Minutes
Town of Chadbourn, North Carolina
Chadbourn Council Regular Meeting

September 3, 2013

The regularly scheduled meeting of the Chadbourn Town Council was held Tuesday, September 3, 2013 at 7:00 p.m., in the Council Meeting Room.

Members Present: Mayor Fax Rector; Mayor Pro Tem Rashad Roberts; Councilmembers: Brian Edwards, Phillip Honeycutt, Donald Ray Bass and Edwin Roberts

Members Absent: None

Others Present: Stevie Cox, Town Manager; Linda Gaddy, Deputy Town Clerk; Steven Shaw, Chief of Police; Michael Foss, Public Works Director; Harold Pope, Town Attorney

CALL TO ORDER AND ROLL CALL

Mayor Rector called the meeting to order at 7:00 p.m. Linda Gaddy, Deputy Town Clerk, took roll call.

INVOCATION

Mayor Pro Tem Rashad Roberts led the assembly in prayer.

PLEDGE OF ALLEGIANCE

Mayor Rector led the assembly in the Pledge of Allegiance.

APPROVAL OF AGENDA

Councilmember Edwin Roberts made a motion to approve the agenda. The motion was seconded by Councilmember Honeycutt to approve the Agenda. The motion carried with a vote of 5 - 0.

Approval of Minutes of Town Council Meeting

1. Regular Meeting Minutes – August 6, 2013

Councilmember Edwards made a motion to approve the minutes listed above. The motion was seconded by Councilmember Rashad Roberts. The motion carried with a vote of 5 - 0.

COMMENTS FROM THE MAYOR

- Mayor Rector stated that the Town is continuing the process of putting down wood chips in "Our Park" for the safety of the children. Mayor Rector stated that all donations would be greatly appreciated as the Town continues to work on the Park.
- Mayor Rector stated that in August, he hosted a "Lunch with the Mayor Day" at the Chadbourn Senior Center. Mayor Rector stated that he updated the citizens on the State of the Town and answered questions for the citizens. He, also, addressed the age limit for "Our Park".

- Mayor Rector stated that Ms. Sarah Davis had passed and asked everyone to keep her family in their prayers. He, also, stated that her brother, Mr. David Lawrence, had served as a member on the Chadbourn Town Council.

PUBLIC COMMENTS AND CITIZEN REQUEST

Anyone seeking to speak under Public Comments must complete a comment card and submit it to the Town Clerk prior to the start of the Town Council Meeting. When you come up to speak, you will need to state your name, address, what organization that you represent and your topic of concern.

Mayor Rector opened the floor for Public Comments from the comment cards he received.

There were no public comments.

Mayor Rector closed the Public Comments session.

PUBLIC HEARING

None

CONSENT AGENDA

Mayor Rector took time to explain the Rules as they apply to the Consent Agenda.

All items listed below are considered to be routine and will be enacted by one introduction/motion/second/roll call vote. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered separately.

1. **Appointment to the Planning and Zoning Board.** Staff is requesting that the Town Council appoint LaTanya Pattillo to the Planning Board for a three year term.

2. **Approval of Budget Amendment for the North Carolina Rural Economic Development Center Asset Management Plan Grant Award.** Staff is requesting that the Town Council approve the Budget Amendment for the North Carolina Rural Economic Development Center Asset Management Grant Award, the budget amendment for the grant match requirement and the engineering service agreement.

Councilmember Rashad Roberts made a motion to approve **Consent Agenda items 1 and 2 listed above as one and APPROVE the Consent Agenda items.** Councilmember Honeycutt seconded the motion. Councilmember Edwin Roberts made a request that Item #4, **"Approval of Budget Amendment for the North Carolina Rural Economic Development Center Asset Management Plan Grant Award"** be removed from the Consent Agenda and placed under the Action Agenda. Councilmember Edwards made a motion to remove Item #4 from the Consent Agenda and place it under the Action Agenda and APPROVE the Consent Agenda. The motion was seconded by Councilmember Honeycutt. The motion carried with a vote of 5 - 0.

