



Town of Clayton
Regular Town Council Meeting Agenda
Monday, June 3, 2024 at 6:00 PM
Council Chambers, Town Hall
111 E. Second Street

THE PUBLIC MAY VIEW THE LIVE COUNCIL MEETING ON THE TOWN'S YOUTUBE CHANNEL:
<https://www.youtube.com/TownofClaytonNC>

1. CALL TO ORDER

- a. Call to Order
- b. Pledge of Allegiance
- c. Invocation

2. ADJUSTMENT OF THE AGENDA

- a. **POTENTIAL ACTION:** Approve or Adjust the Agenda

3. CONSENT AGENDA

(Items on the consent agenda are considered routine in nature or have been thoroughly discussed at previous meetings. Any member of the Council may request to have an item removed from the consent agenda for further discussion.)

- a. Resolution Authorizing Wake County Tax Administrator to Levy and Collect Property Taxes for the Town of Clayton
Presenter: Robert McKie, Finance Director
[Order to Collect Wake County](#)
- b. Resolution Authorizing Johnston County Tax Administrator to Levy and Collect Property Taxes for the Town of Clayton
Presenter: Robert McKie, Finance Director
[Order to Collect Johnston County](#)
- c. FY25 Capital Improvement Plan
Presenter: Christopher Gallant, Engineering Project Manager
[FY25 Capital Improvement Plan](#)
- d. Approval for Town Manager to Execute Encroachment Agreement with North Carolina Railroad Company for the East Clayton Industrial Area Transmission Project
Presenter: Louis Duffie, Project Manager
[Approval for Town Manager to Execute Encroachment Agreement with North Carolina Railroad Company](#)
- e. Acceptance of Amended ARPA Grant SRP-W-ARP-0280
Presenter: Louis Duffie, Project Manager
[Acceptance of Amended ARPA Grant SRP-W-ARP-0280](#)

POTENTIAL ACTION:

Approve Consent Agenda as Presented

4. ADMINISTRATIVE ITEMS

- a. Clayton4U

Presenter: Nathanael Shelton, Communication Director

5. INTRODUCTIONS AND SPECIAL PRESENTATIONS

6. PUBLIC HEARINGS

7. QUASI-JUDICIAL HEARING

8. OLD BUSINESS

9. NEW BUSINESS

- a. Road Rehabilitation Project

Presenter: Tim Robbins, Public Works Director

[Road Rehabilitation Project](#)

POTENTIAL ACTION:

Adoption of Resolution #2024-54

- b. Hydrant Meter Program Policy

Presenter: Brandon Carroll, Water Resources Department

[Hydrant Meter Program Policy](#)

POTENTIAL ACTION:

Adoption of Resolution #2024-55

- c. Lead and Copper Rule Update

Presenter: Brandon Carroll, Utility Compliance Supervisor, Water Resources

- d. FY 2024 Audit Contract

Presenter: Robert McKie, Finance Director

[FY 2024 Audit Contract](#)

POTENTIAL ACTION:

Approval of Contract

10. STAFF REPORTS

- a. Town Manager
b. Town Attorney
c. Town Clerk
d. Other Staff

11. OTHER BUSINESS

- a. Informal Discussion & Public Comment

RULES FOR PERSONS ADDRESSING TOWN COUNCIL

- During public hearings and public comment periods, each speaker will identify him/herself by giving his or her **name and place of residence**.

- Each speaker will be limited to speaking one time on any topic. When you are finished speaking, please step away from the podium and be seated.
- Each speaker will be limited to **three (3) minutes** and each group's representative will be limited to a **maximum of five (5) total minutes**. Each group is encouraged to designate a single spokesperson for their group.

b. Council Comments

12. CLOSED SESSION

a. Discuss Purchasing of Real Property in Accordance with NC GS 143-318.11(a)(5)

POTENTIAL ACTION: Motion To Go Into Closed Session

POTENTIAL ACTION: Motion To Return To Open Session

13. ADJOURNMENT

a. Adjourn

POTENTIAL ACTION: Motion To Adjourn

Resolution #2024-43

**TOWN OF CLAYTON
A RESOLUTION AUTHORIZING THE
WAKE COUNTY TAX ADMINISTRATOR
TO LEVY AND COLLECT PROPERTY TAXES FOR THE TOWN OF CLAYTON**

BE IT RESOLVED by the Town Council of the Town of Clayton, North Carolina,
as follows:

The Wake County Tax Administrator is hereby authorized, empowered, and commanded to collect the taxes set forth in the tax records filed in the Office of the Wake County Tax Administrator in the amounts and from the taxpayers likewise therein set forth. Such taxes are hereby declared to be a first lien upon all real property of the respective taxpayers in the Town of Clayton, and this order shall be a full and sufficient authority to direct, require, and enable you to levy on and sell any real or personal property of such taxpayers, for and on account thereof, in accordance with the law.

Duly adopted this 3rd day of June 2024, while in regular session.

ATTEST:

Jody L. McLeod
Mayor

Heidi L. Holland, CMC, NCCMC
Town Clerk

Resolution #2024-44

**TOWN OF CLAYTON
A RESOLUTION AUTHORIZING THE
JOHNSTON COUNTY TAX ADMINISTRATOR
TO LEVY AND COLLECT PROPERTY TAXES FOR THE TOWN OF CLAYTON**

BE IT RESOLVED by the Town Council of the Town of Clayton, North Carolina,
as follows:

The Johnston County Tax Administrator is hereby authorized, empowered, and commanded to collect the taxes set forth in the tax records filed in the Office of the Johnston County Tax Administrator in the amounts and from the taxpayers likewise therein set forth. Such taxes are hereby declared to be a first lien upon all real property of the respective taxpayers in the Town of Clayton, and this order shall be a full and sufficient authority to direct, require, and enable you to levy on and sell any real or personal property of such taxpayers, for and on account thereof, in accordance with the law.

Duly adopted this 3rd day of June 2024, while in regular session.

ATTEST:

Jody L. McLeod
Mayor

Heidi L. Holland, CMC, NCCMC
Town Clerk



Regular Town Council Meeting Agenda Cover Sheet

Meeting Date

June 3, 2024

Agenda Location

CONSENT AGENDA

Item Title

FY25 Capital Improvement Plan

Presenter(s)

Christopher Gallant - Engineering Project Manager

Suggested Action

Adoption of Resolution

Strategic Priorities Alignment



Think Clayton
(Administrative)



Think Arts &
Culture



Think
Downtown



Think
Economic
Development



Think Land
Use &
Housing



Think
Mobility



Think Parks,
Recreation
& Natural
Resources



Think Public
Services &
Infrastructure

Public Hearing: No

If Approved, Will Document Require Recordation? No

Does This Item Require a Communication Plan?

☐ Public Hearing (Required by GS)

☐ Newspaper Notice (Required by GS)

☐ Public Forum/Input Session

☐ E-News Distribution

☐ Social Media

☐ Special Mailing

☐ Public Hearing (Not Required by GS)

☐ Newspaper Notice (Not Required by GS)

☐ Press Release

☐ Website

☐ Survey

☒ None Required

Summary

The Town of Clayton's annual budget process included the preparation of a combined Capital Improvement Program (CIP) for the General Fund, Water-Sewer Enterprise Fund, and Electric Utility Enterprise Fund. The CIP includes the construction of infrastructure and municipal facilities and the acquisition of large or specialized equipment exceeding \$100,000.00. The plan provides a detailed list of projects anticipated to be completed within 1 to 5 years and a listing of needs that are anticipated within 6 to 10 years. The CIP strives to meet the Comprehensive Plan Level of Service recommendations as well as regulatory compliance. Adoption of the CIP by Town Council provides direction to the Town Manager and Budget Officer to plan for funding estimated project expenditures related to the next 5 fiscal years which will enable projects to be bid and awarded from a multi-year perspective. A review of the CIP based on the criteria established by the Town Council is performed annually and reaffirmed by Town Council action. The complete list of projects by fund and category is included as an attached to the resolution.

Please note that this is a plan, not a budget, as a budget controls the actual spending of allocated funds. While the plan attempts to provide data based on current needs, markets, and trends as accurate as possible, estimate project costs should be considered planning level estimates. Prior to funds being formally committed, they must be budgeted through the annual operating budget or, in most cases, through a separately adopted project ordinance. The first year of the Capital Improvement Program is adopted with the Town's annual budget. The project prioritization and estimates are subject to annual review and re-adoption (as necessary).

Additionally, as facilities are being planned, staff identifies operating costs, such as staffing, equipment, and utilities associated with the proposed projects. The cost of these items depends on final project size and operational needs that may not be apparent until the facility is further along in the planning and development process. These costs will be discussed and planned for in future annual budgeting processes.

Funding Source

Various

Cost

Yes

Corresponding Documentation

[Official Town of Clayton Capital Improvement Plan - Fiscal Year 2025](#)

[Resolution for Capital Improvement Plan](#)

Meeting Timeline

5 Min

Submitted By: Chris Gallant, Engineering

Reviewed By:

Joshua Baird, Engineering Director

Rich Cappola, Town Manager

Heidi Holland, Town Clerk

Approved - May 28 2024

Approved - May 28 2024

Approved - May 28 2024

MAYOR

Jody L. McLeod

TOWN MANAGER

Richard D. Cappola, Jr.

TOWN ATTORNEY

Cauley Pridgen, P.A.



MAYOR PRO TEM

Michael Sims

COUNCIL MEMBERS

Ruth Anderson

Andria Archer

Porter Casey

Gretchen Williams

Town of Clayton

Official

Capital Improvement Program

Fiscal Year 2025

PO Box 879 • Clayton, NC 27528 • 919-553-5002



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OVERVIEW

The Town of Clayton's annual budget process included the preparation of a combined Capital Improvement Program (CIP) for the General Fund, Water-Sewer Enterprise Fund, and Electric Utility Enterprise Fund. The CIP includes the construction of infrastructure and municipal facilities and the acquisition of large or specialized equipment exceeding \$100,000.00. The plan provides a detailed list of projects anticipated to be completed within 1 to 5 years and a listing of needs that are anticipated within 6 to 10 years. The CIP strives to meet the Comprehensive Plan Level of Service recommendations as well as regulatory compliance.

Adoption of the CIP by Town Council provides direction to the Town Manager and Budget Officer to plan for funding estimated project expenditures related to the next 5 fiscal years which will enable projects to be bid and awarded from a multi-year perspective. A review of the CIP based on the criteria established by the Town Council is performed annually and reaffirmed by Town Council action. The CIP will be reviewed and adjusted accordingly on an annual basis depending on the changing needs and the strengthening financial condition of the Town.

The complete list of projects by fund and category is noted below. Please note that this is a **plan**, not a **budget**, as a budget controls the actual spending of allocated funds. While the plan attempts to provide data based on current needs, markets, and trends as accurately as possible, estimate project costs should be considered planning level estimates. Prior to funds being formally committed, they must be budgeted through the annual operating budget or, in most cases, through a separately adopted project ordinance. The first year of the Capital Improvement Program is adopted with the Town's annual budget. The project prioritization and estimates are subject to annual review and readoption (as necessary).

Additionally, as facilities are being planned, staff identifies operating costs, such as staffing, equipment, and utilities associated with the proposed projects. The cost of these items depends on final project size and operational needs that may not be apparent until the facility is further along in the planning and development process. These costs will be discussed and planned for in future annual budgeting processes.



