

**LENOIR CITY COUNCIL
TUESDAY, OCTOBER 16, 2018
6:00 P.M.**

PRESENT: Mayor Gibbons presiding. Councilmembers present were Beal, Perdue, Perkins, Rohr, Stevens, Thomas and Willis. Also in attendance were City Manager Hildebran, City Attorney Blair and City Clerk Cannon.

I. CALL TO ORDER

- A. The meeting was opened by a moment of silence followed by the Pledge of Allegiance led by Mayor Gibbons.

**RECOGNITION OF TEACHING
FELLOWS:**

- B. Mayor Gibbons recognized a group of teaching fellows that are participating in the Teaching Excellence and Achievement program, which is a program of the U.S. Department of the State Bureau of Educational and Cultural Affairs. There are nineteen students from eighteen different countries currently visiting our community and surrounding areas.

The students introduced themselves and expressed their appreciation for the opportunity to be a participant in the exchange program.

Mayor Gibbons further expressed appreciation to Mrs. Christie Arney and Mr. Allen Miller for actively participating in this program each year.

FY2017-2018 AUDIT

REPORT: C. Eric Bowman, PA, presented the FY2017-2018 Audit Report for the City of Lenoir. Mr. Bowman reported there was a net change of \$1.5 million in the City's Fund Balance which equals to 52% and six months of expenditures in reserves. He stated the City has experienced two great financial years in a row.

In addition, Mr. Bowman reported the City's Enterprise Fund for Water and Sewer has \$1,919,283 in revenues and commended Staff for their cost savings efforts regarding both the General Fund and Fund Balance.

Mr. Bowman shared the City's long-term debt has increased by \$1.4 million, but he pointed out that 40% of this debt is at 0% interest. He also reported the Capital Improvements Projects (CIP) are in better financial shape than last year.

Councilmember Perdue asked about the assigned/unassigned assets with Mr. Bowman explaining the City has to maintain a portion of working capital for public safety and other uses as required by state statutes.

On behalf of City Council, Mayor Gibbons expressed Council's appreciation

of City Staff and all they do for the citizens of Lenoir.

Upon a motion by Councilmember Thomas, Council voted 7 to 0 to accept the FY2017-2018 Annual Audit Report as presented.

**UPDATE; CALDWELL UNC
HEALTH CARE:**

D. Mrs. Laura Easton, President and Chief Executive Officer, Caldwell UNC Health Care, presented a report regarding their ongoing projects. Mrs. Easton stated the hospital joined the Caldwell UNC Health Care group in 2013 and it has been an extremely successful partnership. She stated the organization has over 900 employees which rank in the 99th percentile and stated they do a lot of educational training by beginning to work with students in the tenth grade and up in order to “grow their own” employees.

Mrs. Easton further reported the hospital’s big “Cornerstone” project was a \$24,000,000 investment with \$8,000,000 being invested in infrastructure. She reported the diagnostic imaging center was completely renovated and is now state of the art. Also, the second floor surgical center was completely renovated and \$15,000,000 was spent for new technology. Mrs. Easton shared they also provide sports medicine in the local school system along with participating in the reading program where each child receives a book. Caldwell UNC Health Care also provides specialty services such as the McCreary Cancer Center, Urgent Care and Emerge Ortho in order to meet the needs of the community. However, she related the Emergency Room Staff still saw over 28,000 patients last year and she noted this department would be next on their list for improvements. She reported the Urgent Care facilities experience over 30,000 visits annually and their sixth Urgent Care will be built in Kings Mountain. The hospital is also looking at offering virtual care for patients. Mrs. Easton further shared the McCreary Cancer Center meets a critical need in the community and commented all of their facilities have outstanding health care providers.

In addition, Mrs. Easton stated Caldwell UNC Health Care applied for a Rural Hope Grant in August 2018 requesting \$500,000 in funding to assist with a new project, which will consist of a new, free-standing 17,200 square foot mental health facility that will have twenty-seven (27) beds and offer in-patient and out-patient services. This behavior health facility will be located beside of UNC Health Care on Mulberry Street. The \$7.2 million project will offer fifty (50) new, well-paying full-time jobs. The project is expected to break ground in the fall of 2018 with construction completion and job creation by fall 2020. It was noted the Hospital Foundation has already secured the required 5% local government match. Mrs. Easton stated the hospital should receive notification by the end of this week if their grant application has been approved.

Mayor Gibbons thanked Mrs. Easton for coming and sharing the good news of

all that is happening in our community.

II. MATTERS SCHEDULED FOR PUBLIC HEARINGS

III. CONSENT AGENDA ITEMS

A. Upon a recommendation by City Manager Hildebran, the following Consent Agenda items were submitted for approval:

1. Minutes: Approval of the minutes of the City Council Meeting of Tuesday, October 2, 2018, as submitted.
2. Minutes: Approval of the closed session minutes of Tuesday, September 18, 2018 and Tuesday, October 2, 2018 as reviewed by the City Attorney, City Manager, and City Council.
3. Engineering Service Agreements; McGill Associates: City Staff recommends approval of an Engineering Service Agreement with McGill Associates for future water treatment plant improvements in the amount of \$64,000 and an Engineering Service Agreement with McGill Associates for distribution system improvements in the amount of \$84,000 for a total amount of \$148,000. (A copy of the engineering service agreements are hereby incorporated into these minutes by reference. Refer to pages 270-281).