ACTION AGENDA

1. **Approval and Award of the Demolition and Clearance Contracts.** Staff is requesting that the Town Council approve and award the demolition and clearance contracts for the removal of residential and commercial structures. Floyd Adams and Tammy Jones will be present to answer all questions related to this request. Presented by: Stevie Cox and Tammy Jones

   Ms. Jones review the commercial and residential demolition table with the Board. Ms. Jones stated that at the August 2013 Town Council meeting, the Town had awarded the contract for the asbestos inspections of the properties to Keenan Construction and Consulting, Inc. Ms. Jones stated that

Keenan Construction would be starting the inspections on the properties next week. Ms. Jones stated that no bids for demolition and Clearance contracts would be awarded until the results of the asbestos testing reports were reviewed.

Councilmember Edwards made a motion to table the Approval and Award of the Demolition and Clearance Contracts. The motion was seconded by Councilmember Donald Ray Bass. The motion carried with a vote of 5 – 0.

2. Public Works Update.
Presented by Michael Foss, Public works Director

- Mr. Foss recapped work done with the new machinery recently purchased by the Town.. (Cat 305.5E Mini Hydraulic Excavator)
- Mr. Foss stated that a schedule for bleeding the fire hydrants in an effort to alleviate some of the problems of dirty, brown and muddy water had been put in place.
- . Mr. Foss recommended that the Town get a flusher to help bleed the fire hydrants; but, a better choice would be to purchase a Skater System, which would cost approximately $1,850.

Mayor Rector instructed Mr. Foss to get quotes on an automatic and manual release value, to be presented to Council at the October, 2013 Town Council meeting.

- Mr. Foss stated that he appreciated the part time help his Department received during the summer.
- Mr. Foss stated that the price for the WWTP cylinder had gone up.
- Mr. Foss stated that because of people jumping the fence and stealing Town property, they had installed razor wire at the top of the fence.
- Mr. Foss requested Town Council's permission to close in 75 feet of wall by installing (2) 12 x 12 rollup doors, (1) 14 x 12 rollup door and (1) personnel door in an effort to control theft.at the Town's garage building.

Mayor Rector instructed Mr. Foss to prepare a proposal for the garage doors and obtain quotes to be presented at the October 2013 Town Council Meeting. Mayor Rector, also, requested Mr. Foss to have a plan to cover the cost of the doors.

3. **Request for Approval of the Veterans Memorial Monument.** Mayor Rector is requesting that the Town Council discuss and approve the allocation of funds to purchase a Veterans Memorial Monument and Flag Pole. Presented by Mayor Fax Rector

- Mayor Rector stated that the property located by the old Town Hall was donated by the American Legion Post to the Town with the understanding that a Memorial would be set up on the property. Mayor Rector stated that the cost and installation of the Memorial would be $2,800. The flag pole would be donated.

After much discussion by Council, a motion was made by Councilmember Edwards to approve the allocation of funds to purchase a Veterans Memorial Monument and Flag Pole. The motion was seconded by Councilmember Honeycutt. The motion carried with a vote of 5 – 0.

4 **Approval and Acceptance of the North Carolina Rural Economic Development Center Asset Management Grant Award, the Engineering Service Agreement and the Budget Amendment for the grant match requirement.**

- Mr. Cox requested Council to accept the Rural Center Development Center Asset Management Plan Grant Award, Engineering Service Agreement and Budget Amendment 12/14-03. He, also, asked Council to approve the Town's match of $15,000 from the Water and Sewer Reserve, with BA 13/14-03. (Rural Center Award Contract, Engineering Services Agreement and BA 13/14-03 BELOW)

RURAL CENTER AWARD CONTRACT

2013-228-40101-102

AGREEMENT

THIS AGREEMENT, entered into this July 12, 2013, by and between the Town of Chadbourn (hereinafter referred to as "GRANTEE") and the Rural Economic Development Center, Inc. (hereinafter referred to as "CENTER"), a North Carolina non-profit corporation.