GENERAL FUND



Capital Improvement Plan: FY 2025 – 2033

Project Summary – By Priority Rank



	B	C	D	E	F	G	H	I	J	K	L	M
		Funding Source	Priority Rank	2025	2026	2027	2028	2029	2030	Total (FY 25 - 30)	2031-2033	Grand Total
Uses:												
Department		Project										
1	LAPP Grant Funded Projects											
2	Public Works	Shotwell Intersection Utility Relocation	LAPP Grant	-	-	-	-	-	-	-	-	-
3			Town Pay-Go	93,000	-	-	-	-	-	93,000	-	93,000
4	Public Works	Robertson Street Sidewalk Gaps	LAPP Grant	2,289,000	-	-	-	-	-	2,289,000	-	2,289,000
5			Debt	1,193,500	-	-	-	-	-	1,193,500	-	1,193,500
6	Public Works	East Main St. Sidewalk Connector	LAPP Grant	909,459	-	-	-	-	-	909,459	-	909,459
7			Debt	681,459	-	-	-	-	-	681,459	-	681,459
8	Subtotal - LAPP Grant Funded Projects			5,166,418	-	-	-	-	-	5,166,418	-	5,166,418
Top Priority Projects												
10	Public Safety	Northside Public Safety Complex	Debt	1	-	500,000	10,750,000	-	-	-	11,250,000	-
11	Public Safety	Southside Public Safety Complex	Debt	2	13,250,000	-	-	-	-	-	13,250,000	-
12	Public Safety	Public Safety Training Facility	Debt	3	-	-	-	500,000	4,000,000	11,000,000	15,500,000	-
13	Public Works	Southern Connector - Cobblestone/LCC Rd cut through	Debt	4	150,000	1,500,000	-	-	-	-	1,650,000	-
14	Public Works	Operations Warehouse	Debt	5	-	-	150,000	3,300,000	-	-	3,450,000	-
15	Public Works	Main St Improvement Project	Debt	7	-	-	-	-	1,000,000	22,000,000	23,000,000	-
16	Public Works	Operations Facility (40% General Fund)	Debt	8	-	-	450,000	9,500,000	-	-	9,950,000	-
17	Public Works	Southern Connector - Central Spine to Dairy Road	Debt	9	-	-	-	250,000	2,000,000	-	2,250,000	-
18	Library	Library Renovation Project	Debt	10	1,750,000	-	-	-	-	-	1,750,000	-
19			OSBM Grant	250,000	-	-	-	-	-	-	250,000	-
20	Subtotal - Top Priority Projects			15,400,000	2,000,000	11,350,000	13,550,000	7,000,000	33,000,000	82,300,000	-	82,300,000
Non-Top Priority Projects												
22	Library	Library Facility at Copper District	TBD	11	-	-	-	-	-	-	4,600,000	4,600,000
23	Public Works	Main St. Pedestrian Improvements	TBD	11	-	-	-	-	-	-	1,500,000	1,500,000
24	Public Works	O'Neil St Pedestrian Improvements	TBD	13	-	-	-	-	-	-	200,000	200,000
25	Public Works	US 70 Crossings	TBD	14	-	-	-	-	-	-	730,000	730,000
26	Public Works	Amelia Church Rd & Shotwell Rd Greenway Gaps	TBD	14	-	-	-	-	-	-	3,500,000	3,500,000
27	Public Works	Glen Laurel Road Pedestrian Improvements	TBD	14	-	-	-	-	-	-	1,500,000	1,500,000
28	Public Works	Second Street Sidewalk Connector	TBD	14	-	-	-	-	-	-	750,000	750,000
29	Public Works	First Street Modernization & Parking Aisle - Church to Horne Square	TBD	19	-	-	-	-	-	-	4,525,000	4,525,000
30	Economic Development	Project Life Dust - Town required improvements	TBD	20	-	-	-	-	-	-	200,000	200,000
31	Public Works	East Main St. Parking Lot	TBD	21	-	-	-	-	-	-	1,000,000	1,000,000
32	Parks and Rec	Town Square Stage	TBD	22	-	-	-	-	-	-	1,500,000	1,500,000
33	Parks and Rec	Clayton Community Center - Phase 2	TBD	23	-	-	-	-	-	-	5,750,000	5,750,000
34	Parks and Rec	ECCP-Bleachers and Shade	TBD	23	-	-	-	-	-	-	255,000	255,000
35	Public Works	Downtown Railway Ped Crossings	TBD	23	-	-	-	-	-	-	3,000,000	3,000,000
36	Public Works	Clayton Northern Connector	TBD	23	-	-	-	-	-	-	52,100,000	52,100,000
37	Parks and Rec	Loop Road Sports Multipurpose Complex	TBD	27	-	-	-	-	-	-	16,150,000	16,150,000
38	Parks and Rec	Community Park Phase 2 Improvements	TBD	28	-	-	-	-	-	-	3,350,000	3,350,000
39	Public Works	Clayton Riverwalk extension to NC 42E	TBD	29	-	-	-	-	-	-	1,725,000	1,725,000
40	Public Works	Clayton Community Center - Pedestrian Crossing	TBD	29	-	-	-	-	-	-	962,500	962,500
41	Economic Development	Robertson to Bartex Business Center Multipurpose Path	TBD	31	-	-	-	-	-	-	1,350,000	1,350,000
42	Public Safety	Fire Administration Office Addition	TBD	31	-	-	-	-	-	-	3,100,000	3,100,000
43	Parks and Rec	ECCP-restroom renovations	TBD	31	-	-	-	-	-	-	1,255,000	1,255,000
44	Parks and Rec	ECCP-parking expansion	TBD	31	-	-	-	-	-	-	1,832,500	1,832,500
45	Parks and Rec	ECCP-install curb and gutter at original p-lot/disc golf p-lot	TBD	31	-	-	-	-	-	-	105,000	105,000
46	Parks and Rec	Sam's Branch & Covered Bridge Trailhead Improvements	TBD	31	-	-	-	-	-	-	4,600,000	4,600,000
47	Public Works	NC 42E Greenway Extension (Town Participation)	TBD	31	-	-	-	-	-	-	600,000	600,000
48	Public Works	Stallings St Extension	TBD	31	-	-	-	-	-	-	2,675,000	2,675,000
49	Public Works	Cobblestone to OCC Greenway	TBD	31	-	-	-	-	-	-	1,725,000	1,725,000
49	Public Works	Shotwell Pedestrian Improvements	TBD	31	-	-	-	-	-	-	575,000	575,000
50	Public Works	Parkview, Meadowview, High Point Greenway Gap	TBD	31	-	-	-	-	-	-	1,383,435	1,383,435
51	Public Works	First Street Pedestrian Improvements - O'Neil to Robertson	TBD	31	-	-	-	-	-	-	3,450,000	3,450,000
52	Public Works	Downtown Parking & Turn Lane - N O'Neil & First Street	TBD	31	-	-	-	-	-	-	550,000	550,000
53	Public Works	Stallings St Extension	TBD	31	-	-	-	-	-	-	2,675,000	2,675,000
54	Public Safety	PD Building Renovations	TBD	31	-	-	-	-	-	-	TBD	-
55	Sub-Total - Non-Top Priority Projects										129,173,435	129,173,435
56	Grand Total CIP (Line 8 + 20 + 55)			20,566,418	2,000,000	11,350,000	13,550,000	7,000,000	33,000,000	87,466,418	129,173,435	216,639,853

WATER-SEWER ENTERPRISE FUND



CIP Project Details													
Project Number	Project	Project Details	Budgetary Estimate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
WS-18-03	W&S Project (South O'Neil - Blanche to Horne, Fville - Ellington)	Replacement of water and sanitary sewer lines within Blanch/Oneil/Fayetteville	\$ 1,400,000		\$ 1,400,000								
WS-19-02	Water Project (70 Bus W - Olde Town to Rose)	Extend waterline and connect Olde Town to Rose st. Replace section of existing 2 inch	\$ 750,000										
WS-19-21	Operations Facility (30% W/S Fund)	Portio of overall funds directed towards building a new operational facility	\$ 10,000,000										
WS-20-12	Lombard: Second St to Little Creek Outfall	Replace and re-route ageing gravity SS in Lombard.	\$ 850,000										
WS-20-14	Walnut Creek Gravity Sewer Lift Station Improvements	Additional wet wells for storage and larger/newer pumps											
WS-23-15	Walnut Creek/Glen Haven PS Gravity and Abandonment	Abandonement of Walnut Creek and Glen Haven PS via new gravity and FM to LCPS	\$ 7,000,000	\$ 500,000	\$ 500,000	\$ 6,000,000							
WS-23-16	Forcemain improvements to convey residential flow to County	Improvements to conveyance infrastructure to transfer residential flow to County and utilize the capacity with the County	\$ 2,000,000										
WS-20-21	W. Main and Liberty W&S Improvements	Abandonement of Liberty and West Main PS via gravity through Meadowview subdivision. Project also includes water project.	\$ 1,800,000	\$ 1,800,000									
WS-20-26	Interconnect Water Meter Relocation	Modify and relocate county water master meters to coincide with future service area and reduce issues with water accounting	\$ 2,000,000		\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000					
WS-20-27	Bulk Water Filling Station	Add a bulk water filling station to the operations center for contractors and residents to obtain large volumes of water	\$ 250,000										
WS-20-31	FS #2 Elevated Tank Riser Floor	Creat an EOC and workspace within the FS2 EST.	\$ 1,000,000										
WS-20-32	Elevated Storage Improvements Project	Additional 500 G EST to meet the additional water storage requirments of our existing customers and future.	\$ 12,000,000		\$ 10,000,000	\$ 2,000,000							
WS-20-34	Starmount PS Abandonment & Sewer Line Rehab	Abandonement of Starmount PS via gravity to Sams Branch interceptor	\$ 1,600,000	\$ 1,600,000									
WS-20-36	Future Water supply Project	Clayton purchases water from Johnson County and there are concerns they won't be able to keep up with growth as Clayton grows so this is to account for the growth projects they have in	\$ 175,000,000		\$ 1,000,000	\$ 1,000,000	\$ 100,000,000	\$ 100,000,000					
WS-20-37	Arbors Lift Station Abandonment	Abandonemnt of Arbors PS to new Front St Interceptor	\$ 500,000	\$ 500,000									
WS-20-39	Walmart Lift Station Abandonment	Abandonement of Walmart PS to LC interceptor	\$ 3,100,000	\$ 3,100,000									

Project Number	Project	Project Details	Budgetary Estimate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
WS-21-04	Main St Repair and Redirection Phase 1	Replace and redirect Main St. gravity SS towards Sams Branch and away from LCWRF/PS. Phase 1 is eastern most section	\$ 2,500,000										
WS-21-05	Main St Repair and Redirection Phase 2	Replace and redirect Main St. gravity SS towards Sams Branch and away from LCWRF/PS.	\$ 2,500,000										
WS-21-06	Main St Repair and Redirection Phase 3	Replace and redirect Main St. gravity SS towards Sams Branch and away from LCWRF/PS.	\$ 2,500,000										
WS-21-07	Main St Repair and Redirection Phase 4	Replace and redirect Main St. gravity SS towards Sams Branch and away from LCWRF/PS.	\$ 2,500,000										
WS-22-01	NC42/Ranch Rd Waterline Extension	Betterment along with Ranch Rd project to install a 12" waterline towards the southeastern area of Clayton	\$ 1,000,000										
WS-22-03	Forest Hills Pump Station	New pump station to open up additional developable area and abandon Peele/Buckhorn and Hardee	\$ 5,000,000	\$ 500,000	\$ 500,000	\$ 4,000,000							
WS-22-07	Lumen Infrastructure Contribution (Storage Tank)	Additional 1MG EST to meet the additional water storage requirments of our existing customers and future. Current in agreement with developer to purchase	\$ 6,500,000	\$ 6,500,000									
WS-22-08	NC-42W Wastewater Transmission	New 16" forcemain from future I42 to LC Interceptor	\$ 3,500,000			\$ 3,500,000							
WS-23-01	Clayton to Raleigh Improvements	Pump station that is pumped to Raleigh and the contract is higher than the PS permit. This PS needs a capacity increase before the new plant is online.	\$ 2,000,000	\$ 2,000,000									
WS-23-02	Decommissioning Little Creek WRF	Decomission LCWRF to safe and environmental friendly condition	\$ 2,000,000			\$ 2,000,000							
WS-23-03	Page/Hamby	Replace, upsize and re-route ageing gravity SS in Page/Hamby St.	\$ 750,000										
WS-23-04	Summerlyn Redirect	Re-direct Summerlyn PS FM and flows away from LCWRF/LCPS and toward Front St Interceptor and new Sams Branch WRF	\$ 750,000	\$ 750,000									
WS-23-05	Neuse 3 Regional Pump Station (Vinson Rd)	New pump station to open up additional developable area and abandon Sumerlyn, GL1, GL2, and GL3	\$ 4,000,000										
WS-23-06	Sams Branch WRF Phase 2	Phase 2 of Sam's Branch WRF, additional 2 MGD to total of 8 MGD	\$ 124,000,000	\$ 500,000	\$ 1,500,000	\$ 122,000,000							
WS-23-07	Sams Branch WRF Phase 3	Phase 3 of Sam's Branch WRF, additional 2 MGD to total of 10 MGD	\$ 75,000,000										
WS-23-08	Waterline Extension/Loop A	Waterline improvements to extend and loop critical water line. Specific project will come from water master plan, shotwell and 70	\$ 500,000										
WS-23-09	Waterline Extension/Loop B	Waterline improvements to extend and loop critical water line. Specific project will come from water master plan, Main st 70 and McCalls	\$ 500,000										