Upon a motion by Mayor Pro-Tem Willis, Council voted 7 to 0 to approve the above listed items on the Consent Agenda as recommended by City Manager Hildebran.

V. REPORTS OF BOARDS AND COMMISSIONS

VI. REPORT AND RECOMMENDATIONS OF THE CITY MANAGER

A. Items of Information

SMOKING IN THE FOOTHILLS BARBEQUE

EVENT: 1. The annual "Smoking in the Foothills Barbeque" Event will be held all day on Friday, October 19 and Saturday, October 20 in downtown Lenoir. The public is invited to attend.

FALL LEAF

PICKUP: 2. Fall Leaf Pick up began on Monday, October 15 and ends on Tuesday, January 15. Additional information is available on the City's website at www.cityoflenoir.com.

ONE STOP VOTING:

3. One Stop Voting is scheduled from Wednesday, October 17 through Friday, November 2 from 7:00 a.m. to 7:00 p.m. and on Saturday, November 3 from 8:00 a.m. until 1:00 p.m. in the City/County Chambers.

LENOIR TOURISM DEVELOPMENT

AUTHORITY:

4. The Lenoir Tourism Development Authority will meet on Thursday, October 18 at

3:00 p.m. at City Hall, Second Floor Conference Room.

PLANNING

BOARD: 5. The Planning Board will meet on Monday, October 22 at 5:30 p.m. at City Hall, Third Floor, former Council Chambers.

COMMITTEE OF THE WHOLE:

6. The Committee of the Whole will meet on Tuesday, October 23 at 5:30 p.m. at City Hall, Third Floor, former Council Chambers.

FOOTHILLS REGIONAL AIRPORT

AUTHORITY:

7. The Foothills Regional Airport Authority will meet on Wednesday, October 24 at noon.

CALDWELL IS HIRING

EVENT: 8. The annual Caldwell is Hiring Event will be held on Thursday, October 25 from 8:30 a.m. until noon at the J. E. Broyhill Civic Center.

ANNUAL PUMPKIN PATCH

PARADE: 9. The annual Pumpkin Patch Parade is scheduled for Friday, October 26 from 3:00 p.m. – 6:00 p.m. in downtown Lenoir.

MELEAH MIKEAL HALF-MARATHON:

10. The Meleah Mikeal Half-Marathon will be held on Saturday, November 3 at 9:00 a.m. at the Aquatic & Fitness Center.

HOLIDAY CLOSINGS:

11. City offices will be closed on Monday, November 12 in observance of Veterans Day. City offices will also be closed on Thursday, November 22 and Friday, November 23 in observance of the Thanksgiving holiday.

VETERANS DAY

CEREMONY:

12. A Veterans Day Memorial Service will be held on Monday, November 12 from 11:00 a.m. until 12:30 p.m. at the Veterans Plaza on the square.

CITY COUNCIL MEETING

CANCELLATION:

13. The City Council Meeting of Tuesday, November 6 has been cancelled due to Election Day. City Council will meet on Tuesday, November 20 at 6:00 p.m. at the City/County Chambers.

B. ITEMS FOR COUNCIL ACTION

**ORDER OF ABATEMENT; 828
EMERALD PLACE:**

1. City Staff recommends that Council adopt an Order of Abatement directing Staff to abate the minimum housing violations by demolishing the structure on the property of 828 Emerald Place, NCPIN#274808764 and parcel ID#06164-1-48.

A copy of the Order of Abatement is hereby incorporated into these minutes by reference. (Refer to pages 282-283).

Upon a motion by Mayor Pro-Tem Willis, Council voted 7 to 0 to approve the Order of Abatement for 828 Emerald Place as described above and as recommended by City Staff.

**ORDER OF ABATEMENT; 1340 FAIRVIEW
DRIVE:**

2. City Staff recommends that Council adopt an Order of Abatement directing Staff to abate the minimum housing violations by demolishing the structure on the property of 1340 Fairview Drive, NCPIN #2748563698 and Parcel ID#06184-1-7.

A copy of the Order of Abatement is hereby incorporated into these minutes by reference. (Refer to pages 284-285).

Upon a motion by Councilmember Perdue, Council voted 7 to 0 to approve the Order of Abatement for 1340 Fairview Drive as described above and as recommended by City Staff.

