump Stations to McGill Associates for \$409,600; and approve a budget revision for the funding from proceeds from an Installment Purchase Loan for \$8 million for the Highway 150 Sewer project.

Catawba County has always taken a broad and long-term approach to funding water and sewer infrastructure needs countywide. Over the last 31 years, the County has invested in utility infrastructure with each of its eight municipalities, in addition to providing needed service to schools. The County works closely with its municipalities to determine which of their priorities provide the highest level of need and the best utility investment in the unincorporated areas of the County. This proven and successful approach continues today to ensure adequate funds are available to respond to identified needs as well as emerging situations that may arise in the unincorporated areas of Catawba County.

Following numerous studies dating back to the early 1990s, in response to persistent requests for water and sewer services from Sherrills Ford and Terrell business and property owners, Catawba County made a strategic planning decision in 2000 to sustain and manage the growth by preparing to provide utility infrastructure improvements along the North Carolina Highway 150 corridor, around the new North Carolina Highway 16 and 150 interchange, and areas along Lake Norman. Catawba County secured sewer treatment options with the Town of Mooresville and with the City of Hickory (through Hickory's plan for a new Hickory-Catawba Wastewater Treatment Plant). In September 2006, the Board of Commissioners made a decision to employ the Hickory option, with an extension of a main sewer collection trunk line and pump stations extending from the Hickory-Catawba Wastewater Treatment Plant in the Town of Catawba south to Sherrills Ford Elementary School, then to the intersection of Slanting Bridge Road and Highway 150, and then along Highway 150 west to the new Highway 16 interchange. This sewer trunk line is designed to convey sewer from the southeastern Catawba County service area to the Hickory-Catawba Wastewater Treatment Plant as growth occurs; however, to meet the immediate need of the existing businesses on Highway 150, gravity collection lines are being installed in strategic areas.

Catawba County and the City of Hickory entered into an "Agreement for Operation, Maintenance and Management of the Water Distribution System," dated August 21, 2000, and as amended thereafter, and an "Agreement for Sale of Wastewater Plant Capacity and Treatment Services," dated June 16, 2003, and as amended thereafter. The City of Hickory currently owns, operates and maintains a 225,000 gallons per day (gpd) Hickory-Catawba Wastewater Treatment Facility, previously owned and operated by the Town of Catawba. The County currently owns 100,000 gpd of treatment capacity in this plant. Upon completion of a new plant, the County's current 100,000 gpd of treatment capacity will be transferred to the City of Hickory's Henry Fork Wastewater Treatment Facility. The existing Hickory-Catawba Wastewater Treatment Facility has inadequate treatment capacity to meet the long term treatment needs of the area served by the facility. Therefore, in accordance with the agreements noted above, the City and County determined that replacing the Hickory-Catawba Wastewater Treatment Facility is necessary to increase treatment capacity to adequately serve customers in the designated service area including the Town of Catawba and the commercial and industrial areas along Highway 150, as well as providing needed service provisions in the southeast Catawba County service area in anticipation of growth.

The City of Hickory will build, own and operate the new plant, with an initial treatment capacity of 1.5 million gpd. The County will own half of the capacity or 750,000 gpd. The Agreements provide that the County and City will enter into a separate agreement to determine the rights and responsibilities of each party if upgrade, replacement, and/or expansion of the Hickory-Catawba Wastewater Treatment Facility is required. The agreements further provide that Catawba County will pay the difference in revenues collected and operational cost incurred for the operation of the County's portion of the Hickory-Catawba Wastewater Treatment Facility to the City of Hickory until such time as the treatment plant flow is sufficient to generate revenues to offset the plant operational expense, which is estimated to be 350,000 gpd. This cost is estimated to be \$250,000 annually and will reduce over time as additional flow is realized at the treatment plant. This annual expense is accounted for in the County's 8-year Capital Improvement Plan.

As a result of bids taken by the City of Hickory, the cost to replace the Hickory-Catawba Wastewater Treatment Plant including construction, 10% contingency, and administration services is \$11,840,308. The County's portion is \$5,920,154. The City of Hickory is financing \$9.9 million of the total cost over a 15 year period, and the County will pay the City its 50% share of the debt service annually. The remaining \$1,940,308 of unfinanced cost will be split equally between the County and the City at \$970,154 each. The County has funds available.