Project Number	Project	Project Details	Budgetary Estimate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
WS-23-10	Waterline Extension Loop C	Waterline improvements to extend and loop critical water line. Specific project will come from water master plan, Clayton Community park Area	\$ 500,000										
WS-23-11	Little Creek Interceptor - NC42 to Shotwell	Upsize and replacement of gravity SS line from 42 West to Shotwell	\$ 3,300,000		\$ 300,000	\$ 3,000,000							
WS-24-1	La Bonito Sewer dip	Pipe burst attempt failed and created a dip in the gravity sanitary sewer line. Recent upfit in the sewershed has led to additional grease that is causing blockages. Re-route sewer line	\$ 100,000	\$ 100,000									
WS-24-2	JMH Pump Station Relocation	New SS pump station north of future I42 to abandon existing JMH PS and open up additional developable property.	\$ 5,000,000		\$ 5,000,000								
WS-24-3	Pamlico Dr SS Relocation	Project to relocate SS and FM from the rear lots of homes in and around 197 Pamlico Dr.	\$ 750,000										
WS-25-1	Hydrant Meter Program		\$ 250,000										
WS-25-2	Copper District (Lumen) Infrastructure Contributions	Additional contributions to the Copper District Project	\$ 4,000,000			\$ 4,000,000							
WS-25-3	Lead and Copper Rules Revision	LCRR	\$ 500,000			\$ 500,000							
WS-25-4	East Clayton Sanitary Sewer Extension Project	Extension of Sanitary Sewer	\$ 1,000,000			\$ 1,000,000							

ELECTRIC UTILITY ENTERPRISE FUND



Electric Capital Improvement Program - FY 2025 to F2029							
Project No	Description	2025	2026	2027	2028	2029	Total
5860	Projected Capital UG New Res Development	\$ 2,200,000.00	\$ 1,600,000.00	\$ 1,600,000.00	\$ 1,600,000.00	\$ 1,600,000.00	\$ 8,600,000.00
5848	Heavy Equipment Replacement Plan	\$ 370,000.00	\$ 300,000.00	\$ 350,000.00	\$ 350,000.00	\$ 350,000.00	\$ 1,720,000.00
EL-19-04	Operations Facility Improvements (30% Electric)	\$ -	\$ 375,000.00	\$ 1,125,000.00	\$ -	\$ -	\$ 1,500,000.00
	Operations Facility (30% Electric Fund)	\$ -	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 2,000,000.00	\$ 5,000,000.00
EL-22-01	Main St. 477 Reconductor/Atkinson to Shotwell	\$ -	\$ 1,000,000.00	\$ -	\$ -	\$ -	\$ 1,000,000.00
EL-22-02	Main St. Conversion/Robinson to Smith	\$ -	\$ -	\$ 5,000,000.00	\$ -	\$ -	\$ 5,000,000.00
EL-22-06	South Substation Facility Upgrades	\$ 200,000.00	\$ -	\$ -	\$ -	\$ -	\$ 200,000.00
	42 East Feeder Extension (Lawson Glen)	\$ 500,000.00	\$ -	\$ -	\$ -	\$ -	\$ 500,000.00
Total		\$ 3,270,000.00	\$ 4,275,000.00	\$ 9,075,000.00	\$ 2,950,000.00	\$ 3,950,000.00	\$ 23,520,000.00

**A RESOLUTION OF THE TOWN OF CLAYTON TOWN COUNCIL ADOPTING THE
TOWN OF CLAYTON CAPITAL IMPROVEMENT PLAN FOR FISCAL YEARS 2025-
2034**

WHEREAS, the Town of Clayton is seeking to adhere to a high standard of professional financial management to ensure the provision of adequate public facilities and services for its citizens; and

WHEREAS, the Town Council is striving to enhance opportunities for all the citizens of the town and are therefore incorporating Capital Improvement Plan (CIP) review and adoption as an annual portion of the Town's budgetary and financial management process; and

WHEREAS, the Town Council has also adopted financial policies to guide major decisions related to capital financing, debt capacity, and capital reserve appropriation; and

WHEREAS, the projects included in the CIP will improve the quality of life for all the citizens of the Town of Clayton; and

WHEREAS, a complete itemized copy of estimated projects filed with the Town Clerk, and marked "Town of Clayton Official Capital Improvement Program - Fiscal Year 2025" is hereby approved and by reference adopted; and

WHEREAS, the first year of the Capital Improvement Program was adopted with the Town's annual budget; and

WHEREAS, adoption of this resolution shall be interpreted as approved by the Town Council as may be required for grant or other funding programs for fiscal years 2025 through 2034 with the first 5 years of projects being the planning priority; and

NOW, THEREFORE BE IT RESOLVED that the Town of Clayton Town Council does hereby adopt the attached Capital Improvements Plan schedule for Fiscal Years 2025-2034; and

BE IT FURTHER RESOLVED that the Town Council directs Town Staff to use the adopted document as a guide for proceeding with the implementation of projects detailed in fiscal year 2025.

Duly adopted this the 3rd day of June 2024, while in regular session.

Jody L. McLeod
Mayor

ATTEST:

Heidi L. Holland, CMC, NCCMC
Town Clerk



Regular Town Council Meeting Agenda Cover Sheet

Meeting Date

June 3, 2024

Agenda Location

CONSENT AGENDA

Item Title

Approval for Town Manager to execute Encroachment Agreement with North Carolina Railroad Company for the East Clayton Industrial Area Transmission Project. Permit number - #o_h-098+4968.

Suggested Action

Approval of Agreement

Strategic Priorities Alignment



☐
Think Clayton
(Administrative)



☐
Think Arts &
Culture



☐
Think
Downtown



☐
Think
Economic
Development



☐
Think Land
Use &
Housing



☐
Think
Mobility



☐
Think Parks,
Recreation
& Natural
Resources



☐
Think Public
Services &
Infrastructure

Public Hearing: Yes

If Approved, Will Document Require Recordation? No

Does This Item Require a Communication Plan?

- ☐ Public Hearing (Required by GS)
- ☐ Newspaper Notice (Required by GS)
- ☐ Public Forum/Input Session
- ☐ E-News Distribution
- ☐ Social Media
- ☐ Special Mailing

- ☐ Public Hearing (Not Required by GS)
- ☐ Newspaper Notice (Not Required by GS)
- ☐ Press Release
- ☐ Website
- ☐ Survey
- ☐ None Required

Summary

The Town has submitted an application for a pipeline encroachment to pass underneath the railroad for the East Clayton Industrial Area Transmission Project. The permit has been approved and now ready for the Town to execute. Final Agreement will be shared with Town Council prior to the meeting.

Funding Source

N/A

Submitted By: Louis Duffie, Engineering

Reviewed By:

Joshua Baird, Engineering Director	Approved - May 28 2024
Rich Cappola, Town Manager	Approved - May 29 2024
Heidi Holland, Town Clerk	Approved - May 29 2024



Regular Town Council Meeting Agenda Cover Sheet

Meeting Date

June 3, 2024

Agenda Location

CONSENT AGENDA

Item Title

Acceptance of Amended ARPA Grant SRP-W-ARP-0280

Suggested Action

Adoption of Resolution

Strategic Priorities Alignment



☐
Think Clayton
(Administrative)



☐
Think Arts &
Culture



☐
Think
Downtown



☐
Think
Economic
Development



☐
Think Land
Use &
Housing



☐
Think
Mobility



☐
Think Parks,
Recreation
& Natural
Resources



☒
Think Public
Services &
Infrastructure

Public Hearing: No

If Approved, Will Document Require Recordation? No

Does This Item Require a Communication Plan?

☐ Public Hearing (Required by GS)

☐ Newspaper Notice (Required by GS)

☐ Public Forum/Input Session

☐ E-News Distribution

☐ Social Media

☐ Special Mailing

☐ Public Hearing (Not Required by GS)

☐ Newspaper Notice (Not Required by GS)

☐ Press Release

☐ Website

☐ Survey

☐ None Required

Summary

North Carolina Department of Environmental Quality (NCDEQ) has amended the ARPA funds for the Sam's Branch Water Reclamation (SBWRF) to be funded solely by SRP-W-ARP-0280. Originally, the SBWRF was funded by SRP-W-ARP-0280 in the amount of \$25,000,000 and SRP-W-ARP-0061 in the amount of \$12,858,000. Moving forward the ARPA funds for SBWRF will solely be SRP-W-ARP-0280 in the amount of \$37,858,000, which is the same total amount as before so this is not additional funding but more of an accounting restructure. The Town will need to formally accept this new structure and provide the same assurances with the previous awards.

Funding Source

N/A

Corresponding Documentation

[Resolution for Acceptance for NCDEQ ARPA Funding SBWRF 2024](#)
[Clayton SRP-W-ARP-0280 FO Package Amended](#)

Submitted By: Louis Duffie, Engineering

Reviewed By:

Joshua Baird, Engineering Director	Approved - May 28 2024
Rich Cappola, Town Manager	Approved - May 28 2024
Heidi Holland, Town Clerk	Approved - May 28 2024

**RESOLUTION ACCEPTING AN AMERICAN RESCUE PLAN (ARP)
GRANT OFFER FUNDED FROM THE STATE FISCAL RECOVERY
FUND FOR CONSTRUCTION OF THE SAM'S BRANCH WATER
RECLAMATION FACILITY**

WHEREAS, the Town of Clayton has received funding from the American Rescue Plan Act (ARPA) funded from the State Fiscal Recovery Fund established in S.L. 2021-180/2022-74 to assist eligible units of government with meeting their water/wastewater infrastructure needs, and

WHEREAS, the North Carolina Department of Environmental Quality has offered American Rescue Plan Act (ARPA) funding in the amount of \$37,858,000 to perform work detailed in the submitted application, and

WHEREAS, the Town of Clayton intends to perform said project in accordance with the agreed scope of work,

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF CLAYTON:

That the Town of Clayton does hereby accept the American Rescue Plan Act Grant offer of \$37,858,000.

That the Town of Clayton does hereby give assurance to the North Carolina Department of Environmental Quality that any Conditions or Assurances contained in the Award Offer will be adhered to.

That Rich Cappola, Town Manager, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with this project; to make the assurances as contained above; and to execute such other documents as may be required by the Division of Water Infrastructure.

Duly adopted this 3rd day of June, 2024 while in regular session.

Jody L. McLeod
Mayor

Attest:

Heidi Holland
Town Clerk

ROY COOPER
Governor
ELIZABETH S. BISER
Secretary
SHADI ESKAF
Director



April 4, 2024

Rich Cappola, P.E., Town Manager
Town of Clayton
PO Box 879
Clayton, North Carolina 27528

SUBJECT: ARPA Funding Offer- Amended
Project No. SRP-W-ARP-0280
Sam's Branch Water Reclamation Facility

Dear Mr. Cappola:

The Town of Clayton has been approved for funding assistance according to the subject funding offer. This offer is made subject to the Conditions and Assurances set forth in the Offer and Acceptance Document.

To ensure the American Rescue Plan Act (ARPA) funds are expended before the federal deadline of December 2026, the Division is requiring execution and return of the enclosed Offer and Acceptance for ARPA Funding agreement **no later than October 31, 2024**. Executed agreements are to be submitted via Laserfiche at the following link:
<https://edocs.deq.nc.gov/Forms/DW-Document-Upload-Form>.

Upon your acceptance, please submit the following items to the Division, via email at DEQ.DWI.FundingOffer@deq.nc.gov:

1. One (1) copy of the original Offer and Acceptance Document executed by the Authorized Representative for the project, along with the Conditions and Assurances. **Retain the other copy for your files.**
2. A resolution adopted by the governing body accepting the funding offer and making the applicable Conditions and Assurances contained therein. (Sample copy attached)
3. Federal Identification Number and Unique Entity ID Number of the Recipient (UEID required for federally funded projects)
4. Sales-Tax Certification (attached)



North Carolina Department of Environmental Quality | Division of Water Infrastructure
512 N. Salisbury Street | 1633 Mail Service Center | Raleigh, North Carolina 27699-1633
919.707.9160

5. Professional Engineering Services Procurement Form

The Site Certification, a Capital Project Ordinance (or budget ordinance covering the project), and the Professional Engineering Services Procurement Form (not applicable for DWSRF projects) are due before disbursements begin.

Disbursement requests are to be submitted via the Laserfiche link provided above. A reference copy of the Disbursement Request Form (also found on the DWI website) has been enclosed for your convenience. All ARPA funding disbursements must be processed **prior to December 31, 2026**.

Attached is the "Water Infrastructure Grants Legal Requirements Quick Reference Guide" which further explains the ARPA funding agreement requirements.

On behalf of the Department of Environmental Quality, I am pleased to make this funding offer. Should you have any questions concerning this offer of funding, or any of the stipulations outlined in this offer package, please contact Lynn Kern at lynn.kern@deq.nc.gov or (919)-707-9249.

Sincerely,

DocuSigned by:

6300A872077B4C5...