RESOLUTION AUTHORIZING EXCHANGE OF PROPERTY:

3. The City of Lenoir owns an approximately 0.610 acre vacant lot located at 132 Tremont Park Drive, NCPIN#2759790520, Parcel ID 09-57-1-26A. Martin Family Motorplex, LLC, owns an approximately 0.910 acre lot located at 1015 Wilkesboro Boulevard, NCPIN#2850817151, Parcel ID 09-97-3-6B that includes two (2) recently constructed buildings. It is the intent of the City of Lenoir to locate Lenoir Fire Department #3 at the 1015 Wilkesboro Boulevard site, utilizing the two (2) recently constructed buildings. **Note:** Staff recommends Council adopt the submitted Resolution Authorizing Exchange of Property subject to the following negotiated terms and conditions:
 - (A) Prior to completing the land exchange and closing the transaction, an access road to Taylorsville Road will be platted and constructed, including any necessary associated water and storm water appurtenances, and the two (2) buildings will be modified, if necessary, to meet or exceed a Risk Category IV building code standard.
 - (B) Martin Family Motorplex LLC will purchase the City-owned tract for \$38,000.
 - (C) The City will purchase the Martin Family Motorplex LLC site, including improvements, for a not to exceed price of \$1,028,612.
 - (D) In further consideration, the land exchange and closing is subject to both NC Local Government Commission and Blue Ridge Energy loan agreement approval.

A copy of the resolution is hereby incorporated into these minutes by reference. (Refer to page 286).

City Manager Hildebran stated the exchange is considered to provide a full and fair compensation to the City as the city-tract is being acquired above the original price of \$30,000 and above the current tax value of \$28,000. Further, the 1015 Wilkesboro Boulevard property is located in the targeted service area for a new fire station (less than 3/10th of a mile from the city-owned tract), is larger than the city-owned tract, and has much better property ingress/egress with possible entrances on two (2) streets with signalization, fostering improved emergency response in the City.

Mr. Hildebran also commented on the Alternative Site Considerations for Lenoir Fire Department #3 as follows:

- Located in our targeted station siting area
- Larger tract allowing more flexibility
- More accessible for ingress/egress
- Provides opportunity to have LFD3 operational sooner
- Expected to be less costly than first option and at or below our project budget of \$1.72 million
- Allows disposal of original site at market rate
- LFD personnel prefer new site

Additionally, Mr. Hildebran shared the results of several local area project bid results with all of the bids being over budget from a range of 36.5% up to 56%. He also pointed out it may take up to twelve (12) months to build a fire station whereas this site could be up-fitted in much less time. Mr. Hildebran further stated the City published a legal notice in the *News-Topic* on Friday, October 5 to meet the requirements as outlined in N.C.G.S. §160A-271. (A copy of the legal notice is hereby incorporated into these minutes by reference. Refer to page 287).

Motion

Upon a motion by Mayor Pro-Tem Willis, City Council voted 7 to 0 to approve the Resolution Authorizing the Exchange of Property as described above and as recommended by City Staff.

VII. REPORT AND RECOMMENDATIONS OF THE CITY ATTORNEY

VIII. REPORT AND RECOMMENDATIONS OF THE MAYOR

ANNOUNCEMENTS; AUTHORITIES/BOARDS/COMMISSIONS:

1. Mayor Gibbons recommended to City Council that Schonna Banner be appointed to serve a term on the Parks and Recreation Advisory Board and that Ben Boaz be appointed to serve a term on the Lenoir Housing Authority. In addition Mayor Gibbons informed Council his term as Chairman of the Foothills Regional Airport Authority was up for re-appointment.

These two new appointments and one re-appointment will be placed on the November

20 Agenda for consideration of approval by City Council.

IX. REPORT AND RECOMMENDATIONS OF COUNCIL MEMBERS

X. ADJOURNMENT

A. There being no further business, the meeting was adjourned at 7:00 p.m.

Shirley M. Cannon, City Clerk

Joseph L. Gibbons, Mayor



September 21, 2018

Mr. Scott Hildebran, City Manager
City of Lenoir
Post Office Box 958
Lenoir, North Carolina 28645

RE: Proposal for Engineering Services
WTP Future Expansion Study

Dear Mr. Hildebran:

Pursuant to your request, McGill Associates, P.A. is pleased to submit this proposal to provide professional engineering services related to the accomplishment of a study to review plant optimization and future expansion strategies for the George L. Bernhardt Sr. Water Treatment Plant. This effort will also include a Site Masterplan related to the optimization and future expansion requirements.

Scope of Services:

1. Existing Facilities

- a. Review topographical survey data
- b. Review design parameters for existing key infrastructure components
- c. Review electrical, generator, SCADA, and Duke Energy service
- d. Review potential conflicts
- e. Review operational constraints with staff

2. Project Planning

- a. Review future operations with City operations staff
- b. Confirm Process Flow Diagram for expansion
- c. Meet with City operations staff to discuss proposed improvements

3. Site Masterplan Update

- a. Review existing site constraints
- b. Estimating land requirements for future processes and expansion facilities
- c. Siting of new primary and accessory structures
- d. Prepare a conceptual layout plan for plant optimization and future expansion requirements

4. Proposed Improvements and Future Requirements

- a. Design Criteria and Preliminary Unit Sizing:
 - i. Raw Water Intake
 - ii. Raw Water Piping
 - iii. Mechanical Pre-Treatment
 - iv. Mixing / Flocculation / Sedimentation
 - v. Filtration
 - vi. Chemical Feed
 - vii. Electrical and Controls
 - viii. Standby Power