WITNESSETH:

THAT, WHEREAS, the CENTER was organized for the purpose of stimulating and supporting economic development in the rural areas of North Carolina; and

WHEREAS, in its efforts to stimulate and encourage Economic Development in the rural areas of North Carolina, the CENTER contracts with academic, public and private entities for the purpose of engaging in such activities; and

WHEREAS, the CENTER has agreed to contract with the GRANTEE to engage in activities to support projects of the CENTER;

NOW, THEREFORE, in consideration of the mutual promises and such other valuable consideration as shall be set out herein, the parties hereto do mutually agree to the following terms and conditions:

1. Scope of Program. The GRANTEE shall develop, perform and complete the work set out in Exhibit A (hereinafter referred to as the "Project") and said Project being that work described in a proposal entitled Asset Management Plan as approved by the CENTER. Additionally, the GRANTEE agrees to the conditions and regulations for the REDC Supplemental Grants Program as set forth in the Memorandum of Understanding (Exhibit A-1).

2. Changes in the Project.

(a) If changes or extra work are requested and authorized in writing by the CENTER, the GRANTEE will be available to furnish, or obtain from others, the services required.

(b) Any work referred to in paragraph 2(a) above shall be the subject of a separate written agreement between the CENTER and the GRANTEE stating the costs and schedule for completing said extra work.

(c) The GRANTEE shall immediately notify the CENTER of any change in conditions or local law, or any other event, which may significantly affect its ability to perform the Project in accordance with the provisions of this paragraph.

3. Term of Agreement. The effective period of this Agreement shall commence on 6/26/2013 and shall terminate on 6/26/2014

4. Funding.

(a) Subject to the reduction described below, the CENTER grants to the GRANTEE the amount of $15,000.00 which is the total amount of this agreement for expenditures relating to the Project. In the event that the costs of the project are less than the costs projected in Exhibit A, the grant shall be reduced on a pro rata basis with other project funding.

5. Independent Status of the GRANTEE.

(a) It is agreed between the parties that neither this Agreement nor any provisions hereof shall be deemed to create a partnership or joint venture between the CENTER and the GRANTEE. It is further agreed that except for the rights expressly granted to the CENTER in this Agreement, it shall not have any proprietary rights in the Project.

(b) The parties acknowledge that the GRANTEE is an independent entity. The GRANTEE shall not represent itself as an employee of the CENTER nor is the Agreement intended to be construed so as to make the GRANTEE an employee of the CENTER. The GRANTEE shall not have the ability to bind the CENTER to any agreement for payment of goods or services, nor shall it represent to any person that it has such ability. The GRANTEE shall be responsible for payment of all its expenses, including rent, office expenses and all forms of compensation to employees. The GRANTEE shall provide worker's compensation insurance to the extent required for its operations and shall accept full responsibility for payments of unemployment compensation, social security, income taxes, and any other charges, taxes or payroll deductions required by law in connection with its operations, for itself and its employees who are performing work pursuant to this Agreement. All expenses incurred by the GRANTEE are its sole responsibility, and the CENTER shall not be liable for the payment of any obligations incurred in the performance of the Project.

6. Method of Payment. The sums awarded under this agreement shall be paid to the GRANTEE in accordance with the Schedule of Payments attached hereto as Exhibit B. The payments set forth in Exhibit B will be paid within twenty (20) days upon a requisition for payment from the GRANTEE specifying that it has performed the required work under this Agreement and that it is entitled to receive the amount requisitioned under the terms of this Agreement and clarified further in the Memorandum of Understanding (Exhibit A-1).

7. Obligation of Funds. Funds provided by the CENTER may not be obligated by the GRANTEE prior to the effective date or subsequent to the termination date of this Agreement. All obligations outstanding as of the termination date shall be liquidated within thirty days. Prior approval shall not be required for changes which affect the approved budget unless a budget category is exceeded by ten (10) percent or $500.00, whichever is greater. Any changes in the approved budget which would result in the addition or deletion of a budget category shall require prior approval from the CENTER.