The Highway 150 Sewer Project was divided into five divisions for bidding:

- Division 1: Gravity sewer, force main and water lines along Highway 150 from the new Highway 16, to a point approximately $\frac{1}{4}$ mile west of Grassy Creek Road water line along Highway 150, from the new Highway 16 to the existing water line at East Maiden Road, and gravity sewer along old Highway 16 for approximately 1,700 feet north and approximately 1,300 feet south of the intersection with Highway 150;
- Division 2: Gravity sewer and force main along Highway 150 from the western end of Division 1 to Slanting Bridge Road;
- Division 3: Gravity sewer and force main sewer along Highway 150 from Slanting Bridge Road to Kiser Island Road, force main sewer along Slanting Bridge Road from Highway 150 to Sherrills Ford Road, force main sewer along Sherrills Ford Road from Slanting Bridge Road to the existing sewer manhole at Sherrills Ford Elementary School, and gravity sewer from just north of the new Library site across the Connor, Howard and Godbout properties to the Terrell Pump Station;
- Division 4: Marina, Old Highway 16 & New Highway 16 Pump Stations; and
- Division 5: Village Center & Terrell Pump Stations.

On October 25, 2012, Catawba County received a total of nine bids for the Highway 150 Sewer Project. Based on the review of the bids and qualifications, McGill Associates recommends that Divisions 1, 4 and 5 be awarded to Neill Grading and Construction Co., Inc. of Hickory, NC, for a total of \$2,975,354 and that Division 2 and 3 be awarded to Hickory Sand Company, Inc. of Hickory, NC, for a total of \$3,711,763.

North Carolina General Statute 143-64.32 authorizes contracting for engineering services without issuing Requests for Qualification. The Statute requires the exemption to be in writing and state the reasons for the exemption. McGill Associates is the design engineer for the project, has the most knowledge of the project, and is the appropriate firm to provide construction inspection, observation services and re-design of the Old Highway 16 and Marina Pump Stations. The re-design of the Old 16 Pump Station is required to facilitate an agreement with the property owner. The Marina Pump Station relocation and redesign is necessary because the initial site is currently in an estate settlement. A tentative agreement has been reached with an adjacent property owner, B&K Real Estate, LLC. (Lake Norman Marina), for relocation of the pump station to a portion of their property. It is anticipated that this pump station site will be fully acquired within the next 30 days.

In Fiscal Year 2009-10, funding for the Hickory-Catawba Wastewater Treatment Plant Expansion was established with \$4 million, and the Highway 150 Sewer project was established with \$9.66 million. Thus, the County anticipated spending \$13.66 million for the planned sewer infrastructure. The County's portion of the construction cost for the Hickory-Catawba Wastewater Treatment Plant Expansion is \$5,920,154. The cost of the Highway 150 Sewer project is \$8 million, which is approximately \$1.66 million below the budgeted amount of \$9.66 million.

The budget revision is to reduce the amount for the Highway 150 Sewer to \$8 million and increase the amount for the Hickory-Catawba Wastewater Treatment Plant Expansion to \$5,920,154; thus, the County's revised expense appropriation for the sewer infrastructure is \$13,920,154 which includes \$1,241,943 in contingency.

In Fiscal Year 2010-11, the Board appropriated \$1,205,000 for the Highway 150 Sewer Phase II and III Project, which, at that time, was comprised of the sewer collection system serving Terrell and Highway 150 East to the county line. Due to Marshall Steam Station not wanting sewer service at this time, and minimal sewer needs east of the Marshall Steam Station, this project has been rearranged, making the previously appropriated \$1,205,000 available to be applied to the \$970,154 of unfinanced cost associated with the construction of the Hickory-Catawba Wastewater Treatment Plant. Funding for the Highway 150 Sewer Project is being acquired by an Installment Purchase Loan of \$8 million. The Installment Purchase Loan includes \$691,943 in Highway 150 Sewer Project contingency funds to address pump station relocations and unforeseeable complications that may arise in a project of this magnitude.

While this was not a formal public hearing, Chair Barnes opened the floor for citizen comment. Two private property owners and three business owners came forward and spoke in favor of the sewer project.

Commissioner Isenhower asked why Crosland's obligations were so different from what was estimated three years ago (\$1.7 mil to \$297,000 currently which Crosland has paid in full). Mr. Edwards explained that a pumping station had been removed from the plan as well as construction costs had been reduced and Crosland's costs were tied to their usage. Commissioner Isenhower also confirmed that the contract had firm amounts and the only estimated costs were the 10% contingency funds.