5. Clearwell Storage

6. Finished Water Pumping

- a. Cahah's Pump Station
- b. Whitnel Pump Station

7. Residuals Settling, Pumping, Storage, Dewatering, and Disposal

8. Identifying a Strategy for Future Environmental Assessment and Permitting

- a. FERC / Duke Energy
- b. Catawba Wateree
- c. Secondary and Cumulative Impacts
- d. Authorization to Construct

9. Develop Opinion of Probable Construction Cost

10. Develop Project Implementation Schedule Options

- a. Project delivery method – standard or accelerated
- b. Project divisions / phases

Mr. Scott Hildebran
September 21, 2018
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Basis for Compensation:

Based on the above understanding and scope of services, we propose to provide our services for a **lump sum fee of \$64,000**. McGill Associates will invoice on a monthly basis as work progresses. Please note that these fees do **not** include environmental assessments, permitting services, design phase services, bidding and award phase services, construction phase services, geotechnical exploration costs, or legal costs.

If you find this proposal acceptable, please sign and return the attached consulting services agreement as your authorization to proceed. We are prepared to begin work immediately upon your authorization. We appreciate this opportunity to be of service to the City of Lenoir and look forward to working with you and your staff on this important project.

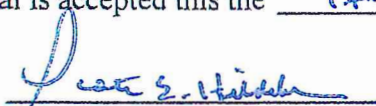
Sincerely,
MCGILL ASSOCIATES, PA


DOUGLAS CHAPMAN, PE
Hickory Office Manager

Attachments: Basic Fee Schedule
Consulting Services Agreement

CITY OF LENOIR – ACCEPTANCE

This proposal is accepted this the 17th day of October, 2018

Signature: 

Printed Name: Scott E. Hildebran

Title: City Manager



BASIC FEE SCHEDULE

August 2018

<u>PROFESSIONAL FEES</u>	<u>Current Rate</u>
Firm Principal	\$205.00
Program Services Manager I	\$160.00
Program Services Manager II	\$170.00
Senior Project Manager I	\$170.00
Senior Project Manager II	\$180.00
Senior Project Manager III	\$185.00
Project Manager I	\$150.00
Project Manager II	\$160.00
Project Engineer I	\$110.00
Project Engineer II	\$120.00
Project Engineer III	\$140.00
Engineering Associate I	\$ 90.00
Engineering Associate II	\$ 95.00
Engineering Technician I	\$ 90.00
Engineering Technician II	\$100.00
Engineering Technician III	\$110.00
Environmental Specialist I	\$ 85.00
Environmental Specialist II	\$ 95.00
Electrical Engineer I	\$110.00
Electrical Engineer II	\$120.00
Electrical Engineer III	\$140.00
Electrical Engineering Associate I	\$ 90.00
Electrical Engineering Associate II	\$ 95.00
Electrical Engineering Technician I	\$ 90.00
Electrical Engineering Technician II	\$100.00
Electrical Engineering Technician III	\$110.00
Mechanical Engineer I	\$110.00
Mechanical Engineer II	\$120.00
Mechanical Engineer III	\$140.00
Mechanical Engineering Associate I	\$ 90.00
Mechanical Engineering Associate II	\$ 95.00
Mechanical Engineering Technician I	\$ 90.00
Mechanical Engineering Technician II	\$100.00

Mechanical Engineering Technician III	\$110.00
CADD Operator I	\$ 80.00
CADD Operator II	\$ 85.00
CADD Operator III	\$ 90.00
Construction Services Manager I	\$130.00
Construction Services Manager II	\$145.00
Construction Administrator I	\$ 95.00
Construction Administrator II	\$105.00
Construction Administrator III	\$115.00
Construction Field Representative I	\$ 85.00
Construction Field Representative II	\$ 90.00
Construction Field Representative III	\$ 95.00
Construction Services Coordinator	\$ 80.00
Planner I	\$100.00
Planner II	\$115.00
Planner III	\$135.00
Planner IV	\$145.00
Surveyor I	\$ 80.00
Surveyor II	\$ 90.00
Surveying Associate I	\$ 70.00
Surveying Associate II	\$ 75.00
Survey Technician I	\$ 75.00
Survey Technician II	\$ 82.00
Survey Field Technician I	\$ 60.00
Survey Field Technician II	\$ 65.00
Survey Field Technician III	\$ 70.00
Administrative Assistant (I-II)	\$ 70.00
Administrative Assistant III	\$ 80.00
Accounting Assistant (I-II)	\$ 80.00

1. **EXPENSES**

- a. Mileage - \$0.65/mile
- b. Robotics/GPS Equipment - \$25/hr.
- c. Survey Drone - \$100/hr.
- d. Telephone, reproduction, postage, lodging, and other incidentals shall be a direct charge per receipt.

2. **ASSOCIATED SERVICES -**

- a. Associated services required by the project such as soil analysis, materials testing, etc., shall be at cost plus ten (10) percent.