Shadi Eskaf, Director
Division of Water Infrastructure, NCDEQ

Enclosures: Offer and Acceptance Document (two copies)
Water Infrastructure Grants Legal Requirements Quick Reference Guide
Federal ID and UEID Number Request Memo
Resolution to Accept Funding Offer (suggested format)
Sales-Tax Certification Form
Disbursement Request Form
Professional Engineering Services Procurement Form
Site Certification
Capital Project Ordinance (Sample)

cc: Rich Cappola, P.E., Town Manager, (rcappola@townofclaytonnc.org)
Joshua Baird, P.E., Town of Clayton, (jbaird@townofclaytonnc.org)
Craig Crowther, P.E., Gannett Fleming, (ccrowther@gfnet.com)
Mark Hubbard (Via DocuSign)
Lynn Kern (Via DocuSign)
DWI Administrative Unit (Via DocuSign)
Carrie Shortt (Via DocuSign)
Teresa Tripp (Via DocuSign)
DEQ.DWI.FundingOffer@deq.nc.gov
FILE: ARPA Project File (**COM_LOX**)
Agreement ID#: 2000068015



North Carolina Department of Environmental Quality | Division of Water Infrastructure
512 N. Salisbury Street | 1633 Mail Service Center | Raleigh, North Carolina 27699-1633
919.707.9160

**STATE OF NORTH CAROLINA
DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF WATER INFRASTRUCTURE**

Funding Offer and Acceptance - Amended

Legal Name and Address of Award Recipient

Town of Clayton
PO Box 879
Clayton, North Carolina 27528

Project Number(s): SRP-W-ARP-0280

Assistance Listing Number: 21.027

Unique Entity ID Number: ZFG6SS4UQWV6

Funding Program

Drinking Water	☐	Additional Amount for Funding Increases	Previous Total	Total Offered
Stormwater	☐			
Wastewater	☒			
State Revolving Fund-Repayable Loan	☐			
State Revolving Fund-Principal Forgiveness	☐			
State Reserve Loan	☐			
State Reserve Grant	☐			
State Reserve Earmark (S.L. 2023-134)	☐			
American Rescue Plan Act - SRP-ARPA	☒	\$12,858,000	\$25,000,000	\$37,858,000

Project Description:

Sam's Branch Water Reclamation Facility

Total Financial Assistance Offer: \$37,858,000

Total Project Cost: \$197,455,792

Estimated Closing Fee*: n/a

For Loans

Interest Rate: n/a

Maximum Loan Term: n/a

**Estimated closing fee calculated based on grant and loan amount.*

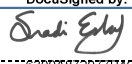
Pursuant to North Carolina General Statute 159G:

- The applicant is eligible under Federal and State law,
- The project is eligible under Federal and State law, and
- The project has been approved by the Department of Environmental Quality as having sufficient priority to receive financial assistance.

The Department of Environmental Quality, acting on behalf of the State of North Carolina, hereby offers the financial assistance described in this document.

For The State of North Carolina:

**Shadi Eskaf, Director, Division of Water Infrastructure
North Carolina Department of Environmental Quality**

DocuSigned by:  Signature	4/4/2024 Date
--	------------------

On Behalf of:

Town of Clayton

Name of Representative in Resolution:

Title (Type or Print):

I, the undersigned, being duly authorized to take such action, as evidenced by the attached CERTIFIED COPY OF AUTHORIZATION BY THE APPLICANT'S GOVERNING BODY, do hereby accept this Financial Award Offer and will comply with the attached Assurances and the Standard Conditions.

Signature	Date
-----------	------

APPLICABLE STANDARD CONDITIONS**Project Applicant: Town of Clayton****Project Number(s): SRP-W-ARP-0280**

1. Acceptance of this Funding Offer does not exempt the Recipient from complying with requirements stated in the U.S. Treasury's [Final Rule](#) for the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) and the [SLFRF Compliance and Reporting Guidance](#) not explicitly referred to in this document and any future requirements implemented by the U.S. Treasury.
2. Acquisition of Real Property must comply with all applicable provisions of the Uniform Relocation and Real Property Acquisition Policies Act of 1970 (PL 92-646), as amended. The applicant shall certify that it has or will have a fee simple or such other estate or interest in the site of the project, including necessary easements and rights-of-way, to assure undisturbed use and possession for the purpose of construction and operation for the estimated life of the project using a certification form provided by DEQ.
3. Specific MBE/WBE (DBE) forms and instructions are provided that are to be included in the contract specifications. These forms will assist with documenting positive efforts made by recipients, their consultants and contractors to utilize disadvantaged businesses enterprises. Such efforts should allow DBEs the maximum feasible opportunity to compete for subagreements and subcontracts to be performed. Documentation of efforts made to utilize DBE firms must be maintained by all recipients, and construction contractors, and made available upon request.
4. Subrecipients shall fully comply with Subpart C of 2 CFR Part 180 entitled, "Responsibilities of Participants Regarding Transactions Doing Business with Other Persons," as implemented and supplemented by 2 CFR Part 1532. Recipient is responsible for ensuring that any lower tier covered transaction, as described in Subpart B of 2 CFR Part 180, entitled "Covered Transactions," includes a term or condition requiring compliance with Subpart C. Recipient is responsible for further requiring the inclusion of a similar term or condition in any subsequent lower tier covered transactions. Subrecipients may access suspension and debarment information at: <http://www.sam.gov>. This system allows subrecipients to perform searches determining whether an entity or individual is excluded from receiving Federal assistance.
5. Projects with a total cost of \$10,000,000 or more must meet U.S. Treasury requirements for prevailing wage rates, project labor agreements, and related requirements. Recipients can either certify meeting the requirements or provide plans and reports as the [SLFRF Compliance and Reporting Guidance](#) specifies.
6. The Uniform Guidance 2 CFR 200.317 through 2 CFR 200.327 gives minimum requirements for procurement, with 2 CFR 200.319(b) addressing engineering services procurement guidelines. ARPA-funded projects must also adhere to North Carolina State law, specifically NC General Statute 143-64.31, Article 3D Procurement of Architectural, Engineering, and Surveying (A/E) Services. NCGS 143-64.32 cannot be used to exempt funding recipients from a qualification-based selection for A/E. The State provides applicable certification forms that must be completed prior to receiving funds for any engineering services covered under this funding offer.
7. Local government units designated as distressed must complete associated requirements of statute §159G-45(b).
8. Funds made available by the ARPA that are not disbursed to the entity accepting the funds in this document by December 31st, 2026, will no longer be available for the project. Unused Federal funds will revert from the State of North Carolina to the U.S. Treasury.

ASSURANCES**Project Applicant: Town of Clayton****Project Number(s): SRP-W-ARP-0280**

1. The Applicant intends to construct the project or cause it to be constructed to final completion in accordance with the Application approved for financial assistance by the Division. The recipient acknowledges that in the event a milestone contained in the Letter of Intent to Fund is missed, the Department of Environmental Quality will rescind this Funding Offer.
2. The Applicant is responsible for paying for the costs ineligible for ARPA funding.
3. The construction of the project, including the letting of contracts in connection therewith, conforms to the applicable requirements of State and local laws and ordinances.
4. The Applicant will provide and maintain adequate engineering supervision and inspection.
5. The recipient agrees to establish and maintain a financial management system that adequately accounts for revenues and expenditures. Adequate accounting and fiscal records will be maintained during the construction of the project and these records will be retained and made available for a period of at least three years following completion of the project.
6. All ARPA funds shall be expended solely for carrying out the approved project, and an audit shall be performed in accordance with G.S. 159-34. Partial disbursements on this loan will be made promptly upon request, subject to adequate documentation of incurred eligible costs, and subject to the recipient's compliance with the Standard Conditions of this Award. The Applicant agrees to make prompt payment to its contractor, and to retain only such amount as allowed by North Carolina General Statute.
7. The applicant will expend all of the requisitioned funds for the purpose of paying the costs of the project within three (3) banking days following the receipt of the funds from the State. Please note that the State is not a party to the construction contract(s) and the Applicant is expected to uphold its contract obligations regarding timely payment.
8. Funds must be fully spent (i.e., fully disbursed to the recipient) by December 31, 2026.
9. The applicant acknowledges that loan funds contained in this Funding Offer require approval from the North Carolina Local Government Commission before they can be disbursed.

Department of Environmental Quality
Division of Water Infrastructure

WATER INFRASTRUCTURE GRANTS
LEGAL REQUIREMENTS
QUICK REFERENCE GUIDE



Preface

Subrecipients received funds from the North Carolina Department of Environmental Quality (DEQ) in the form of subawards, the purpose of which was to carry out a portion of NC DEQ's American Rescue Plan Act (ARPA) State Fiscal Recovery Fund (SFRF) grant program in accordance with the applicable law.

As such, Subrecipients must carry out the responsibilities of their subawards in accordance with Section 602 of the Social Security Act (as added by section 9901(a) of the American Rescue Plan Act of 2021), 31 C.F.R. Part 35 (U.S. Treasury's "Final Rule"), as well as any guidance provided by U.S. Treasury including, but not limited to, the CSLFRF Compliance and Reporting Guidance and U.S. Treasury's SLFRF Final Rule Frequently Asked Questions. Subrecipients must also comply with the applicable provisions of 2 C.F.R. Part 200 (the "Uniform Guidance"), as implemented by the U.S. Treasury under 2 C.F.R. Part 1000, and as set forth in the CSLFRF Assistance Listing 21.027.

In addition to the federal requirements for ARPA/SFRF subawards, subrecipients must also comply with applicable state laws and regulations. For the most current guidance from Treasury, please see [US Department of Treasury SLFRF](#).

Pursuant to its responsibilities as a pass-through entity for federal financial assistance, NC DEQ created this document to serve as a quick reference guide regarding the requirements applicable to subrecipients. Subrecipients are responsible for properly complying with all applicable federal, state, and local requirements as they carry out their duties under their subawards.

<u>Requirement</u>	<u>Citation/ Document Name</u>	<u>Description</u>	<u>Location</u>
Pre-Award Costs	2 C.F.R. § 200.458	Pre-award costs as defined in 2 C.F.R. § 200.458, which includes costs incurred prior to the Federal Award Date of March 3, 2021, may not be paid with funding from this award. Per U.S. Treasury guidance, pre-project development costs that are tied to or reasonably expected to lead to an eligible capital expenditure, such as pre-project planning or engineering costs, are reimbursable under this program and not considered prohibited pre-award costs.	https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRd1f39f9b3d4e72/section-200.458 https://home.treasury.gov/system/files/136/Financial-Assistance-Agreement-States-and-Territories.pdf (See term #5)
Period of Performance	U.S. Treasury CSFRF Financial Assistance Agreement – States & Territories U.S. Treasury Obligation Interim Final Rule	The period of performance for ARPA/SFRF awards begins on March 3, 2021 and ends on December 31, 2026. All ARPA/SFRF funds must be obligated by December 31, 2024, and expended by December 31, 2026. Per U.S. Treasury guidance in its 2023 Obligation Interim Final Rule, the obligation deadline does not apply to subrecipient. Subrecipients are not required to obligate their ARPA/SFRF funds by December 31, 2024, however, they are still subject to the expenditure deadline of December 31, 2026. All funds that are not expended by December 31, 2026, must be returned to U.S. Treasury.	https://home.treasury.gov/system/files/136/Financial-Assistance-Agreement-States-and-Territories.pdf (See term #2) https://home.treasury.gov/system/files/136/Obligation_Interim_Final_Rule_2023.pdf
Indirect Costs	2 C.F.R. § 200.414(f) U.S. Treasury CSFRF Financial Assistance Agreement – States & Territories	Pursuant to the terms and conditions of NC DEQ's award agreement with U.S. Treasury, subrecipients are permitted to charge both direct and indirect costs to their subaward as administrative costs. If a subrecipient has a current Negotiated Indirect Costs Rate Agreement ("NICRA") established with a Federal cognizant agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals, then they may use their current NICRA. Subrecipients who wish to use their NICRA will need to send a copy of it to NC DEQ. If a subrecipient does not have a NICRA, they may use the de minimis rate of 10 percent of the modified total direct costs pursuant to 2 C.F.R. § 200.414(f).	https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRd93f2a98b1f6455/section-200.414 https://home.treasury.gov/system/files/136/Financial-Assistance-Agreement-States-and-Territories.pdf (See term #6)