Vice-Chair Beatty made a motion to approve an agreement between Catawba County and City of Hickory for the construction and construction administration/observation services for the Hickory-Catawba Wastewater Treatment Plant Expansion for \$5,920,154; and award the bid for construction of Highway 150 Sewer Project, Divisions 1, 4 and 5, to Neill Grading & Construction Co., Inc. of Hickory for a total of \$2,975,354; and award the bid for construction of Highway 150 Sewer Project, Divisions 2 and 3, to Hickory Sand Company, Inc. of Hickory for a total of \$3,711,763; and approve contract Amendment for Construction Services, Post-Construction Phase services, and Re-design of Old 16 & Marina Pump Stations to McGill Associates for \$409,600 and authorize the Mini Brooks Act exemption; and approve a Budget Revision for the funding from Proceeds from Installment Purchase for \$8 million, for the Highway 150 Sewer project. The motion carried unanimously.

Vice-Chair Beatty thanked all those who had waited through the agenda to present for the sewer project presentation.

The following contracts and amendments apply:

**AGREEMENT FOR SHARED COSTS FOR THE
UPGRADE AND EXPANSION OF THE
HICKORY-CATAWBA WASTEWATER
TREATMENT FACILITY**

AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 2012 by and between **CATAWBA COUNTY**, a body politic, corporate in nature, or governmental agency existing by virtue of the laws of the State of North Carolina, having a mailing address of Post Office Box 389, Newton, North Carolina 28658, party of the first part, hereinafter referred to as "County"; and **THE CITY OF HICKORY**, a North Carolina Municipal Corporation having a mailing address of Post Office Box 398, Hickory, North Carolina 28603, party of the second party, hereinafter referred to as "City", and;

WITNESSETH:

WHEREAS, County and City entered into an "Agreement for Operation, Maintenance and Management of the Water Distribution System," dated August 21, 2000, a "First Amendment to Agreement for Operation, Maintenance and Management of the Water Distribution System", dated May 23, 2001, a "Second Amendment to Agreement for Operation, Maintenance and Management of the Water Distribution System", dated July 7, 2003, a "Third Amendment to Agreement for Operation, Maintenance and Management of the Water Distribution System", dated September 20, 2006, an "Agreement for Sale of Wastewater Plant Capacity and Treatment Services," dated June 16, 2003, and a "First Amendment to Agreement For Sale of Wastewater Plant Capacity and Treatment Services" dated September 20, 2006; and

WHEREAS, these Agreements provide that County and City shall enter into a separate agreement to determine the rights and responsibilities of each party if upgrade and expansion of the Hickory-Catawba Wastewater Treatment Facility is required; and

WHEREAS, County and City have determined that expansion of the Hickory-Catawba Wastewater Treatment Facility is necessary to increase treatment capacity to adequately serve customers in the designated service area.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein, and as further contained in the above-referenced Agreements the parties wish to reduce their agreement in writing and agree to the following:

1. This Agreement remains in effect for the duration of financing for the construction, upgrade and expansion of the Hickory-Catawba Wastewater Treatment Facility, anticipated to be 15 years.
2. City will act as lead entity through construction of the upgrade and expansion, including selecting and overseeing construction contracts, services for construction administration and all other services and costs related to the project. City further agrees to consult with County prior to proceeding with any changes or additional costs to the project.
3. City will solicit interested parties through a Request for Proposals (RFP) for provision of construction administration services to include:
 - a. Review of contract documents as prepared by the design engineer;
 - b. Review of all shop drawings;
 - c. Facilitation of pre-construction conference with all parties;
 - d. Pay request review and recommendation;
 - e. Daily construction inspection and management;
 - f. Answering all questions and request for information;
 - g. Preparation of close-out documents;
 - h. Standard operating procedures;
 - i. Operation and maintenance manual; and