CONSULTING SERVICES AGREEMENT

This contract entered into this _____ day of _____, 20__ by and between the City of Lenoir hereinafter called the Client, and McGill Associates, P.A.;

Witnesseth that:

Whereas, the Client desires to engage McGill Associates to provide consulting services; and,

Whereas, the Client finds that the attached Scope of Services and terms of this agreement are acceptable; and,

Whereas, McGill Associates desires to provide said services and agrees to do so for the compensation and upon the terms and conditions as hereinafter set forth,

Now, therefore, the parties hereto do mutually agree as follows:

1. **Scope of Services:** McGill Associates shall provide the services attached hereto in the Exhibit "Scope of Services" to this Agreement, hereinafter called services. Additional services will be invoiced in accordance with the attached rate and fee schedule.

2. **Standard of Care:** McGill Associates will perform its services using that degree of skill and diligence normally employed by professional engineers or consultants performing the same services at the time these services are rendered.

3. **Authorization to Proceed:** Execution of this Consulting Services Agreement will be considered authorization for McGill Associates to proceed unless otherwise provided for in this Agreement.

4. **Changes in Scope:** The Client may request changes in the Scope of Services provided in this Agreement. If such changes affect McGill Associates cost of or time required for performance of the services, an equitable adjustment will be made through an amendment to this Agreement.

5. **Compensation:** The Client shall pay the compensation to McGill Associates set forth in the Exhibit "Basis for Compensation" attached hereto. Unless otherwise provided in the Basis for Compensation, McGill Associates shall submit invoices to the Client monthly for work accomplished under this agreement and the Client agrees to make payment to McGill Associates within thirty (30) days of receipt of the invoices. Client further agrees to pay interest on all accounts invoiced and not paid or objected to for a valid cause in writing within said thirty (30) days at a rate of 1-1/2 percent per month (18 percent per annum), until paid. Client agrees to pay McGill Associates' cost of collection of the amounts due and unpaid after sixty (60) days, including but not limited to, court costs and attorney's fees. McGill Associates shall not be bound by any provision such as contained in a purchase order or wherein McGill Associates waives any rights to a mechanic's lien or any provision conditioning McGill Associates' right to receive payment for its work upon payment to the Client by any third party. These general conditions are notice, where required, that McGill Associates shall file a lien whenever necessary to collect past due amounts. The Client agrees that failure to make payment in full within thirty (30) days of receipt of the invoice shall constitute a release of McGill Associates from any and all claims of negligence which Client may have. It is also mutually agreed that should the Client fail to make prompt payments as described herein, McGill Associates reserves the right to immediately stop all work under this agreement until disputed amounts are resolved.

6. **Personnel:** McGill Associates represents that it has, or will secure at their own expense, all personnel required to perform the services under this agreement and that such personnel will be fully qualified and adequately supervised to perform such services. It is mutually understood that should the scope of services require outside subcontracted services, McGill Associates may do so at their discretion.

7. **Opinions or Estimates of Cost:** Any costs estimates provided by McGill Associates shall be considered opinions of probable costs. These along with project economic evaluations provided by McGill Associates will be on a basis of experience and judgment, but, since McGill Associates has no control over market conditions or bidding procedures, McGill Associates cannot warrant that bids, ultimate construction cost, or project economics will not vary from these opinions.

8. **Termination:** This Agreement may be terminated for convenience by either the Client or McGill Associates with 15 days written notice or if either party fails substantially to perform through no fault of the other and does not commence correction of such non performance within 5 days of written

notice and diligently complete the correction thereafter. On termination, McGill Associates will be paid for all authorized work performed up to the termination date plus reasonable project closeout costs.

9. **Limitation of Liability:** McGill Associates liability for Client's damages will, in aggregate, not exceed \$50,000. This provision takes precedence over any conflicting provision of this Agreement or any documents incorporated into it or referenced by it. This limitation of liability will apply whether McGill Associates liability arises under breach of contract or warranty; tort, including negligence; strict liability; statutory liability; or any other cause of action, and shall include McGill Associates' directors, officers, employees and subcontractors. At additional cost, Client may obtain a higher limit prior to commencement of services.

10. **Assignability:** This agreement shall not be assigned or otherwise transferred by either McGill Associates or the Client without the prior written consent of the other.

11. **Severability:** The provisions of this Consulting Services Agreement shall be deemed severable, and the invalidity or enforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this consulting services agreement is deemed unenforceable for any reason whatsoever, such provision shall be appropriately limited, and given effect to the extent that it may be enforceable.

12. **Ownership of Documents:** All documents, calculations, drawings, maps and other items generated during the performance of services shall be considered intellectual property and remain the property of McGill Associates. Client agrees that the deliverables are intended for the exclusive use and benefit of, and may be relied upon for this project only by the Client and will not be used otherwise. Client agrees that any prospective lender, buyer, seller or third party who wishes to rely on any deliverable must first sign McGill Associates' Secondary Client Agreement.

13. **Excusable Delay:** If performance of service is affected by causes beyond McGill Associates control, project schedule and compensation shall be equitably adjusted.

14. **Indemnification:** Client agrees to indemnify, defend and hold McGill Associates, its agents, employees, officers, directors and subcontractors harmless from any and all claims, and costs brought against McGill Associates which arise in whole or in part out of the failure by the Client to promptly and completely perform its obligations under this agreement, and as assigned in the Exhibit "Scope of Services" or from the inaccuracy or incompleteness of information supplied by the Client and reasonably relied upon by McGill Associates in performing its duties or for unauthorized use of the deliverables generated by McGill Associates.