Conflicts of Interest	2 C.F.R. § 200.112 2 C.F.R. § 200.318(c) N.C. Gen. Stat. § 14-234 U.S. Treasury CSFRF Financial Assistance Agreement – States & Territories	Subrecipients are required to maintain a conflict-of-interest policy consistent with 2 C.F.R. § 200.318(c) and, if applicable, N.C. Gen. Stat. § 14-234. The conflict-of-interest policy will be applicable to each activity funded under their ARPA/SFRF subaward. Subrecipients who are neither local government units nor public authorities will be required to provide a copy of their conflict-of-interest policy for management employees and their governance body to NC DEQ. Per 2 C.F.R. § 200.112, subrecipients will also need to disclose in writing to NC DEQ any potential conflicts of interest affecting the awarded funds.	https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-B/section-200.112 https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR45ddd4419ad436d/section-200.318 https://www.ncleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter_14/GS_14-234.html https://home.treasury.gov/system/files/136/Financial-Assistance-Agreement-States-and-Territories.pdf (See Term #8)
Publications	U.S. Treasury CSFRF Financial Assistance Agreement – States & Territories	If a subrecipient produces a publication using funds from their ARPA subaward, they must display the following language: “This project is being (or was) supported, in whole or in part, by Coronavirus State and Local Recovery Funds, federal award SLFRP0129, awarded to the State of North Carolina by the U.S. Department of Treasury.” This requirement is contained in the terms and conditions of NC DEQ’s award agreement with U.S. Treasury.	https://home.treasury.gov/system/files/136/Financial-Assistance-Agreement-States-and-Territories.pdf (See term #13)
Maintenance of and Access to Records	U.S. Treasury CSFRF Financial Assistance Agreement – States & Territories 2 C.F.R. §§ 200.334–38	Pursuant to the terms and conditions of NC DEQ’s award agreement with U.S. Treasury and the relevant Uniform Guidance requirements, subrecipients must preserve and provide access to their programmatic and financial records related to their ARPA-funded projects, including: a. records providing a full description of each activity undertaken; b. records demonstrating that each activity undertaken meets the objectives of the federal program and state appropriation and related documentation; c. records required to determine the allowability of costs; d. records required to document the acquisition, improvement, use or disposition of real property acquired or improved with the assistance; e. records documenting compliance with federal and local laws; and	https://home.treasury.gov/system/files/136/Financial-Assistance-Agreement-States-and-Territories.pdf (See term #4) https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subject-group-ECFR4acc10e7e3b676f

		f. financial records required by program regulations and Uniform Guidance. In accordance with the terms and conditions of NC DEQ's award agreement with U.S. Treasury, subrecipients will be required to maintain records for at least five years after all funds have been expended or returned to U.S. Treasury, whichever is longest. Subrecipients will be required to make all records, books, papers, and other documents that relate to their ARPA subaward available at all reasonable times for inspection, review, and audit by the authorized representatives of NC DEQ, the North Carolina State Auditor, U.S. Treasury, the U.S. Government Accountability Office, and any other authorized state or federal oversight office.	
Nondiscrimination	U.S. Treasury CSFRF Financial Assistance Agreement – States & Territories	Subrecipients of ARPA/SFRF funding are subject to the following laws and regulations that prohibit discrimination in federal financial assistance programs: a. Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. § 2000d), and U.S. Treasury's implementing regulations, 31 C.F.R. Part 22. b. The Fair Housing Act and Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601). c. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794). d. The Age Discrimination Act of 1975, as amended (42 U.S.C. § 6101), and U.S. Treasury's implementing regulations, 31 C.F.R. Part 23. e. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. § 12101). The above require that no person shall, on the basis of race, color, national origin (including limited English proficiency), sex (including sexual orientation and gender identity), age, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program for which subrecipients receive ARPA/SFRF funding. The above also require that subrecipients adopt and enact nondiscrimination policies consistent with those requirements.	https://home.treasury.gov/system/files/136/Financial-Assistance-Agreement-States-and-Territories.pdf (See term #9(c))

The Uniform Guidance	2 C.F.R. Part 200 2 C.F.R. Part 1000 Assistance Listing Number 21.027	Subrecipients are responsible for complying with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200, as adopted by U.S. Treasury in its implementing regulations, 2 C.F.R. Part 1000, and as set forth in the SLFRF Assistance Listing (ALN 21.027). The Uniform Guidance provisions that apply to ARPA/SLFRF subawards are as follows: • Subpart A, Acronyms and Definitions • Subpart B, General Provisions • Subpart C, Pre-Federal Award Requirements and Contents of Federal Awards ◦ The following do not apply to SLFRF funds: 2 C.F.R. §§ 200.204, .205, .210, & .213 • Subpart D, Post Federal Award Requirements ◦ The following do not apply to SLFRF funds: 2 C.F.R. §§ 200.305(b)(8) & (9), .308, .309, & .320(c)(4) • Subpart E, Cost Principles • Subpart F, Audit Requirements • 2 C.F.R. Part 25 (Universal Identifier & System for Award Management) • 2 C.F.R. Part 170 (Reporting Subaward and Executive Compensation Information) • 2 C.F.R. Part 180 (Debarment and Suspension)	https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200 https://www.ecfr.gov/current/title-2/subtitle-B/chapter-X/part-1000 https://sam.gov/fal/7cecfdef62dc42729a3fdcd449bd62b8/view
Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment	2 CFR § 200.216,	Pursuant to 2 C.F.R. § 200.216, subrecipients cannot obligate or expend ARPA funds to: (1) procure or obtain; (2) extend or renew a contract to procure or obtain; or (3) enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services (as described in Public Law 115-232, Section 889) as a substantial or essential component of any system, or as a critical technology as part of any system.	https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-C/section-200.216
Procurement	N.C. Gen. Stat. § 143-64.31 N.C. Gen. Stat. § 143-64.32 2 C.F.R. §§ 200.317–27	Subrecipients are subject to applicable state procurement requirements while carrying out the federal award, including N.C. Gen. Stat. § 143-64.31, Article 3D (Procurement of Architectural, Engineering, and Surveying (A/E) Services). N.C. Gen. Stat. § 143-64.32 cannot be used to exempt funding recipients from a qualification-based selection for A/E. In addition to state procurement requirements, subrecipients are subject to the Uniform Guidance procurement provisions as contained in 2 C.F.R. §§ 200.317–27. Consistent with these requirements, subrecipients are required to adopt and enact their own internal procurement procedures. Standards for those	https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/ByArticle/Chapter_143/Article_3D.pdf https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200#subject-group-ECFR45ddd4419ad436d

		procedures include, but are not limited to, the following: - All procurement transactions for property or services must be conducted in a manner providing full and open competition, consistent with standards outlined in 2 C.F.R. § 200.320(c)(1), (2), (3), and (5), which allows for non-competitive procurements only if either (1) the item is below the micro-purchase threshold; (2) the item is only available from a single source; (3) the public exigency or emergency will not permit a delay from publicizing a competitive solicitation; or (4) after solicitation of a number of sources, competition is determined inadequate. - Subrecipients must maintain oversight to ensure that their contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. - Pursuant to 2 C.F.R. § 200.321, subrecipients must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. - Subrecipients must "maintain records sufficient to detail the history of procurement. These records will include but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price." 2 C.F.R. § 200.318(i).	
Mandatory Contract Provisions	2 C.F.R. § 200.327 2 C.F.R. Part 200, Appendix II U.S. Treasury Final Rule FAQ	Under 2 C.F.R. § 200.327, subrecipients are required to include certain contract provisions in their agreements with contractors and subcontractors to carry out the work required for their ARPA subaward. These may include but are not limited to provisions concerning: - Administrative, contractual, or legal remedies where contractors violate or breach contract terms - Termination of the contract for cause and for convenience, including the manner by which it will be effected and the basis for settlement. - Equal Employment Opportunity - Contract Work Hours and Safety Standards Act (40 U.S.C. 3701–3708) - Procurement of Recovered Materials (2 C.F.R. § 200.323) - Domestic Preferences for Procurement (2 C.F.R. § 200.322) - Prohibition on certain telecommunications and video surveillance services or equipment (2 C.F.R. § 200.216)	https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR45ddd4419ad436d/section-200.327 https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/appendix-Appendix%20II%20to%20Part%20200 https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-FAQ.pdf (See section #6.15)

		• Debarment and Suspension (Executive Orders 12549 and 12689) • Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) • Clean Air Act and the Federal Water Pollution Control Act (42 U.S.C. 7401–7671q and 33 U.S.C. 1251–1387) Per U.S. Treasury guidance in the SLFRF Final Rule FAQ, Davis-Bacon Act requirements do not apply to projects funded solely with ARPA/SFRF funds. Such projects will not have to include a provision regarding the Davis-Bacon Act in their agreements with contractors or subcontractors that may otherwise be required under 2 C.F.R. § 200.327.	
Equipment & Property Management	2 C.F.R. §§ 200.310–16	All real property acquired or improved, and equipment or supplies purchased in whole or in part with ARPA funds must be used, insured, managed, and disposed of in accordance with 2 C.F.R. §§ 200.310–16.	https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D
Closeout	2 C.F.R. § 200.344	Closeout must comply with applicable requirements of 2 C.F.R. § 200.344, including the requirement that subrecipients must, no later than ninety (90) calendar days after the end of the period of performance, submit to NC DEQ all required financial, performance, and other reports. Subrecipients must also promptly refund any unobligated cash that they are not authorized to retain for use in other projects. Completion of closeout does not release subrecipients from their obligations under state and federal compliance, legal, and regulatory requirements. Subrecipients will continue to be subject to post-closeout adjustments and continuing responsibilities in accordance with 2 C.F.R. § 200.345.	eCFR :: 2 CFR 200.344 -- Closeout.

Universal Identifier and System for Award Management (SAM)	2 C.F.R. Part 25	In accordance with 2 C.F.R. Part 25, subrecipients are required to obtain, and provide to NC DEQ, a Unique Entity Identifier assigned by the SAM.	https://www.ecfr.gov/current/title-2/subtitle-A/chapter-I/part-25
Debarment & Suspension	2 C.F.R. Part 180 31 C.F.R. Part 19	In accordance with 2 C.F.R. Part 180, and U.S. Treasury's implementing regulations at 31 C.F.R. Part 19, subawards may not be issued to anyone listed on the governmentwide exclusions in the SAM.	https://www.ecfr.gov/current/title-2/subtitle-A/chapter-I/part-180 https://www.ecfr.gov/current/title-31/subtitle-A/part-19
FFATA Required Executive Compensation Information	2 C.F.R. Part 170	Subrecipients will be required to provide NC DEQ with information sufficient to allow us to meet our reporting obligations under the Federal Funds Accountability and Transparency Act (FFATA), which requires public disclosure of executive compensation in certain federally funded organizations. NC DEQ will be required to report the names and total compensation of each of Subrecipient's five most highly compensated executives for the preceding completed fiscal year, if: 1) In Subrecipient's preceding fiscal year, the subgrantee received: i. 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 C.F.R. 170.320 (and subawards); and ii. \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards) 2) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total	https://www.ecfr.gov/current/title-2/subtitle-A/chapter-I/part-170

		compensation filings at http://www.sec.gov/answers/execomp.htm).	
New Restrictions on Lobbying	31 C.F.R. Part 21	Subrecipients are subject to the restrictions on lobbying in 31 C.F.R. Part 21. Pursuant to this regulation, subrecipients cannot use federal funds to pay any person to influence or attempt to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered federal actions: the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement. Subrecipients will be required to submit a certification in writing that they have not made, and will not make, any payments prohibited under these requirements. NC DEQ will provide the necessary certification form.	https://www.ecfr.gov/current/title-31/subtitle-A/part-21
Uniform Relocation and Real Property Acquisition Policies Act	42 U.S.C. §§ 4601–55	Any acquisition of real property by a subrecipient using ARPA funds must comply with the applicable provisions of the Uniform Relocation and Real Property Acquisition Policies Act of 1970 (42 U.S.C. §§ 4601–55), as amended. Subrecipients will have to certify in writing that they have or will have a fee simple or such other estate or interest in the site of the project, including necessary easements and rights-of-way, to assure undisturbed use and possession for the purpose of construction and operation for the estimated life of the project. NC DEQ will provide the necessary certification form.	https://uscode.house.gov/view.xhtml?path=/prelim%40title42/chapter61&edition=prelim

Hatch Act	Hatch Act (5 U.S.C. §§ 1501–08 and 7324–28)	ARPA/SFRF subrecipients are subject to the applicable requirements of the Hatch Act (5 U.S.C. §§ 1501–08 and 7324–28), which limit certain political activities of State or local government employees whose principal employment is in connection with an activity financed in whole or in part by this federal assistance.	https://uscode.house.gov/view.xhtml?path=/prelim@title5/part2/chapter15&edition=prelim https://uscode.house.gov/view.xhtml?req=granuleid%3AUSC-prelim-title5-chapter73&edition=prelim
Other State Requirements	N.C. General Statutes Chapters 159, 159G, 143C 09 N.C. Admin. Code 03M	Use of these funds is subject to applicable state laws and regulations including, but not limited to, N.C. General Statutes Chapters 159 (Local Government Finance) and 159G (Water Infrastructure). Subrecipients who are neither local government units nor public authorities must also comply with applicable requirements of the State Budget Act and Title 09, Subchapter 03M of the N.C. Administrative Code.	https://www.ncleg.net/EnactedLegislation/Statutes/PDF/ByChapter/Chapter_159.pdf https://www.ncleg.gov/enactedlegislation/statutes/html/bychapter/chapter_159g.html https://www.ncleg.gov/Laws/GeneralStatuteSections/Chapter143C http://reports.oah.state.nc.us/ncac/title%2009%20-%20governor%20and%20lt.%20governor/chapter%2003%20-%20state%20budget%20and%20management/subchapter%20m/subchapter%20m%20rules.pdf
Distressed Units	N.C. Gen. Stat. § 159G-45(b).	Local government units designated as distressed must complete associated requirements of N.C. Gen. Stat. § 159G-45(b).	https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_159G/GS_159G-45.pdf