8. Amendments. Any and all additions, deletions or other changes in this Agreement shall be effectuated by written amendment, with the written consent of both parties, and said amendments shall be incorporated into this Agreement with the same formalities required of this, the original document.

9. Reports.

(a) The GRANTEE will furnish the CENTER with detailed written progress reports on a quarterly basis or other periods specified in Exhibit C.

(b) The reports referred to in paragraph 9(a) above should describe the progress made by the GRANTEE toward achieving the purpose(s) for which the funds were awarded. This should include the successes and problems encountered during the reporting period.

(c) Failure to submit a required report by the scheduled submission date will result in the withholding of any forthcoming payment until the CENTER is in receipt of the delinquent report.

(d) All funds awarded to the GRANTEE under this Agreement are appropriated by the North Carolina General Assembly. Accordingly, the GRANTEE acknowledges and agrees that it will be subject to the audit and reporting requirements, as applicable. Such audit and reporting requirements may vary depending upon the amount and source of funding received by GRANTEE, and are subject to change from time to time:

1. N.C.G.S. § 143C-6-23, State Grant Funds; Administration; oversight and reporting requirements – Use of State Funds by Non-State Entities and Chapter 09, North Carolina Administrative Code: The GRANTEE also

agrees to provide a certification, an accounting of State funds received, used or expended, and a description of program activities and accomplishments. Depending on the level of State funding received, these reports are due within six (6) or nine (9) months after the GRANTEE's fiscal year end and will be completed using forms provided by the CENTER; or

1. N.C.G.S. § 159-34, Local Government Finance Act -- Annual independent audit; rules and regulations: Upon completion, the GRANTEE agrees to forward to the CENTER one copy of any audited financial statements and accompanying reports covering the period of time that the GRANTEE has an active award contract with the CENTER.

In addition to the audit and reporting requirements mandated by the State of North Carolina, the GRANTEE agrees to comply with any requests made by the CENTER from time to time for other financial and organizational materials to permit the CENTER to comply with its fiscal monitoring responsibilities.

(e) The GRANTEE agrees that within thirty (30) days after the termination of this Agreement, a Final Report shall be submitted to the CENTER which describes the activities and accomplishments of the Project. The Final Report will include a review of performance and activities over the entire project period and will include a one-page program summary which the CENTER can use for future publication. In that brief summary, the GRANTEE should describe the project, how it is implemented, to what degree the established project objectives were met and the difficulties encountered, what the project changed, and its cost. In addition to accounting for the use of the Project funds during the current fiscal year, the GRANTEE will submit a detailed final financial report by category (i.e., salaries, materials, equipment, etc.) showing all expenditures during the entire Project period and reports the source and amount of all other funds used to support the Project.

(f) The CENTER may request from the GRANTEE certain information which will assist the CENTER with evaluation of the short- and long-range impact of its programs. The GRANTEE recognizes that such request may occur after the termination of this Agreement and agrees, to the extent possible, to provide such information to the CENTER.

10. Project Records.

(a) The GRANTEE shall maintain full, accurate and verifiable financial records, supporting documents, and all other pertinent data for this Project in such a manner as to clearly identify and document the expenditure of the CENTER funds provided under this Agreement separate from accounts for other awards, monetary contributions, or other revenue sources for this Project.

(b) The GRANTEE shall retain all financial records, supporting documents, and all other pertinent records related to the Project for a period of five (5) years from the date of termination of this Agreement. In the event such records are audited, all project records shall be retained beyond the five-year period until any and all audit findings have been resolved.

(c) The GRANTEE agrees to make available to the CENTER, or its designated representative, and to the Office of the State Auditor all of its records which relate to the Project in any way, and agrees to allow the CENTER or said representative to audit, examine and copy any and all data, documents, proceedings, records and notes of activity relating in any way to the Project in the custody of the GRANTEE and any workpapers in the custody of an auditor or other third party. Access to these records shall be allowed upon request at any time during normal business hours and as often as the CENTER or said representative may deem necessary.