15. **Choice of Law:** This Agreement shall be governed by the internal laws of the State of North Carolina.

16. **Entire Agreement:** This Agreement contains all of the agreements, representations and understandings of the parties hereto and supersedes any previous understandings, commitments, proposals, or agreements, whether oral or written, and may only be modified or amended as herein provided; and as mutually agreed.

17. **Attachments to this document:**

1. Proposal including Scope of Services and Basis of Compensation
2. Fee Schedule

Client: City of Lenoir
Authorized Signature:

Name: Scott Hildebran
Title: City Manager
Address: Post Office Box 958
Lenoir, North Carolina 28645

McGill Associates, P.A.

Name: Douglas Chapman, PE
Title: Hickory Office Manager
Address: 1240 19th Street Lane, NW
Hickory, North Carolina 28601



October 10, 2018

Mr. Scott Hildebran, City Manager
City of Lenoir
Post Office Box 958
Lenoir, North Carolina 28645

RE: Proposal for Engineering Services
Water Distribution System Tasks

Dear Mr. Hildebran:

Pursuant to your request, McGill Associates, P.A. has provided a proposal (under separate cover) to study the proposed optimization and future expansion of the George L. Bernhardt Sr. Water Treatment Plant. As we have discussed, the City is also in need of evaluating the water distribution system's ability to handle future water demands, transmission and storage needs. This would be best performed by dividing the scope into multiple tasks.

Scope of Services:

McGill Associates proposes to provide the following engineering services for these water distribution system related tasks:

1. **Transmission Main Capacity Evaluation** – Evaluate the capability of the major transmission mains in both the High and Low Pressure Zones to handle future water demands and peak flow rates. This task would involve creating scenarios in the water hydraulic model to evaluate the impact of increased pumped flows to the major water storage tanks in both zones, as well as the transmission main capability from the Cajah's Mountain Tanks towards downtown Lenoir.
2. **Whitnel Transmission Main – Preliminary Routing Study** – The City's Low Pressure Zone is limited in capacity and pressure by the age and material of the main transmission main. A proposed project has been on the CIP for years to replace the aged, cast iron 20" water transmission main for both reliability and increased capacity in this pressure zone. This task would involve the preliminary routing of a new 24" or larger water main from the water treatment plant to the Sawmills area in order to develop a preliminary opinion of probable costs, permitting requirements, and scope of easements that would be expected for this project.

3. **Divisional Valves** – The water distribution system includes many “divisional valves” and a few pressure reducing valves that separate the High and Low Pressure Zones. The condition and open/close status of these valves are unknown. As water demands increase, the ability to know and control flow between these pressure zones will become more critical. This task would evaluate a methodology, preliminary detail, and estimated cost for adding automated control valves at these locations. This would allow divisional valves to be replaced/upgrade in the future on a valve-by-valve basis.
4. **Finley Area / “Medium” Pressure Zone** – The City desires to address pressure and supply issues in the West End / Freedman area, including fire flows. This project appears on the City’s Capital Improvements Plan (CIP) for the near future. One path to address these issues is to create a new pressure zone for the targeted area. This task would involve the preparation of a Preliminary Engineering Report (PER) to evaluate up to three (3) alternatives (one including a solution that could also benefit an industrial customer), preliminary opinions of probable costs, and a recommendation for this project. The PER for this project was included on the CIP for Fiscal Year 2018-19.
5. **Water System Interconnect Evaluation** – The City desires to evaluate the feasibility of potential future interconnects with nearby water systems including Granite Falls, Hickory, and Morganton. This preliminary evaluation would include a limited review of water treatment capacity, system locations, elevations and hydraulics, and water system layout for these nearby water providers. After reviewing background information and capacity, a skeletonized water model would be prepared to determine piping, pumping, and storage requirements to transfer water between the systems. Rough Order of Magnitude (ROM) costs would be prepared for feasibility and comparison purposes.

Coordination and/or meetings with water suppliers would **not** be included, and would be considered additional services if requested. The basis for the evaluation would be publicly available information and any additional information provided by the City of Lenoir.

McGill Associates will review preliminary findings of these tasks with City staff at key points for feedback and revisions before finalizing the results and recommendations.

Basis for Compensation:

Based on our understanding of the project scope, we propose to provide our services for the **lump sum fees** shown below.

Mr. Scott Hildebran
October 10, 2018
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<u>Task</u>	<u>Fee</u>
1. Transmission Main Capacity Evaluation	\$12,000
2. Whitnel Transmission Main – Preliminary Routing Study	\$10,000
3. Divisional Valve Improvements	\$8,000
4. Finley Area / “Medium” Pressure Zone	\$35,000
5. Water System Interconnect Evaluation	\$19,000

McGill Associates will invoice on a monthly basis as work progresses. Please note that these fees do not include environmental assessments, permitting services, surveying, design phase services, bidding and award phase services, construction phase services, geotechnical exploration costs, or legal costs.