Subrecipient Monitoring and Management	2 C.F.R. §§ 200.331–33 NC DEQ's Subaward and Monitoring Policy	Pursuant to 2 C.F.R. §§ 200.331–33, subrecipients will be subject to monitoring and management by the pass-through entity, NC DEQ. NC DEQ will monitor, evaluate, and provide guidance and direction to subrecipients as they carry out project activities. NC DEQ is required by U.S. Treasury to determine whether subrecipients have spent funds in accordance with applicable laws, regulations, and agreements and will monitor subrecipients' activities to ensure they have met such requirements. If deficiencies are found, subrecipients may be asked to take corrective action. The type and degree of monitoring activities depends on the results of the Subrecipient Risk Assessment. Subrecipients are subject to the following procurement monitoring activities by NC DEQ: • NC DEQ review of solicitations. ○ Except for micro-purchases made pursuant to 2 C.F.R. § 200.320(a)(1) or procurements by small purchase procedures pursuant to 2 C.F.R. § 200.320(a)(2), if a subrecipient wishes to enter into a contract to carry out an approved activity under their subaward, then the subrecipient will have to send NC DEQ a copy of the applicable solicitation (whether competitive or non-competitive) at least fifteen (15) days prior to the publication or communication of the solicitation. ○ Consistent with 2 C.F.R. § 200.325, NC DEQ may review any solicitation for compliance with applicable procurement standards. • NC DEQ review of contracts. ○ Except for micro-purchases pursuant to 2 C.F.R. § 200.320(a), if a subrecipient wishes to enter into a contract to carry out an approved activity under their subaward, then the subrecipient will have to send NC DEQ a copy of the written contract prior to contract execution. ○ Consistent with 2 C.F.R. § 200.325, NC DEQ may review any unexecuted contract for compliance with the procurement standards outlined in 2 C.F.R. §§ 200.318–27 as well as 2 C.F.R. § 200.327.	https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR031321e29ac5bbd/section-200.331 https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR031321e29ac5bbd/section-200.332 https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR031321e29ac5bbd/section-200.333
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Interventions	2 C.F.R. § 200.208 2 C.F.R. § 200.339	If NC DEQ determines that a subrecipient is not in compliance with procurement requirements, NC DEQ may initiate an intervention, in accordance with 2 C.F.R. § 200.208 and 2 C.F.R. § 200.339. The degree of a subrecipient's performance or compliance deficiency will determine the degree of intervention.	https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-C/section-200.208 https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR86b76dde0e1e9dc
Reporting Requirements	U.S. Treasury Compliance and Reporting Guidance N.C. Sess. L. 2021-180 NC DEQ Subaward Monitoring Plan	Subrecipients are required to send NC DEQ reports and back-up data, including reports which enable NC DEQ to meet its own reporting obligations to U.S. Treasury and as otherwise required by state law. The frequency of reporting will be consistent with the DEQ Subrecipient Monitoring Plan.	https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf https://www.ncleg.gov/enactedlegislation/sessionlaws/html/2021-2022/sl2021-180.html
Audit Requirements	2 C.F.R. Part 200, Subpart F 09 NCAC 03M .0205(a)(3) and (b)(4) 2 C.F.R. § 200.503	Subrecipients that expend more than \$750,000 in federal awards during their fiscal year, with the exception of local governments who choose to undergo an Alternative Compliance Examination Engagement, will be subject to an audit under the Single Audit Act and 2 C.F.R. Part 200, Subpart F. Subrecipients that receive less than \$750,000 in federal awards during their fiscal year are exempt from federal audit requirements (except as noted in 2 C.F.R. § 200.503), but may still be subject to state audit requirements as discussed below. Subrecipients exempt from federal audit requirements are still required to retain and provide records for review or audit upon request by the federal agency, the state, or the Government Accountability Office. Subrecipients who are neither local governments nor public authorities and receive \$500,000 or more in state financial assistance using federal funds are required to provide a single or program-specific audit to the Department of the State Treasurer, or to NC DEQ upon request pursuant to 09 N.C. Admin. Code 03M.0205(a)(3) and (b)(4). Subrecipient local governments and public authorities who expend \$500,000 or more in state financial assistance are also required to have a single audit performed pursuant to N.C. Gen. Stat. § 159-34.	https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-F https://files.nc.gov/ncgov/documents/files/ncpro/XX-XX-Attachment-B-09-NCAC-03M.pdf https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-F/subject-group-ECFRfd0932e473d10ba/section-200.503

FEDERAL ID & Unique Entity ID # REQUEST MEMO

TO: All Loan and Grant Recipients

SUBJECT: Federal Identification Number

Please be advised that all local government units receiving grant or loan funds from the State of North Carolina must supply their Federal Identification Number to this office upon acceptance of your loan/grant offer. Therefore, please provide the information below and return to the Division via email at DEQ.DWI.FundingOffer@deq.nc.gov.

RECIPIENT:

PROJECT NUMBER:

FEDERAL IDENTIFICATION NUMBER:

UNIQUE ENTITY ID:

(Suggested Format)

RESOLUTION BY GOVERNING BODY OF RECIPIENT

WHEREAS, the (unit of Government) has received funding from the American Rescue Plan Act (ARPA) funded from the State Fiscal Recovery Fund established in S.L. 2021-180/2022-74 to assist eligible units of government with meeting their water/wastewater infrastructure needs, and

WHEREAS, the North Carolina Department of Environmental Quality has offered American Rescue Plan Act (ARPA) funding in the amount of \$_____ to perform work detailed in the submitted application, and

WHEREAS, the (unit of government) intends to perform said project in accordance with the agreed scope of work,

NOW, THEREFORE, BE IT RESOLVED BY THE (GOVERNING BODY) OF THE (UNIT OF GOVERNMENT):

That (unit of government) does hereby accept the American Rescue Plan Act Grant offer of \$_____.

That the (unit of government) does hereby give assurance to the North Carolina Department of Environmental Quality that any Conditions or Assurances contained in the Award Offer will be adhered to.

That (name and title of authorized representative), and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with this project; to make the assurances as contained above; and to execute such other documents as may be required by the Division of Water Infrastructure.

Adopted this the (date adopted) at (place), North Carolina.

(Signature of Chief Executive Officer)

Date

SALES-TAX REIMBURSEMENT CERTIFICATION FORM
(FOR FUNDING PROGRAMS IN THE DIVISION OF WATER INFRASTRUCTURE)

Applicant: _____

Project Number: _____

☐ Check If Applicant is not a unit of government under North Carolina law

If Applicant noted above is a Unit of Government in North Carolina, check the applicable box below.

Sales Tax **IS** deducted in this scenario. Please show this on the disbursement requests.

☐ The construction contract was bid with sales taxes and the unit of government will request reimbursement from the DOR.

Sales Tax **IS NOT** deducted in either of these scenarios.

☐ The construction contract was bid with sales taxes and the unit of government will not request reimbursement from the DOR.

☐ The construction contract was bid without sales taxes

(Printed Name and Title of Authorized Representative)

(Signature of Authorized Representative)

(Date)

DISBURSEMENT REQUEST FORM

NC Division of Water Infrastructure

Funding Recipient: _____
DWI Project No. _____

Payment No. _____ Page No. _____
Period Covered From: _____ To: _____

CONSTRUCTION (Rename as appropriate)	Cumulative Cost to Date	Minus Ineligibles	Minus Overruns Not App'd By Change Order	Subtotal of Payable Cost	Minus Retainage on Payable Cost	Minus Cumulative Sales Tax	Other Adjustments (Other Funds e.g.)	Minus Previously Paid to Date	Requested For This Pay Request
Contract 1	\$1,200,000	(\$100,000)	(\$100,000)	\$1,000,000	(\$50,000)	(\$50,000)	(\$500,000)	(\$300,000)	\$100,000
Contract 2	\$505,000		(\$5,000)	\$500,000	(\$25,000)	(\$10,000)		(\$400,000)	\$65,000
Contract 3									
Contract 4									
Contract 5									
ENGINEERING (Rename as appropriate)	Cumulative Cost to Date						Other Adjustments (Other Funds e.g.)	Minus Previously Paid to Date	Requested For This Pay Request
Item 1	\$250,000							(\$250,000)	\$0
Item 2									
Item 3									
Item 4									
OTHER COSTS (Rename as Appropriate)	Cumulative Cost to Date						Other Adjustments (Other Funds e.g.)	Minus Previously Paid to Date	Requested For This Pay Request
Item 1									
Item 2									
Item 3									
PAY REQUEST TOTALS	Cumulative Cost to Date	Minus Ineligibles	Minus Overruns Not App'd By Change Order		Minus Retainage on Payable Cost	Minus Cumulative Sales Tax	Other Adjustments (Other Funds e.g.)	Minus Previously Paid to Date	Total Requested For This Pay Request
	\$1,955,000	(\$100,000)	(\$105,000)		(\$75,000)	(\$60,000)	(\$500,000)	(\$950,000)	\$165,000

Certification
- I certify that to the best of my knowledge and belief the incurred costs being requested for disbursement are in accordance with terms of the project and that this request represents the monies due which have not been previously received and that an inspection has been performed and all work is in accordance with the terms and conditions of the award.
- For applicable SRF projects, the project remains in compliance with Davis-Bacon and American Iron and Steel conditions or is the process of remediating noncompliance.

Grant Percentage for SRF Projects: _____ %

You must check ONE of the boxes below or your payment will not be processed:
The funds requested above have already been paid to the respective vendors, consultants & contractors by the funding recipient ☐
OR
The funds requested above have not been paid to the respective vendors, consultants & contractors.
Funds received from the State will be disbursed to these entities within three (3) banking days. ☐

Type or Print Name and Title	Signature of Authorized Representative	Date
DWI comments		

Instructions and notes on how to use this form
- Complete guidance for preparing disbursement requests can be found in section G.2. of the North Carolina SRF Program Overview and Guidance that was included with your Funding offer (applicable to State grants and loans too) .
- The form, as downloaded, is filled out with sample numbers. It is suggested that the sample be used as a reference (saved or printed).
- Please submit ONE COPY of this form and backup documents when requesting funds.
- Only the Authorized Representative can sign this form, unless declared otherwise in a resolution.
- Construction contract line item overruns and engineering contract overruns must have approved change orders or engineering amendments before those costs will be paid.



CERTIFICATION REGARDING UNIFORM RELOCATION
ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES
(URLAP) ACT OF 1970

Applicant: _____
Project No.: _____
Project Name: _____

Please check appropriate boxes:

- ☐ I certify that all real property (including easements) has been acquired or condemnation proceedings have been entered into for property thereby providing legal access for this project.

AND

- ☐ I certify to the best of my knowledge and belief that the acquisition of property specifically for the above referenced project is in compliance with the URLAP Act of 1970 (the Uniform Act). The acquisition either:
- ☐ Acquisition of real property did not result in the displacement of any person, business or farm operation.
 - ☐ or relocation was involved in the land acquisition, the Federal Highway Administration (FHA) was contacted for technical assistance.

OR

- ☐ Compliance with the Uniform Act does not apply because the land and/or easements associated with the above referenced project were acquired prior to the inception of the project. Date land acquired: _____

I understand that a false statement on this certification may be grounds for rejection or termination of this loan.

Signature of Applicant's Authorized Representative or Attorney Date

Typed Name and Title

Capital Project Ordinance

Be it ORDAINED by the Governing Board of the (Town of Anywhere), North Carolina, that pursuant to section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital Project Ordinance is hereby adopted.

Section 1: The Project authorized is the (construction/rehabilitation of a wastewater treatment/collection System) to be financed by (the sale of general obligation bonds/ARRA loan /federal loan/state loan / state grants and reserves).

Section 2: The officers of this unit are hereby directed to proceed with the capital project within the terms of the board resolution, loan documents and the budget contained herein.

Section 3: The following amounts are appropriated for the project:

Engineering	\$ 120,000
Land	90,000
Construction	<u>1,440,000</u>
	<u>\$ 1,650,000</u>

Section 4: The following revenues are anticipated to be available to complete this project:

Federal/ARRA Loan	\$ 1,100,000
Proceeds from general Obligation Bonds	\$ 500,000
Transfer from Wastewater treatment capital Reserve	<u>\$ 20,000</u>
	<u>\$ 1,650,000</u>

Section 5: The finance officer is hereby directed to maintain within the capital project fund sufficient specific detailed accounting records to satisfy the requirements of the grantor agency, the grant agreements, and federal regulations. The terms of the bond resolution also shall be met.

Section 5: Funds may be advanced from the General Fund for the purpose of making payments as due. Disbursement requests should be made to the grantor agency in an orderly and timely manner. Section

7: The finance officer is directed to report, on a quarterly basis, on the financial status of each project element in section 3 and on the total grant/loan revenues received or claimed.