11. Publications.

(a) Any reports, data, or other information given to, prepared or assembled by the GRANTEE under the Agreement must contain the following acknowledgment and disclaimer statement: "This material is based upon work supported in whole or part by the Rural Economic Development Center." All materials must also contain the following statement: "Any opinions, findings, conclusions, or recommendations expressed in this publication are those of the author(s) and do not necessarily reflect the views and policies of the Rural Economic Development Center."

(b) Except as provided in paragraph 11(a) above, the GRANTEE may publish or arrange for the publication of scientific and technical information resulting from work carried out

under this Agreement. The GRANTEE may, with the permission of the CENTER, copyright any books, publications, films, or other copyrightable materials developed in the course of or resulting from work under this Agreement.

(c) Projects which are the subject of a press release by the GRANTEE to the news media shall contain an acknowledgment statement that the project is supported by an award from the Rural Economic Development Center.

(d) Upon publication of materials resulting from the work of the project, the GRANTEE shall furnish a minimum of two copies of reprints to the CENTER.

12. Termination. If through any cause the GRANTEE shall fail to fulfill in a timely and proper manner its obligations under this Agreement, or shall violate any of the covenants or stipulations of this Agreement, the CENTER shall thereupon have the right to terminate this Agreement by giving written notice to the GRANTEE of such termination and by specifying the effective date of termination. In such event, the CENTER shall have no responsibility to make additional payments under this contract after the date of termination. No further expenditures shall be made under this Agreement except for such work as shall have already been performed prior to the date of termination and the GRANTEE shall repay all unspent grant funds upon the demand of the CENTER.

13. Liabilities and Loss. The CENTER assumes no liability with respect to accidents, bodily injury, illness, breach of contract or any other damages or loss, or with respect to any claims arising out of any activities undertaken by the GRANTEE under this Agreement, whether with respect to persons or property of the GRANTEE, or third parties. The GRANTEE agrees to obtain insurance or otherwise protect itself or others as it may deem desirable. Further, the GRANTEE agrees to indemnify, defend and save harmless the CENTER and its officers, agents and employees against any liability, including costs and expenses and attorneys' fees, for the GRANTEE'S violation of any proprietary right or right of privacy arising out of the publication, translation, reproduction, delivery, performance, use or disposition of any information published resulting from the work of the Project or based on any libelous or other unlawful matter contained in such information. The GRANTEE also further agrees to indemnify, defend and save harmless the CENTER and its officers, agents and employees from any and all claims and losses accruing or resulting to any and all subcontractors, materialmen, laborers and any other person, firm or corporation furnishing or supplying work, services, materials or supplies in connection with the Project and the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by the GRANTEE or its agents in the performance of the Project and this Agreement.

14. Availability of Funds. It is understood that the CENTER'S obligation to pay any amounts under this Agreement is contingent upon the availability and continuation of funds for such purpose. In the event that funds for this Project shall become unavailable, the CENTER may terminate this Agreement upon thirty (30) days written notice to the GRANTEE. All obligations of the CENTER to make payments under this Agreement shall cease as of the date of such termination.

15. Entire Agreement. This agreement supersedes all prior agreements between the CENTER and the GRANTEE, and expresses their entire understanding with respect to the transactions contemplated herein, and shall not be amended, modified or altered except pursuant to a writing signed by both the GRANTEE and the CENTER.

16. GRANTEE Representations and Warranties. The GRANTEE hereby represents and warrants that:

(a) The GRANTEE is duly organized and existing, and, if a corporation, is duly incorporated under the laws of the State of North Carolina.

(b) The execution and delivery of this Agreement have been duly authorized by all necessary GRANTEE action and are not in contravention of law nor in contravention of any GRANTEE certificate of authority, by laws or other applicable organizational documents of the GRANTEE, nor the provisions of any indenture agreement or undertaking to which it is a party or by which it is bound.