If you find this proposal acceptable, please sign and return the attached consulting services agreement as your authorization to proceed. We appreciate this opportunity to be of service to the City of Lenoir and look forward to working with you and your staff on this important project.

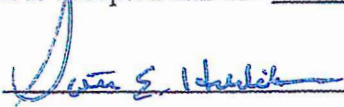
Sincerely,
MCGILL ASSOCIATES, PA


DOUGLAS CHAPMAN, PE
Hickory Office Manager

Attachments: Basic Fee Schedule
Consulting Services Agreement

CITY OF LENOIR – ACCEPTANCE

This proposal is accepted this the 17th day of October, 2018

Signature: 

Printed Name: Scott E. Hildebran

Title: City Manager



BASIC FEE SCHEDULE

August 2018

<u>PROFESSIONAL FEES</u>	<u>Current Rate</u>
Firm Principal	\$205.00
Program Services Manager I	\$160.00
Program Services Manager II	\$170.00
Senior Project Manager I	\$170.00
Senior Project Manager II	\$180.00
Senior Project Manager III	\$185.00
Project Manager I	\$150.00
Project Manager II	\$160.00
Project Engineer I	\$110.00
Project Engineer II	\$120.00
Project Engineer III	\$140.00
Engineering Associate I	\$ 90.00
Engineering Associate II	\$ 95.00
Engineering Technician I	\$ 90.00
Engineering Technician II	\$100.00
Engineering Technician III	\$110.00
Environmental Specialist I	\$ 85.00
Environmental Specialist II	\$ 95.00
Electrical Engineer I	\$110.00
Electrical Engineer II	\$120.00
Electrical Engineer III	\$140.00
Electrical Engineering Associate I	\$ 90.00
Electrical Engineering Associate II	\$ 95.00
Electrical Engineering Technician I	\$ 90.00
Electrical Engineering Technician II	\$100.00
Electrical Engineering Technician III	\$110.00
Mechanical Engineer I	\$110.00
Mechanical Engineer II	\$120.00
Mechanical Engineer III	\$140.00
Mechanical Engineering Associate I	\$ 90.00
Mechanical Engineering Associate II	\$ 95.00
Mechanical Engineering Technician I	\$ 90.00
Mechanical Engineering Technician II	\$100.00

Mechanical Engineering Technician III	\$110.00
CADD Operator I	\$ 80.00
CADD Operator II	\$ 85.00
CADD Operator III	\$ 90.00
Construction Services Manager I	\$130.00
Construction Services Manager II	\$145.00
Construction Administrator I	\$ 95.00
Construction Administrator II	\$105.00
Construction Administrator III	\$115.00
Construction Field Representative I	\$ 85.00
Construction Field Representative II	\$ 90.00
Construction Field Representative III	\$ 95.00
Construction Services Coordinator	\$ 80.00
Planner I	\$100.00
Planner II	\$115.00
Planner III	\$135.00
Planner IV	\$145.00
Surveyor I	\$ 80.00
Surveyor II	\$ 90.00
Surveying Associate I	\$ 70.00
Surveying Associate II	\$ 75.00
Survey Technician I	\$ 75.00
Survey Technician II	\$ 82.00
Survey Field Technician I	\$ 60.00
Survey Field Technician II	\$ 65.00
Survey Field Technician III	\$ 70.00
Administrative Assistant (I-II)	\$ 70.00
Administrative Assistant III	\$ 80.00
Accounting Assistant (I-II)	\$ 80.00

1. **EXPENSES**

- a. Mileage - \$0.65/mile
- b. Robotics/GPS Equipment - \$25/hr.
- c. Survey Drone - \$100/hr.
- d. Telephone, reproduction, postage, lodging, and other incidentals shall be a direct charge per receipt.

2. **ASSOCIATED SERVICES -**

- a. Associated services required by the project such as soil analysis, materials testing, etc., shall be at cost plus ten (10) percent.

CONSULTING SERVICES AGREEMENT

This contract entered into this _____ day of _____, 20____ by and between the City of Lenoir hereinafter called the Client, and McGill Associates, P.A.;

Witnesseth that

Whereas, the Client desires to engage McGill Associates to provide consulting services; and,

Whereas, the Client finds that the attached Scope of Services and terms of this agreement are acceptable; and,

Whereas, McGill Associates desires to provide said services and agrees to do so for the compensation and upon the terms and conditions as hereinafter set forth,

Now, therefore, the parties hereto do mutually agree as follows:

1. **Scope of Services:** McGill Associates shall provide the services attached hereto in the Exhibit "Scope of Services" to this Agreement, hereinafter called services. Additional services will be invoiced in accordance with the attached rate and fee schedule.

2. **Standard of Care:** McGill Associates will perform its services using that degree of skill and diligence normally employed by professional engineers or consultants performing the same services at the time these services are rendered.

3. **Authorization to Proceed:** Execution of this Consulting Services Agreement will be considered authorization for McGill Associates to proceed unless otherwise provided for in this Agreement.

4. **Changes in Scope:** The Client may request changes in the Scope of Services provided in this Agreement. If such changes affect McGill Associates cost of or time required for performance of the services, an equitable adjustment will be made through an amendment to this Agreement.