- j. All other services customary to this type of construction project.
4. City and County will review and mutually agree to the selected professional in compliance with the provisions of the Mini-Brooks Act for selection of Construction Administration Services. City further agrees to consult with County prior to proceeding with any changes or additional costs to the project.
5. City and County agree that each party will pay fifty percent (50%) of all costs of construction, construction administration and all other related services necessary for the expansion including all necessary change orders that may occur during the project as approved by City Council and in accordance with the requirements of Paragraphs 2 and 4.
6. City will obtain \$9,900,000.00 in financing for the project. Financing shall be by installment purchase contract to be arranged and guaranteed by the City.
7. Upon receiving an invoice from City, County agrees to pay City half of each payment as it becomes due under the terms of the City's installment purchase contract. Payments are due twice a year. City will send County an invoice 60 days before City is obligated to make a payment and County will pay invoice within 30 days of receiving the invoice. Invoicing shall commence in the 2013 – 2014 fiscal year. The invoice shall show the entire payment the City is obligated for along with the fifty percent (50%) portion County is responsible for.
8. For costs above the \$9,900,000 financed, City and County shall each pay half. Additional direct costs are estimated to be \$840,308. Estimated contingency costs are \$1,100,000. Total estimated costs above those financed are \$1,940,308. City shall approve the actual direct and contingency costs in accordance with paragraphs 2 and 4. City shall pay these costs and then invoice County its half. County shall pay the invoice within 30 days of receipt. City shall include copies of detailed invoices it has paid when sending County an invoice. City anticipates submitting these invoices on a monthly basis.
9. City is entitled to refunded sales tax revenues. City shall seek reimbursement from the State of North Carolina. County is entitled to 50% of the sales tax reimbursement the City receives. Within 60 days of receiving the sales tax reimbursement, City shall send County a check for its 50%.
10. County and City agree to mutually indemnify each other to the extent allowed by Federal, State and Local Law.
11. This Agreement along with:
- "Agreement for Operation, Maintenance and Management of the Water Distribution System," dated August 21, 2000 (Attachment A)
 - "First Amendment to Agreement for Operation, Maintenance and Management of the Water Distribution System", dated May 23, 2001 (Attachment B)
 - "Second Amendment to Agreement for Operation, Maintenance and Management of the Water Distribution System", dated July 7, 2003 (Attachment C)
 - "Third Amendment to Agreement for Operation, Maintenance and Management of the Water Distribution System", dated September 20, 2006 (Attachment D)
 - "Agreement for Sale of Wastewater Plant Capacity and Treatment Services," dated June 16, 2003 (Attachment E)
 - "First Amendment to Agreement For Sale of Wastewater Plant Capacity and Treatment Services" dated September 20, 2006 (Attachment F) constitutes the entire Agreement between the parties.
12. This Agreement may only be amended, supplemented or modified by a duly executed written instrument mutually agreed upon by County and City.

IN WITNESS WHEREOF, County and City have caused this Agreement to be executed in duplicate originals in their respective names by their elected officials and managers and attested by their respective corporate seals hereto affixed all pursuant to resolutions duly adopted by the respective governing bodies.

CATAWBA COUNTY

By: _____
Katherine W. Barnes, Chair

AMENDMENT NO. 3
to the
AGREEMENT FOR ENGINEERING SERVICES – DATED APRIL 16, 2007

NOW, THEREFORE, in consideration of the mutual covenants herein set forth and other good valuable consideration, the parties agree to amend the Agreement for Engineering Services on this the _____ day of November 2012 as follows:

SECTION 2 - BASIC SERVICES shall be amended to include the following additional services:

- 2.3** **CONSTRUCTION PHASE** – Construction Phase services shall be performed for the scope of work that was included in the project entitled NC 150 Sewer Project (Divisions 1-5) for which bids were received on October 25, 2012.
- 2.3.1 Schedule a Pre-Construction Conference with the OWNER, Contractor, ENGINEER and all other applicable parties to assure discussion of all matters related to the Project. Prepare and distribute minutes of the Pre-Construction Conference to all parties.
- 2.3.2 Provide a Construction Field Representative (CFR) to observe the progress and quality of the executed work and to determine in general if the work is proceeding in accordance with the Contract Documents. During such visits and on the basis of on-site observations as an experienced and qualified design professional, keep the OWNER informed of the progress of the work, endeavor to guard the OWNER against defects and deficiencies in the work of the Contractor(s), and disapprove or reject any work failing to conform to the Contract Documents. As part of this contract, field observation will be provided on a **part-time** basis, while work is ongoing, by a CFR for the duration of the original construction contract time.
- 2.3.3 Prepare change orders as required, and instruct the Contractor to perform special inspection or testing of the work if necessary.
- 2.3.4 Review and approve shop drawings, diagrams, illustrations, brochures, catalog data, schedules and samples, the results of tests and inspections and other data which any Contractor is required to submit, and receive and review schedules, guarantees, bonds and certificates of inspection which are to be assembled by the Contractor(s) in accordance with the Contract Documents.
- 2.3.5 Based on on-site observations as an experienced and qualified design professional and on review of the Contractor(s) applications for payment and supporting data, determine the amount owing to the Contractor(s) and approve to the OWNER payment to the Contractor(s) in such amounts; based on such observations and review, that the work has progressed to the point indicated and that to the best of his knowledge, information and belief the quality of the work is in accordance with the Contract Documents.
- 2.3.6 Conduct a final observation site visit with applicable parties to determine if the Project has been completed in accordance with the Contract Documents and if the Contractor has fulfilled all of his obligations thereunder so that the ENGINEER may approve to the OWNER final payment to the Contractor.