(c) There is no action, suit proceeding, or investigation at law in equity or before any court, public board or body pending, or to the GRANTEE'S knowledge, threatened against or affecting it, that could or might adversely affect the Project or any of the transactions contemplated by this Agreement or the validity or enforceability of this Agreement or the

GRANTEE'S ability to discharge its obligations under this Agreement. If it is subsequently found that an action, suit, proceeding, or investigation did or could threaten or affect the development of the Project, the GRANTEE shall be liable to the CENTER for repayment of the entire amount of the grant and this Agreement may be terminated by the CENTER effective upon notice.

(d) The GRANTEE shall at all times preserve its legal existence, except that the GRANTEE may merge or consolidate with or into or sell all or substantially all of its assets to any GRANTEE that expressly undertakes, assumes for itself, and agrees in writing to be bound by all of the obligations and undertakings of the GRANTEE contained in this Agreement. If the GRANTEE so merges, consolidates or sells its assets without such an undertaking being provided, the GRANTEE agrees to repay to the CENTER the full amount of sums awarded under this contract.

(e) No consent or approval is necessary from any governmental authority as a condition to the execution and delivery of this Agreement by the GRANTEE or the performance of any of its obligations hereunder, or all such requisite governmental consents or approvals have been obtained. The GRANTEE shall provide the CENTER with evidence of the existence of any such necessary consents or approvals at the time of the execution of this Agreement.

(f) The GRANTEE is solvent.

17. Special Provisions and Conditions.

(a) Nondiscrimination. The GRANTEE agrees not to discriminate by reason of age, race, religion, color, sex, national origin, or handicap related to the activities of this Agreement.

(b) Findings Property of the CENTER. All finished or unfinished documents, data, surveys, studies, drawings, maps, models, photographs, and reports prepared by the GRANTEE related to the project shall, at the option of the CENTER, become the CENTER'S property.

(c) Conflict of Interest. The GRANTEE certifies that to the best of its knowledge no GRANTEE employee or officer of the GRANTEE has any pecuniary interest in the business of the CENTER or of the Agreement, and that no person associated with the GRANTEE has any interest that would conflict in any manner with the performance of the Agreement.

(d) Compliance with Laws. The GRANTEE shall at all times observe and comply with all laws, ordinances, and regulation of the State, Federal and Local governments which may in any manner affect the performance of the Agreement.

(e) Non-Assignability. The GRANTEE shall not assign any interest in the Agreement and shall not transfer any interest in the same without prior written consent of the CENTER; provided, however, that claims for money due to the GRANTEE from the CENTER under this Agreement may be assigned to any commercial bank or other financial institution without such approval.

(f) Personnel. The GRANTEE represents that it has, or will secure at its own expense, all personnel required to carry out and perform the scope of services of this Agreement. Such employees shall not be employees of, or have any relationship to any of the members of the CENTER. Such personnel shall be fully qualified and shall be authorized under state and local law to perform such services.

18. Notice. All notices required or permitted to be delivered hereunder and all communications in respect hereof shall be in writing and shall be deemed given when personally delivered or when deposited in the United States mails, certified, return receipt requested, first class, postage prepaid and addressed as follows:

AGREEMENT FOR ENGINEERING SERVICES

This agreement, made this 19th day of August, 2013, by and between the Town of Chadbourn, North Carolina, hereafter referred to as the OWNER, and Engineering Services, P.A., hereinafter referred to as the ENGINEER.

The OWNER intends to utilize engineering services to be provided by the ENGINEER for the Chadbourn Asset Management Plan, as outlined in the attached Exhibit A from the Rural Center Contract for funding. The scope of work and budget shall be as reflected in the same Exhibit A (See Attached).

WITNESSETH:

That for and in consideration of the mutual covenants and promises between the parties hereto, the following is hereby agreed:

SECTION A - ENGINEERING SERVICES

The ENGINEER shall furnish engineering services as follows, as consistent with the attached Exhibit A from the Rural Center contract. Specific areas of focus within the report will be as identified by the Town.

