The regular meeting of the Newton City Council was held at 7 p.m. Tuesday, September 3, 2019 at Newton City Hall.

PRESENT: Mayor Anne P. Jordan, Mayor Pro Tem John Stiver and Council Members Jerry Hodge, Anne Wepner, Jody Dixon, Tom Rowe and Ed Sain

STAFF: City Manager Todd Clark, City Clerk Amy S. Falowski, City Attorney John Cilley, City Department Heads and members of the management team

ITEM 1: CALL TO ORDER

Mayor Anne P. Jordan welcomed everyone and called the meeting to order.

ITEM 2: OPENING Invocation and Pledge of Allegiance

Council Member Tom Rowe provided the invocation and Pledge of Allegiance.

ITEM 3: APPROVAL OF MINUTES

Upon motion duly made by Council Member Jerry Hodge, seconded by Council Member Anne Wepner, it was unanimously RESOLVED:

That the Regular Minutes of the August 6, 2019 City Council meeting be – APPROVED

ITEM 4: CONSIDERATION OF CONSENT AGENDA ITEMS

Upon motion duly made by Council Member Jody Dixon, seconded by Council Member Ed Sain, it was unanimously RESOLVED:

That the Consent Agenda be – APPROVED

A. Tax Releases

B. Sewer Adjustments

C. Consideration of Budget Amendment Using Sue Jones Funds for Improvements to Chadwick and Little Brooke Parks

(Ordinances, Resolutions and Proclamations are hereby referenced and on file in the Office of the City Clerk)

ITEM 5: COMMENTS FROM THE PUBLIC: PEOPLE WHO WISH TO COMMENT ON NON-AGENDA ITEMS ARE ASKED TO SIGN IN WITH THE CITY CLERK PRIOR TO THE MEETING.

Mayor Anne P. Jordan asked if anyone present would like to make comment concerning non-agenda items. No one appeared.

ITEM 6: Public Hearing

B. Consideration of Financing Capital Infrastructure Projects

Mayor Jordan opened the Public Hearing.

Finance Director Vickie Thomas stated that on July 25, 2019, bids were solicited for financing certain infrastructure improvements. The Downtown Streetscape Phase 2 Capital Project was approved in the Downtown Streetscape
Capital Project Fund and the Valley Drive water infrastructure project was approved as part of the FY 2019-2020 budget ordinance. A Request For Proposal was submitted to the following seven financial institutions: Branch Banking and Trust (“BB&T”), First Citizens Bank, HomeTrust Bank, Live Oak Bank, Regions Bank, Peoples Bank, and U.S. Bank.

Of the seven financial institutions solicited, three of these institutions provided a proposal, BB&T, Peoples Bank and Live Oak Bank.

The bids were as follows:

<table>
<thead>
<tr>
<th>Financial Institution</th>
<th>15 Year Amortization:</th>
<th>20 Year Amortization:</th>
</tr>
</thead>
<tbody>
<tr>
<td>BB&amp;T</td>
<td>2.62%</td>
<td>BB&amp;T (could not provide 20 year financing) N/A</td>
</tr>
<tr>
<td>Peoples Bank</td>
<td>2.69%</td>
<td>Peoples Bank</td>
</tr>
<tr>
<td>Live Oak</td>
<td>4.75% + (depending on LIBOR rate at closing)</td>
<td>Live Oak</td>
</tr>
</tbody>
</table>

Ms. Thomas stated that BB&T provided the lowest bid and that staff is recommending that City Council award the financing for both projects to BB&T.

Ms. Thomas explained that in an effort to streamline the process with the Local Government Commission, the resolutions will reflect the bid request numbers and projects presented to the financial institutions; however, the intent is to close our financings with a lesser amount due to savings of $161,540 from the Valley Drive Water Project due to actual construction bids coming in lower that the engineer’s estimate.

**Action Suggested:**

1) Award the bid to provide financing to BB&T for an amount **not to exceed**:
   a. $700,000 at stated interest rate of 2.62% for a 15 year amortization
   b. $757,300 at stated interest rate of 2.62% for a 15 year amortization

2) Adopt the Resolutions Approving Financing Terms based on 15 year amortization at a stated interest rate of 2.62%.

Mayor Jordan asked if there was anyone present to comment. No one appeared.

Upon motion duly made by Council Member Ed Sain, seconded by Mayor Pro Tem John Stiver, it was unanimously RESOLVED:

That Public Hearing be – CLOSED

**ITEM 7: Old Business**

A. Consideration of Resolution Approving Financing Bid Award and Resolution Approving Financing

Upon motion duly made by Mayor Pro Tem John Stiver, seconded by Council Member Ed Sain, it was unanimously RESOLVED:

That the Bid to Provide Financing - to BB&T for an Amount Not to Exceed
$700,000 at Stated Interest Rate of 2.62% for a 15 year Amortization be AWARDED

Upon motion duly made by Mayor Pro Tem John Stiver, seconded by Council Member Jerry Hodge, it was unanimously RESOLVED:

That the Bid to Provide Financing - to BB&T for an Amount Not to Exceed $757,300 at Stated Interest Rate of 2.62% for a 15 year Amortization be AWARDED

Upon motion duly made by Council Member Jerry Hodge, seconded by Council Member Ed Sain, it was unanimously RESOLVED:

That Resolution Approving Financing Terms for an Amount Not to Exceed $700,000 Based on 15 Year Amortization at a Stated Interest Rate of 2.62% be ADOPTED

Upon motion duly made by Council Member Anne Wepner, seconded by Council Member Tom Rowe, it was unanimously RESOLVED:

That Resolution Approving Financing Terms for an Amount Not to Exceed $757,300 Based on 15 Year Amortization at a Stated Interest Rate of 2.62% be ADOPTED

(Ordinances, Resolutions and Proclamations are hereby referenced and on file in the Office of the City Clerk)

B. Consideration of Award of Bid and Intent to Reimburse – Valley Drive Water Rehabilitation

Public Works and Utilities Director Dusty Wentz stated that in November of 2017, City staff was made aware of brown water in the 800 block of Valley Dr. Staff began flushing the water main, added an automatic flushing valve, replaced two service lines, and replaced 120 feet of six (6) inch water main. During the replacement of the water main, staff noted that the old water main had heavy tuberculation, which is causing the brown water. The tuberculation had reduced the inside diameter of the pipe from six (6) inches to three (3) inches. Staff replaced 120 feet of water main to resolve the brown water issue. Brown water was no longer present after the initial water main replacement.

Mr. Wentz stated that in November of 2018, the brown water returned. Staff investigated beyond the 120 feet that was replaced and found more areas of water main that needed replacement. Staff estimates that 1,280 feet of water main will need to be replaced. Replacement area will include the 800 block of Valley and the 800 Block of Hamilton St. Staff also noted that some of the replacement may involve sewer because of State standards on separation distances between water mains and sewer mains.

Mr. Wentz stated that in, March of 2019, WithersRavenel engineering firm and City of Newton started engineering, designing, and solicited bids from ten contractors. Bid opening was on July 9, 2019. Out of the ten contractors, only one bid was received. A minimum of three bids is required for the first bid opening, staff rebidding.

Re-bid opening was July 29, 2019. Staff did receive three bids.

<table>
<thead>
<tr>
<th>Utility Contractor</th>
<th>Base Bid</th>
<th>Alternate #1</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dellinger, Inc</td>
<td>$973,500.00</td>
<td>$314,750.00</td>
<td>$1,288,250.00</td>
</tr>
<tr>
<td>Hickory Sand Company</td>
<td>$324,615.00</td>
<td>$111,095.00</td>
<td>$435,710.00</td>
</tr>
<tr>
<td>Piedmont Utility Group</td>
<td>$393,581.27</td>
<td>$318,121.00</td>
<td>$711,702.27</td>
</tr>
</tbody>
</table>

Mr. Wentz stated that City Staff and WithersRavenel have reviewed the bids and determined that Hickory Sand Company is the lowest qualified and most responsive bidder. See attached engineer recommendation. Staff and WithersRavenel recommend that a 10% contingency ($43,550) be allocated for the construction project. Base bid with Alternate #1 and the 10% contingency, will bring this construction cost to a total of $479,260. Alternate #1 is
complete street mill and overlay of the project area. Combined with the $59,200 engineering costs previously authorized, the total project cost is $538,460.

Mr. Wentz recommended that the City Council award the bid for replacement of approximately 1280 feet of 6 inch water main on Valley Drive and Hamilton Street to Hickory Sand Company Inc. Staff also recommends an Intent for Reimbursement from Borrowed Funds.

Upon motion duly made by Council Member Tom Rowe, seconded by Council Member Ed Sain, it was unanimously RESOLVED:

That City Council AWARD the Bid for Replacement of Approximately 1280 feet of 6 inch Water Main on Valley Drive and Hamilton Street to Hickory Sand Company Inc.

Upon motion duly made by Council Member Ed Sain, seconded by Mayor Pro Tem John Stiver, it was unanimously RESOLVED:

That Resolution - Intent for Reimbursement from Borrowed Funds be – ADOPTED

(Ordinances, Resolutions and Proclamations are hereby referenced and on file in the Office of the City Clerk)

ITEM 8: New Business

A. Consideration of Resolution for Asset Inventory and Assessment Project Grant

Public Works and Utilities Director Dusty Wentz stated that the City engaged Wooten Engineering to submit a wastewater collection system Asset Inventory and Assessment (AIA) grant for state funding. This grant will help fund technical assistance by an engineering firm. Deadline for application submittal is the end of September 2019.

Mr. Wentz stated that the sewer grant is for providing assistance with determining the cause of flow spikes at the wastewater plant, as well as the cause of sanitary sewer overflows during rain events. This project will focus on wastewater collection mains that flow into the Burris Rd Lift Station, which is located in the North West quadrant of the City limits. This project will help determine points of inflow and infiltration (I&I) as well as current pipe conditions and provide a recommendation on priority of replacement.