5. **Compensation:** The Client shall pay the compensation to McGill Associates set forth in the Exhibit "Basis for Compensation" attached hereto. Unless otherwise provided in the Basis for Compensation, McGill Associates shall submit invoices to the Client monthly for work accomplished under this agreement and the Client agrees to make payment to McGill Associates within thirty (30) days of receipt of the invoices. Client further agrees to pay interest on all accounts invoiced and not paid or objected to for a valid cause in writing within said thirty (30) days at a rate of 1-1/2 percent per month (18 percent per annum), until paid. Client agrees to pay McGill Associates' cost of collection of the amounts due and unpaid after sixty (60) days, including but not limited to, court costs and attorney's fees. McGill Associates shall not be bound by any provision such as contained in a purchase order or wherein McGill Associates waives any rights to a mechanic's lien or any provision conditioning McGill Associates' right to receive payment for its work upon payment to the Client by any third party. These general conditions are notice, where required, that McGill Associates shall file a lien whenever necessary to collect past due amounts. The Client agrees that failure to make payment in full within thirty (30) days of receipt of the invoice shall constitute a release of McGill Associates from any and all claims of negligence which Client may have. It is also mutually agreed that should the Client fail to make prompt payments as described herein, McGill Associates reserves the right to immediately stop all work under this agreement until disputed amounts are resolved.

6. **Personnel:** McGill Associates represents that it has, or will secure at their own expense, all personnel required to perform the services under this agreement and that such personnel will be fully qualified and adequately supervised to perform such services. It is mutually understood that should the scope of services require outside subcontracted services, McGill Associates may do so at their discretion.

7. **Opinions or Estimates of Cost:** Any costs estimates provided by McGill Associates shall be considered opinions of probable costs. These along with project economic evaluations provided by McGill Associates will be on a basis of experience and judgment, but, since McGill Associates has no control over market conditions or bidding procedures, McGill Associates cannot warrant that bids, ultimate construction cost, or project economics will not vary from these opinions.

8. **Termination:** This Agreement may be terminated for convenience by either the Client or McGill Associates with 15 days written notice or if either party fails substantially to perform through no fault of the other and does not commence correction of such non performance within 5 days of written

notice and diligently complete the correction thereafter. On termination, McGill Associates will be paid for all authorized work performed up to the termination date plus reasonable project closeout costs.

9. **Limitation of Liability:** McGill Associates liability for Client's damages will, in aggregate, not exceed \$50,000. This provision takes precedence over any conflicting provision of this Agreement or any documents incorporated into it or referenced by it. This limitation of liability will apply whether McGill Associates liability arises under breach of contract or warranty; tort, including negligence; strict liability; statutory liability; or any other cause of action, and shall include McGill Associates' directors, officers, employees and subcontractors. At additional cost, Client may obtain a higher limit prior to commencement of services.

10. **Assignability:** This agreement shall not be assigned or otherwise transferred by either McGill Associates or the Client without the prior written consent of the other.

11. **Severability:** The provisions of this Consulting Services Agreement shall be deemed severable, and the invalidity or enforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this consulting services agreement is deemed unenforceable for any reason whatsoever, such provision shall be appropriately limited, and given effect to the extent that it may be enforceable.

12. **Ownership of Documents:** All documents, calculations, drawings, maps and other items generated during the performance of services shall be considered intellectual property and remain the property of McGill Associates. Client agrees that the deliverables are intended for the exclusive use and benefit of, and may be relied upon for this project only by the Client and will not be used otherwise. Client agrees that any prospective lender, buyer, seller or third party who wishes to rely on any deliverable must first sign McGill Associates' Secondary Client Agreement.

13. **Excusable Delay:** If performance of service is affected by causes beyond McGill Associates control, project schedule and compensation shall be equitably adjusted.

14. **Indemnification:** Client agrees to indemnify, defend and hold McGill Associates, its agents, employees, officers, directors and subcontractors harmless from any and all claims, and costs brought against McGill Associates which arise in whole or in part out of the failure by the Client to promptly and completely perform its obligations under this agreement, and as assigned in the Exhibit "Scope of Services" or from the inaccuracy or incompleteness of information supplied by the Client and reasonably relied upon by McGill Associates in performing its duties or for unauthorized use of the deliverables generated by McGill Associates.

15. **Choice of Law:** This Agreement shall be governed by the internal laws of the State of North Carolina.

16. **Entire Agreement:** This Agreement contains all of the agreements, representations and understandings of the parties hereto and supersedes any previous understandings, commitments, proposals, or agreements, whether oral or written, and may only be modified or amended as herein provided; and as mutually agreed.

17. **Attachments to this document:**

1. Proposal including Scope of Services and Basis of Compensation
2. Fee Schedule

Client: City of Lenoir
Authorized Signature:

Name: Scott Hildebran
Title: City Manager
Address: Post Office Box 958
Lenoir, North Carolina 28645

McGill Associates, P.A.

Name: Douglas Chapman, PE
Title: Hickory Office Manager
Address: 1240 19th Street Lane, NW
Hickory, North Carolina 28601