Original documents, survey notes, reports, computer runs, tracings, and the like, except those furnished to the ENGINEER by the OWNER, are instruments of service, regardless of form, and are confidential and proprietary information of the ENGINEER and shall remain the sole and exclusive property of the ENGINEER.

SECTION B - COMPENSATION FOR PLANNING AND DESIGN SERVICES

The OWNER shall compensate the ENGINEER for consulting services in the total Lump Sum amount of Twenty Eight Thousand and Five Hundred dollars ($28,500.00). Funds shall be allocated as follows:

Inventory of System Assets	$9,250
Assessment of Existing Infrastructure	$5,000
Update Capital Improvement Plan	$8,000
System Operation & Maintenance Plan	$5,500
Report Printing and Binding	$750
TOTAL	$28,500

The ENGINEER will render to OWNER for such services an itemized bill, once each month, for compensation for such services performed hereunder during such period, based on the

ENGINEER'S estimate of the percentage complete of the design process, the same to be due and payable by the OWNER to the ENGINEER on or before the 15th day of the following period.

If the Project is suspended for more than three months or abandoned in whole or in part, the Engineer shall be paid for services performed prior to receipt of such notice from the OWNER together with all termination expenses. If the Project is resumed after being suspended for more than three months, the Engineer's compensation shall be subject to renegotiations.

SECTION C - COMPENSATION FOR RESIDENT CONSTRUCTION OBSERVATION

This project is intended for planning and funding purposes only. No construction observation services will be performed or billed for this project.

SECTION D - COMPENSATION FOR ADDITIONAL ENGINEERING SERVICES

In addition to the foregoing being performed, the following services may be provided UPON PRIOR AUTHORIZATION OF THE OWNER.

1. Site surveys for water treatment plants, sewage treatment works, dams, reservoirs, ponds, and other similar special surveys as may be required.

2. Laboratory tests, well tests, borings, specialized geological, soils, hydraulic, or other studies recommended by the ENGINEER.

3. Property surveys, easement surveys, detailed description of sites, maps, drawings, or estimates related thereto; assistance in negotiating for land and easement rights.

4. Necessary data and filing maps for water rights, water adjudication, and litigation.

5. Redesigns ordered by the OWNER after the OWNER has accepted final plans.

6. Appearances before courts or boards on matters of litigation or hearings related to the projects.

7. This item not used.

8. Provide maintenance and operation manuals or shop drawings, where appropriate.

Payment for extra services specified herein shall be as agreed to between the OWNER and ENGINEER prior to the commencement of work. The ENGINEER will render to OWNER for such extra services an itemized bill, separate from any other billing, once each month, for compensation for services performed hereunder during such period, the same to be due and payable by OWNER to the ENGINEER on or before the 15th day of the following period.

The following rates apply to these extra services:

Principal Engineer	$80/per hour
Managing Engineer	$80/per hour
Project Engineer	$80/per hour
CADD Operations	$55/per hour
Computations	$55/per hour
Engineering Technician	$55/per hour
2-Man Survey Crew	$55/per hour
3-Man Survey Crew	$70/per hour
Construction Observer	$60/per hour
Secretary	$40/per hour

SECTION E - PAYMENT AND INTEREST ON UNPAID SUMS

All invoices are due and payable 30 calendar days from the date of the invoice. If an OWNER fails to make any payment due ENGINEER within the allowable 30 days for services and expenses, and funds are available for the projects, then the ENGINEER shall be entitled to interest at the rate of 12 percent per annum from said 30th day, not to exceed an annual rate of 12 percent. If the invoice is not paid within 30 days, the ENGINEER may, without waiving any claim or right against the OWNER, and without liability whatsoever to the OWNER, terminate the performance of the service. In the event that any portion or all of an account remains unpaid 60 days after billing, the OWNER shall pay all costs of collections, including reasonable attorney's fees.