Section 8: The Budget Officer is directed to include a detailed analysis of past and future costs and revenues on this capital project in every budget submission made to this board.

Section 9: Copies of this capital project ordinance shall be furnished to the clerk to the Governing Board, and to the Budget Officer and the Finance officer for direction in carrying out this project.

Duly adopted this __ day of _____ 201__.

Signature, (Authorized Rep)

(Seal)

Attest: _____
Signature (Town Clerk)

NC DEQ Division of Water Infrastructure Professional Engineering Services Procurement

Section 602(b)(14) of the Clean Water Act requires projects receiving Clean Water State Revolving Fund funding to comply with engineering procurement guidelines. North Carolina Session Law 2021-180 authorizes the Division of Water Infrastructure (Division) to award grant funds from the American Rescue Plan Act (ARPA) State Fiscal Recovery Fund for drinking water, wastewater, and stormwater infrastructure projects. The Uniform Guidance 2 CFR 200.317 through 2 CFR 200.327 gives minimum requirements for procurement, with 2 CFR 200.319(b) addressing engineering services procurement guidelines.

To comply, you must follow North Carolina General Statute 143-64.31, Article 3D Procurement of Architectural, Engineering, and Surveying Services. You cannot exempt yourself using NCGS 143-64.32. Complete and sign this form and provide the information indicated to ensure that engineering services for your project are eligible for disbursement.

Applicant: [Click or tap here to enter text.](#)

Project Name: [Click or tap here to enter text.](#)

Division Funding Number: [Click or tap here to enter text.](#)

- 1) List the basic services being provided: (i.e., planning, design, inspection etc.)
[Click or tap here to enter text.](#)
- 2) Describe the method of announcement for the project.
[Click or tap here to enter text.](#)
- 3) List the firms the announcement was discussed with or that proposals were received from in order of quality.
[Click or tap here to enter text.](#)
- 4) Was a contract negotiated with the best qualified firm? ☐ Yes ☐ No (Check one)
If no, explain why.
[Click or tap here to enter text.](#)

NOTE: Documentation of Qualification-Based-Selection of Engineering Services shall be provided to the Division upon request (to include announcement and qualifications requested).

By signing below, I [Click or tap here to enter text.](#), the Authorized Representative designated for this project in the project application, attest that the contract pricing, as seen in the attached contract(s), contains pricing that is fair and reasonable based on scope, complexity, professional nature, and the estimated value of the services being provided and the firm selected, was selected based on their qualifications.

(signed name, title and date)

(DWI staff use only – Check and initial here if debarment status checked and firm is NOT debarred ☐ _____)

ver. 8/25/2023

Clean Water Act, Section 602(b)(14)	(14) a contract to be carried out using funds directly made available by a capitalization grant under this title for program management, construction management, feasibility studies, preliminary engineering, design, engineering, surveying, mapping, or architectural related services <u>shall be negotiated in the same manner as a contract for architectural and engineering services is negotiated under chapter 11 of title 40, United States Code, or an equivalent State qualifications-based requirement (as determined by the Governor of the State).</u> From: water_resources_reform_and_development_act_guidance.pdf (epa.gov) <i>The requirements of 40 U.S.C. 1101 et seq. are:</i> • <i>Public announcement of the solicitation (e.g., a Request for Qualifications);</i> • <i>Evaluation and ranking of the submitted qualifications statements based on established, publicly available criteria (e.g., identified in the solicitation); o Evaluation criteria should be based on demonstrated competence and qualification for the type of professional services required (e.g., past performance, specialized experience, and technical competence in the type of work required);</i> • <i>Discussion with at least three firms to consider anticipated concepts and compare alternative methods for furnishing services;</i> • <i>Selection of at least three firms considered to be the most highly qualified to provide the services required; and</i> • <i>Contract negotiation with the most highly qualified firm to determine compensation that is fair and reasonable based on a clear understanding of the project scope, complexity, professional nature, and the estimated value of the services to be rendered;</i> ▪ <i>In the event that a contract cannot be negotiated with the most highly qualified firm, negotiation continues in order of qualification.</i>
Uniform Guidance 2 CFR 200.319(b)	Competition. The non-Federal entity must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.
NC General Statute 143-64.31	Procurement of Architectural, Engineering, and Surveying Services (NC “Mini-Brooks”) ...It is the public policy of this State... and Local Governmental Units..., to announce all requirements for architectural, engineering, surveying, construction management at risk services, design-build services,..., to select firms qualified to provide such services on the basis of demonstrated competence and qualification for the type of professional services required without regard to fee other than unit price information at this stage, and thereafter to negotiate a contract for those services at a fair and reasonable fee with the best qualified firm. If a contract cannot be negotiated with the best qualified firm, negotiations with that firm shall be terminated and initiated with the next best qualified firm. ...

NC General Statute 143-64.32	<u>NOTE: CWSRF and ARPA funding:</u> NCGS 143-64.32 cannot be used to exempt a local government unit from abiding by NCGS 143-63.31. This is because there is no minimum dollar exemption allowed in the Federal Brooks Act, the Clean Water Act Section 602(b)(14), or 2 CFR 200.319. Written exemption of particular contracts. Units of local government or the North Carolina Department of Transportation may in writing exempt particular projects from the provisions of this Article in the case of proposed projects where an estimated professional fee is in an amount less than fifty thousand dollars (\$50,000). (1987, c. 102, s. 2; 2013-401, s. 2.)
21 NCAC 56.0701(f)	SECTION .0700 – RULES OF PROFESSIONAL CONDUCT, adopted in accordance with NC General Statute 89C-20 (Board Rules for Professional Engineers, etc.) (f) A licensee shall solicit or accept work only on the basis of qualifications and: (1) Shall not offer to pay, either directly or indirectly, any commission, political contribution, gift, or other consideration in order to secure work, exclusive of securing salaried positions through employment agencies; (2) Shall compete for employment on the basis of professional qualification and competence to perform the work. The licensee shall not solicit or submit proposals for professional services containing a false, fraudulent, misleading, deceptive or unfair statement or claim regarding the cost, quality or extent of services to be rendered; (3) Shall, with regard to fee bidding on public projects, comply with the provisions of G.S. 143-64.31 et seq., (or for federal projects, the Brooks Act, 40 U.S. Code 541 et seq.) and shall not knowingly cooperate in a violation of any provision of G.S. 143-64.31 et seq. (or of 40 U.S. Code 541 et seq.); ...



Regular Town Council Meeting Agenda Cover Sheet

Meeting Date

June 3, 2024

Agenda Location

NEW BUSINESS

Item Title

Road Rehabilitation Project- Recommended Bid Award and Resolution 2024-54

Presenter(s)

Tim Robbins, Public Works Director

Suggested Action

Adoption of Resolution - Approval to award bid

Strategic Priorities Alignment



☐
Think Clayton
(Administrative)



☐
Think Arts &
Culture



☐
Think
Downtown



☐
Think
Economic
Development



☐
Think Land
Use &
Housing



☐
Think
Mobility



☐
Think Parks,
Recreation
& Natural
Resources



☒
Think Public
Services &
Infrastructure

Public Hearing: No

If Approved, Will Document Require Recordation? Yes

Does This Item Require a Communication Plan?

- ☐ Public Hearing (Required by GS)
- ☐ Newspaper Notice (Required by GS)
- ☐ Public Forum/Input Session
- ☐ E-News Distribution
- ☒ Social Media
- ☐ Special Mailing

- ☐ Public Hearing (Not Required by GS)
- ☐ Newspaper Notice (Not Required by GS)
- ☐ Press Release
- ☒ Website
- ☐ Survey
- ☐ None Required

Summary

On Bid Opening May 23, 2024, staff received sealed bids for the 24/25 Maps Road Rehabilitation Project. The project will include resurfacing, patching, and repair of Town streets including ADA ramp replacement, utility adjustments, and curb removal and replacement. Staff received a total of 7 sealed bids. Daniels Inc of Garner was the lowest bidder with a base bid of \$3,522,425.90 and an alternate of \$444,292.25 for a total award of \$3, 966,718.15.

Public Works recommends awarding the project to Daniels Inc of Garner. Staff also request Town Council to authorize the Town Manager or designee to execute the construction contract and any change orders required to deliver the project. Project will likely begin in July 2024 and is scheduled to be completed by November 15, 2024.

Funding Source

N/A

Corresponding Documentation

[Road Resurfacing - Bid Tabulation - 5.23.2024](#)

[Map 24_25 Road Rehabilitation Resolution](#)

[24 Map_maps_Road REHABILITATION](#)

[25 Map_maps_ROAD REHABILITATION](#)

Submitted By: Shannon Poole, Public Works/Operations

Reviewed By:

Tim Robbins, Public Works Director	Approved - May 29 2024
Rich Cappola, Town Manager	Approved - May 29 2024
Heidi Holland, Town Clerk	Approved - May 29 2024

Bid Tabulation Sheet

Project Name: Road Resurfacing

5.23.2024

#	General Contractor Name	Base Bid	Alternate 1 - Description	5% Bid Bond Included	MBE Included	Addenda 1 to 5 Received	Signed	Total Base Bid w/ All Alternates
1	ST Wooten	\$4,200,949.25	\$472,909.50	yes	yes	yes	yes	\$4,673,858.75
2	Turner Asphalt GC, LLC	\$4,086,340.23	\$589,947.55	yes	yes	yes	yes	\$4,676,287.78
3	Blythe Construction, Inc	\$4,477,866.50	\$498,553.25	yes	yes	yes	yes	\$4,976,419.75
4	Legion Asphalt, Inc	\$5,092,574.50	\$601,830.25	yes	yes	yes	yes	\$5,694,404.75
5	Daniels Inc of Garner	\$3,522,425.90	\$444,292.25	yes	yes	yes	yes	\$3,966,718.15
6	Fred Smith	\$3,870,979.00	\$479,877.50	yes	yes	yes	yes	\$4,350,856.50
7	Barhill	\$3,868,422.51	\$498,669.06	yes	yes	yes	yes	\$4,367,091.57

Resolution 2024-54

RESOLUTION OF AWARD OF BID FOR Map 24/25 ROAD REHABILITATION

WHEREAS, the Town of Clayton publicly advertised an invitation for bids to be received for the 2023 Road Rehabilitation project on April 30, 2024; and

WHEREAS, a public bid opening was held on May 23, 2024, and a total of seven-bids were received; and

WHEREAS, the low bidder was Daniels Inc of Garner for the base bid amount of \$3,522,425.90 and Alternate Bid #1 for the amount of \$444,292.25; and

WHEREAS, Daniels Inc. of Garner is properly licensed and experienced in the type of construction involved in this project; and

WHEREAS, based on review of the bids received it is the recommendation that award of the construction contract be granted to Daniels Inc. of Garner and

WHEREAS, the Town of Clayton intends to construct said project in accordance with the approved contract and specifications,

NOW THEREFORE BE IT RESOLVED, BY THE CLAYTON TOWN COUNCIL THAT:

The Town of Clayton award the construction of Map 24/25 Road Rehabilitation project, including Alternate #1, to Daniel Inc. of Garner in the total amount of \$3,966,718.15

Duly adopted this 3rd day of June, 2024.