Mr. Wentz explained that the grant is capped at $150,000. City’s responsibility will be a match of 15% above the final grant total and a 1 ½ % of the grant total fee. City staff can offset the 15% match with in kind labor. Once selection is determined, staff will need to request bids for qualifications to engineering firms to start the wastewater collection system Asset Inventory Assessment project.

Mr. Wentz stated requested that Council consider the attached Council Resolutions and approve execution to complete the application process.

Upon motion duly made by Mayor Pro Tem John Stiver, seconded by Council Member Anne Wepner, it was unanimously RESOLVED:

That Resolutions - To Complete the Application Process be – ADOPTED

(Ordinances, Resolutions and Proclamations are hereby referenced and on file in the Office of the City Clerk)
B. Consideration of Award of Bid and Budget Amendment for the Replacement of Water Treatment Plant Supervisory Control and Data Acquisition (SCADA)

Public Works and Utilities Director Dusty Wentz stated that the water treatment plant has a supervisory control and data acquisition (SCADA) that was put in in 1988 with an update around 2000. SCADA is a computer system that monitors controls, and records unfinished and finished water levels, pumps, motors, chemical feeds, pH, and other required equipment. The computer is linked to sensors, actuators, and floats at the water plant and within the distribution system.

Mr. Wentz stated that over the past months, on several occasions, the water treatment plant SCADA has stopped working for a few minutes at a time. The longest period was fifteen minutes. When this happens, plant staff is unable to operate the plant. They do not know what the levels are in the water tanks, system pressure, what pump is on or off, or what chemicals are being feed. All the staff can do is reboot the system in hopes of it coming back up. This old SCADA system is running Windows XP operating system that has not been supported by Microsoft since April 2014, which means it is not repairable.

Mr. Wentz explained that City staff researched companies that could replace SCADA at the City of Newton’s Water Plant. From that intensive search there were two companies that can meet needs at the water plant. July 19, 2019, staff proceeded by sending request for pricing.

<table>
<thead>
<tr>
<th>Company</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>CITI, LLC</td>
<td>$90,031.00</td>
</tr>
<tr>
<td>Instrumentation Services Inc.</td>
<td>$85,900.00</td>
</tr>
</tbody>
</table>

Staff reviewed the price proposals and found that Instrumentation Services, Inc. met the requirements of the bid documents.

Mr. Wentz recommended that the City Council award the bid for replacement of the water treatment plant SCADA to Instrumentation Services, Inc. in the amount of $85,900. Adding $8,590 for contingency, the total amount to be budgeted for the replacement is $94,490. Staff also requests that Council approve the attached Budget Ordinance Amendment for the SCADA purchase.

Upon motion duly made by Council Member Jerry Hodge, seconded by Council Member Anne Wepner, it was unanimously RESOLVED:

That City Council AWARD the Bid for Replacement of the Water Treatment Plant SCADA to Instrumentation Services, Inc. in the Amount of $85,900. Adding $8,590 for Contingency, the Total Amount to be Budgeted for the Replacement is $94,490

Upon motion duly made by Mayor Pro Tem John Stiver, seconded by Council Member Jody Dixon, it was unanimously RESOLVED:

That Budget Ordinance Amendment for the SCADA purchase be – ADOPTED

(Ordinances, Resolutions and Proclamations are hereby referenced and on file in the Office of the City Clerk)

ITEM 9: City Manager’s Report

Meetings & Events
• Sept. 5th – Round table discussion with Thom Tillis and USDA State Director for Rural Development, Robert Hosford @ 9:30 a.m. in Kannapolis. Please see Amy
• Sept. 10th – Jacob Fork Ballfield Lighting Dedication, 7:00 p.m. at the ballfield
• Sept. 19th – Bright Future Concert, 5:30 p.m. – 8:30 p.m. at Frank and Sue Jones Amphitheatre
• Oct. 5th – Foothills Folk Art Festival, 10:00 a.m. – 4:00 p.m.
• Oct. 10th – East-Side Community Meeting, 6:00 p.m. at St. Paul UMC
• Thursdays, Sept. 12-Oct. 24 – Newton 101, various locations at 6:30 p.m. (note the Sept. 19 session begins at 6 p.m.) – Please see full Schedule*

Projects

• Update on Capital Improvement Financing Application
• West 15th St Sewer Line Repair
• Radio Station Rd at Greenway Sewer Line Repair
• Greenway Storm Water Repair
• Report on Phase 1 Streetscape Final Costs
• Staff Update on US EPA Mandated Stormwater Regulations
• The Electric Department will be sending two guys and one truck to New Bern until Sunday due to Hurricane Dorian

ITEM 10: Questions and Comments from Mayor and Council

Mayor Jordan asked if there were any questions or comments from City Council.

Council Member Ed Sain gave reports on the Appearance Commission and the Recreation Commission.

ITEM 11: Adjournment

Upon motion duly made by Council Member Jody Dixon, seconded by Council Member Ed Sain, it was unanimously RESOLVED:

That the Meeting be – ADJOURNED

________________________________________
Anne P. Jordan, Mayor

____________________________________
Amy S. Falowski, City Clerk