SECTION F - INDEMNIFICATION

The OWNER/ENGINEER shall indemnify and hold harmless the ENGINEER/OWNER and all of its personnel from and against any and all claims, damages losses and expenses (including reasonable attorney's fees) arising out of or resulting from the performance of the services, provided that any such claim, damage, loss or expense is caused in whole or in part by the negligent act, omission, and/or strict liability of the OWNER/ENGINEER, anyone directly or indirectly employed by the OWNER/ENGINEER, or anyone for whose acts any of them may be liable. Claims and disputed may be subjected to arbitration as defined by this Contract.

Any cause of action between the parties to this Agreement pertaining to acts or failures to act shall be deemed to have accrued and the applicable statues of limitations shall commence to run not later than the date of Substantial Completion or in the absence of an issued Substantial Completion Certificate, not later than the date when the ENGINEER'S services are substantially completed.

The ENGINEER and Owner mutually agree to wave consequential damages, including but not limited to damages for loss of profit, loss of revenues and loss of business or business opportunities, for claims, disputes or other matters in question arising out of or relating to this Agreement.

SECTION G - TERMINATION OF AGREEMENT

This Agreement may be terminated by either party upon thirty (30) days written notice should the other party fail substantially to perform in accordance with its terms through no fault of the party initiating the termination. It is furthermore understood and agreed upon that the OWNER may decide not to complete the design or enter into the construction mode should the applied for grant/loan not be made available. In the event of termination due to the fault of parties other than the Engineer, the Engineer shall be paid his compensation for services performed to termination date, including Reimbursable Expenses, plus termination expenses.

Termination expenses are defined as Reimbursable Expenses directly attributable to termination, plus an amount computed as a percentage of the total compensation earned to the time of termination as follows:

20 percent if termination occurs during the Design Phase; or
10 percent if termination occurs during the Construction Documents Phase; or
5 percent if termination occurs during any subsequent phase.

SECTION H. MEDIATION

Prior to the initiation of any legal proceedings, the parties agree to submit all claims, disputes or other controversies arising out of or in relation to the interpretation, application or enforcement of this Agreement to non-binding mediation. Mediation shall be conducted under the auspices of the American Arbitration Association or such other mediation service or mediator upon which the parties agree. The party seeking to initiate mediation shall do so by submitting a formal written request to the other party to this Agreement. This Article shall survive completion or termination of this Agreement, but under no circumstance shall either party call for mediation of any claim or dispute arising out of this Agreement after such period of time as would normally bar the initiation of legal proceedings to litigate such a claim or dispute under the laws of the State of North Carolina. All mediation shall be carried out in the City of Raleigh, North Carolina.

SECTION I - EXTENT OF AGREEMENT

This Agreement represents the entire and integrated agreement between the Owner and the Engineer and supersedes all prior negotiations, representations or agreements. This Agreement may be amended only by written instrument signed by both Owner and Engineer.

In WITNESS WHEREOF, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement in duplicate on the respective dates indicated below. This Agreement is entered into the day and year first written above.

Budget Amendment 12/14-03

Rural Water Study (Water/Sewer Study)	30-8100-0403 increase by $15,000
Fund Balance Appropriation	30-3990-0000 increase by $15,000

Budget Amendment ended:

After much discussion by Council, a motion was made by Councilmember Rashad Roberts to approve the North Carolina Rural Economic Development Center Asset Management Grant Award, the Engineering Service Agreement and the Budget Amendment for the grant match requirement. The motion was seconded by Councilmember Edwards. The motion carried with a vote of 5 - 0.

OTHER ITEMS

Stevie Cox, Town Manager, announced that Linda Gaddy's daughter, Heather Gaddy, had recently been promoted to the position of Drill Sergeant and will be stationed at Fort Jackson, SC.

Russell Gause stated that grass is growing on the sidewalk in front of his house. Trash debris is not being picked up in front of his house and the asphalt is breaking up in front of his house. Mr. Cox will contact NCDOT in reference to the asphalt problem.

ADJOURNMENT

With no further business, Mayor Rector adjourned the meeting at 7:53 p.m.

Fax Rector

Fax Rector, Mayor

Attest

Linda Gaddy

Linda Gaddy, Deputy Town Clerk