2.3.2 Schedule monthly Progress Meetings with the OWNER, Contractor, ENGINEER and all other applicable parties to facilitate coordination and discussion related to the progress of the Project. Prepare and distribute minutes of the meetings to all parties.

2.4 **POST-CONSTRUCTION PHASE** – Post Construction Phase services shall be performed for the scope of work that was included in the project entitled NC 150 Sewer Project (Divisions 1-5) for which bids were received on October 25, 2012.

2.4.1 Prepare for the OWNER two (2) sets of reproducible and two (2) digital copies of record prints of drawings showing those changes made during the construction process, based on the marked-up prints, drawings and other data furnished.

2.4.2 Provide or make available all project files and information to effect project closeout.

2.4.3 Assist the OWNER in assuring that the warranty period for the construction work is complied with **SECTION 6 – PAYMENT TO THE ENGINEER**, Article 6.1.1 shall be amended to include the following:

Construction Phase –

The Lump Sum amount of: \$383,000.00

Post-Construction Phase -

The Lump Sum amount of: \$11,000.00

Redesign of Old 16 and Marina Pump Stations -

This scope of work shall include providing survey and design for new site locations for the Old 16 and Marina Pump Stations. The redesign will include modified hydraulic calculations and pump selections, necessary electrical design changes, new site layout, grading, and erosion control plans, as well as necessary inlet gravity sewer and discharge force main changes to accommodate the new locations. This scope will also include the development of new property transfer and easement maps for recordation of each pump station parcel site as well as any necessary modification to existing permits with the applicable permitting agencies.

The Lump Sum amount of: \$15,600.00

Total Amendment No. 3 Lump Sum amount of: \$409,600.00

In accordance with the Agreement for Engineering Services, the Owner agrees to pay the ENGINEER the Total Amendment No. 3 amount noted above for the Additional Services rendered as outlined in the amended Project scope.

IN WITNESS THEREOF, the parties have hereunto set their hands on the day and year above first written.

McGILL ASSOCIATES, P.A.

Andy Lovingood, PE Principal / Vice President

Date: _____

CATAWBA COUNTY BOARD OF COMMISSIONERS

Katherine W. Barnes, Chair

Barbara Morris, Clerk

(Seal)

The following appropriations apply:

Appropriations:

475-431100-989100-21028 \$1,920,154
Hky/Catawba WWTP Expansion

475-431100-861500-21031 (\$1,650,483)
Highway 150 Sewer

475-431100-989100-21034 (\$269,671)
Hwy 150 Sewer Phase II and III Project

475-431100-690100 \$5,660,000
Fund Balance Applied

475-431100-690450 (\$5,660,000)
Proceeds from Installment Purchase

13. Other Items of Business: None

14. Attorney's Report: None.

15. Manager's Report: County Manager J. Thomas Lundy requested the Board consider moving into closed session to consider the qualification, competence and performance of an individual public officer or employee. He did not anticipate any action to be taken upon return to open session. Vice-Chair Beatty made a motion to move into closed session for the reasons stated. The motion carried unanimously and the Board moved into closed session at 11:48 a.m.

16. Adjournment. The Board returned to open session and no action was taken. Commissioner Hunsucker made a motion to adjourn at 12:01 p.m. The motion carried unanimously.

Katherine W. Barnes, Chair
Catawba County Board of Commissioners

Barbara E. Morris
County Clerk