Jody L. McLeod
Mayor

ATTEST:

Heidi L. Holland, CMC, NCCMC
Town Clerk

24 MAPS- Street Section Summary

Map	Street		From	To	WV Qty	MH Qty
24 Map A	LAKEVIEW	DR	WOODLAWN WY	DEAD END	1	4
24 Map A	LAKEVIEW	DR	CARDINAL CT	WOODLAWN WY	0	1
24 Map A	PARK	PL	SUNSET LN	WOODLAWN WY	0	3
24 Map A	CARDINAL	CT	WOODBRIAR RD	LAKEVIEW DR	1	2
24 Map A	LAKEVIEW	DR	SUNSET LN	CARDINAL CT	0	1
24 Map A	SUNSET	LN	WOODBRIAR RD	LAKEVIEW DR	1	3
24 Map A	WOODBRIAR	RD	SUNSET LN	CARDINAL CT	1	1
24 Map A	WOODBRIAR	RD	LOMBARD ST	SUNSET LN	5	0
24 Map A	WOODBRIAR	RD	WOODLAWN WY	DEAD END	2	0
24 Map A	SUNSET	LN	PARK PL	WOODBRIAR RD	1	0
24 Map A	WOODBRIAR	RD	CARDINAL CT	WOODLAWN WY	0	1
24 Map A	WOODLAWN	WY	PARK PL	WOODBRIAR RD	1	2
24 Map A	WOODLAWN	WY	WOODBRIAR RD	LAKEVIEW DR	2	1
24 Map A	BENNINGWOOD	CT	WOODBRIAR ST	CUL DE SAC	2	2
24 Map B	WILLOW	DR	VIRGINIA ST	CHARLES ST	3	4
24 Map B	CHARLES	ST	SECOND ST	HORNE ST	3	3
24 Map B	CHARLES	ST	PARK DR	WILLOW DR	0	0
24 Map B	CARTER	ST	CANDLEWOOD DR	CHARLES ST	1	2
24 Map B	CHARLES	ST	BROOK ST	CARTER ST	4	5
24 Map B	CHARLES	ST	HORNE ST	PARK DR	2	1
24 Map B	BROOK	ST	ROBERTSON ST	MITCHELL ST		
24 Map B	BROOK	ST	CANDLEWOOD DR	CHARLES ST	3	2
24 Map B	CANDLEWOOD	DR	BROOK ST	CARTER ST	3	3
24 Map B	CARTER	ST	WESTBROOK LN	CANDLEWOOD DR	1	2
24 Map B	CARTER	ST	DEAD END	WESTBROOK LN	2	1
24 Map B	WESTBROOK	LN	BROOK ST	CARTER ST	1	3
24 Map B	BROOK	ST	MITCHELL ST	WESTBROOK LN	3	2
24 Map B	MITCHELL	ST	BROOK ST	DEAD END	1	0
24 Map B	BROOK	ST	WESTBROOK LN	CANDLEWOOD DR	2	2
24 Map B	CHARLES	ST	WILLOW DR	BROOK ST	5	2
24 Map C	DODD	ST	STALLINGS ST	WHITAKER ST	0	1
24 Map C	DODD	ST	WHITAKER ST	DEAD END	2	1
24 Map C	STEWART	ST	NEW ST	BARNES ST	0	0
24 Map C	STEWART	ST	WHITAKER ST	NEW ST	4	1
24 Map C	BARNES	ST	O'NEIL ST	KILDEE ST	3	0
24 Map C	BARNES	ST	KILDEE ST	RIDGECREST DR	4	2
24 Map C	WHITAKER	ST	STEWART ST	DODD ST	1	1
24 Map D	REGENCY	DR	SMITH ST	LOMBARD ST	3	6
24 Map D	SMITH	ST	US 70 HWY W	REGENCY DR	0	0
24 Map E	HUNTER	WY	SHAUNA CR	LYNN DR	5	11
24 Map E	CHRISTY	CR	HUNTER WY	CUL DE SAC	2	3
24 Map E	HUNTER	WY	MITCHELL AVE	KELLY LN	2	1
24 Map E	SHAUNA	CR	HUNTER WY	CUL DE SAC	2	1

24 Map E	KELLY	LN	HUNTER WY	CUL DE SAC	2	4
24 Map E	MITCHELL	AV	HUNTER WY	CUL DE SAC	3	4
24 Map E	HUNTER	WY	KELLY LN	SHAUNA CR	4	2
24 Map E	MITCHELL	AV	DEAD END	HUNTER WY	2	1
24 Map E	HUNTER	WY	BARBER MILL RD	MITCHELL AVE	0	0
24 Map E	HUNTER	WY	LYNN DR	DEAD END	4	4
24 Map E	LYNN	DR	LOCKET DR	DEAD END	3	5
24 Map E	LYNN	DR	HUNTER WY	LOCKET DR	2	2
24 Map E	LOCKET	DR	LYNN DR	CUL DE SAC	1	2
24 Map F	ARMOUR	CT	NEUSE RIDGE DR	CUL DE SAC	1	1
24 Map F	NEUSE RIDGE	DR	WAVERLY DR	TOWNSEND DR	4	5
24 Map F	NEUSE RIDGE	DR	KENSINGTON CT	PARKRIDGE DR	7	7
24 Map F	NEUSE RIDGE	DR	PARKRIDGE DR	ARMOUR CT	1	2
24 Map F	NEUSE RIDGE	DR	TOWNSEND DR	WAVERLY DR	5	4
24 Map F	NEUSE RIDGE	DR	PARKRIDGE DR	WAVERLY DR	3	1
24 Map F	NEUSE RIDGE	DR	WAVERLY DR	HEIN DR	0	0
24 Map F	NEUSE RIDGE	DR	HEIN DR	KENSINGTON CT	2	4
24 Map F	NEUSE RIDGE	DR	ARMOUR CT	VINSON RD	3	2
24 Map F	WAVERLY	DR	NEUSE RIDGE DR	AVENEL LN	3	1
24 Map F	WAVERLY	DR	AVENEL LN	AVENEL LN	2	4
24 Map F	WAVERLY	DR	AVENEL LN	NEUSE RIDGE DR	4	3
24 Map F	AVENEL	LN	WAVERLY DR	WAVERLY DR	2	2

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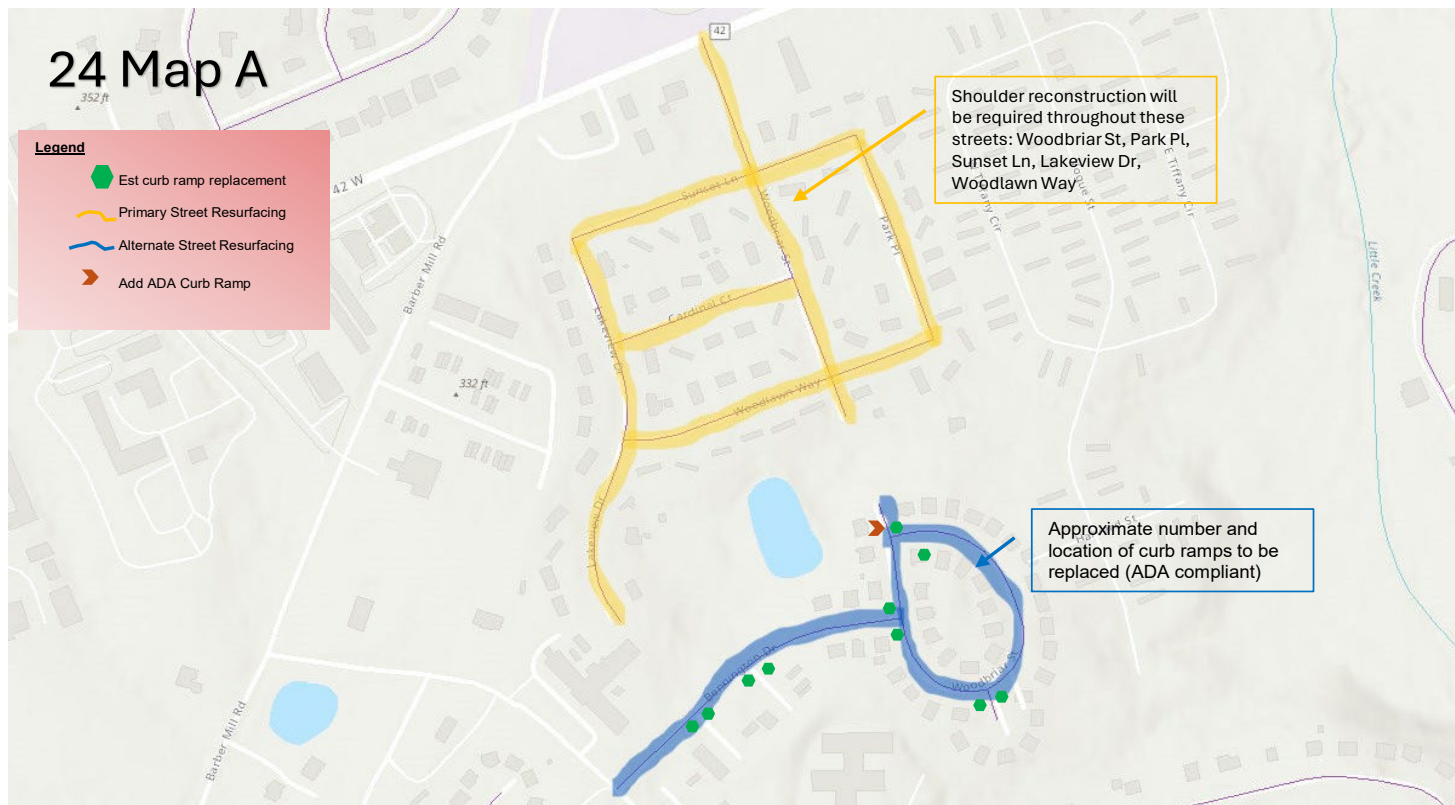
141

Map 24 Alternate

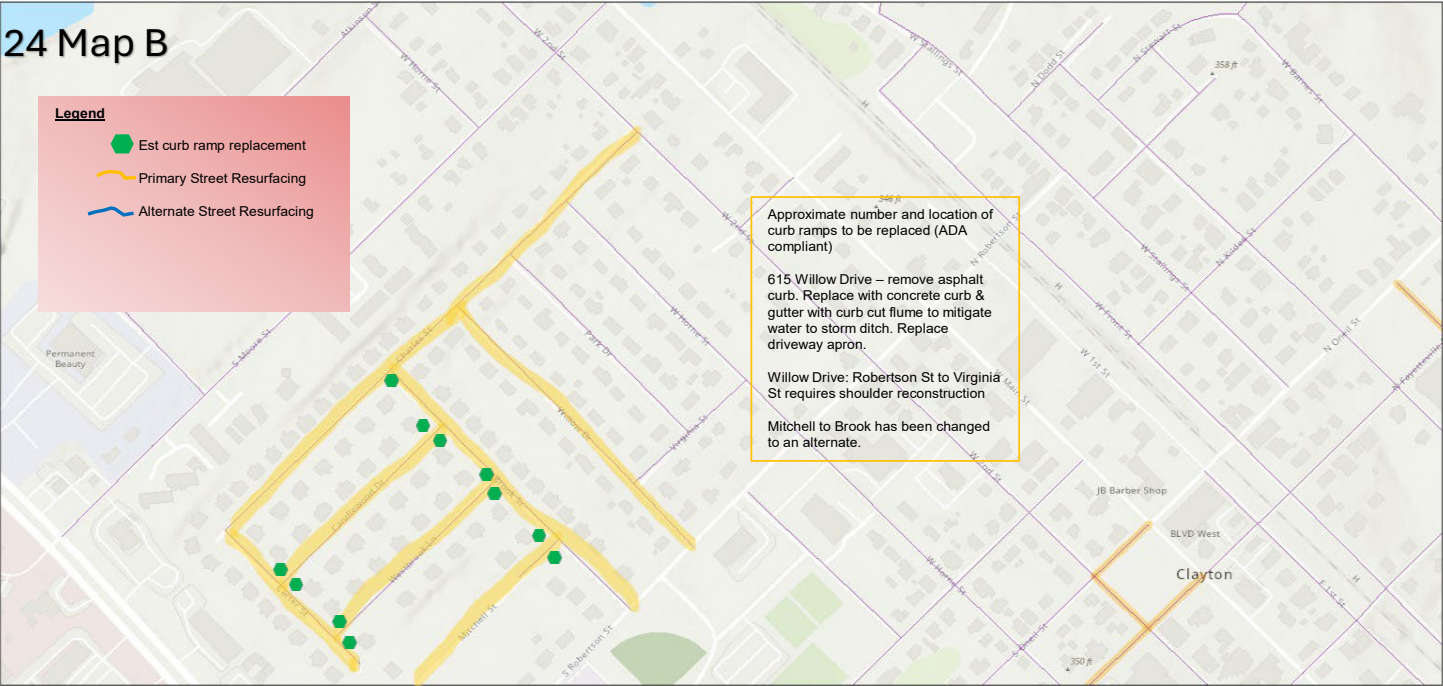
MAP ID	Street	TP	From	To	WV Qty	MH Qty
24 Map A Alternate	WOODBRIAR	ST	BENNINGWOOD CT	WOODBRIAR ST	3	5
24 Map A Alternate	BENNINGTON	DR	DAIRY RD	WOODBRIAR ST	6	2
24 Map A Alternate	WOODBRIAR	ST	DEAD END	WOODBRIAR ST	1	1
24 Map A Alternate	WOODBRIAR	ST	BENNINGTON DR	BENNINGWOOD CT	2	2
24 Map A Alternate	WOODBRIAR	ST	WOODBRIAR ST	BENNINGTON DR	1	0

24 Map B Alternate	MITCHELL	ST	BROOK ST	DEAD END	1	0
24 Map F Alternate	PRESTWICK	DR	PARKRIDGE DR	PARKRIDGE DR	4	5
24 Map F Alternate	PARKRIDGE	DR	PARKRIDGE DR	PRESTWICK DR	9	11
24 Map F Alternate	PARKRIDGE	DR	PRESTWICK DR	PRESTWICK DR	6	7
24 Map F Alternate	PARKRIDGE	DR	PRESTWICK DR	PARKRIDGE DR	0	1
24 Map F Alternate	PARKRIDGE	DR	TOWNSEND DR	PARKRIDGE DR	1	3
24 Map F Alternate	PARKRIDGE	DR	NEUSE RIDGE DR	TOWNSEND DR	2	2

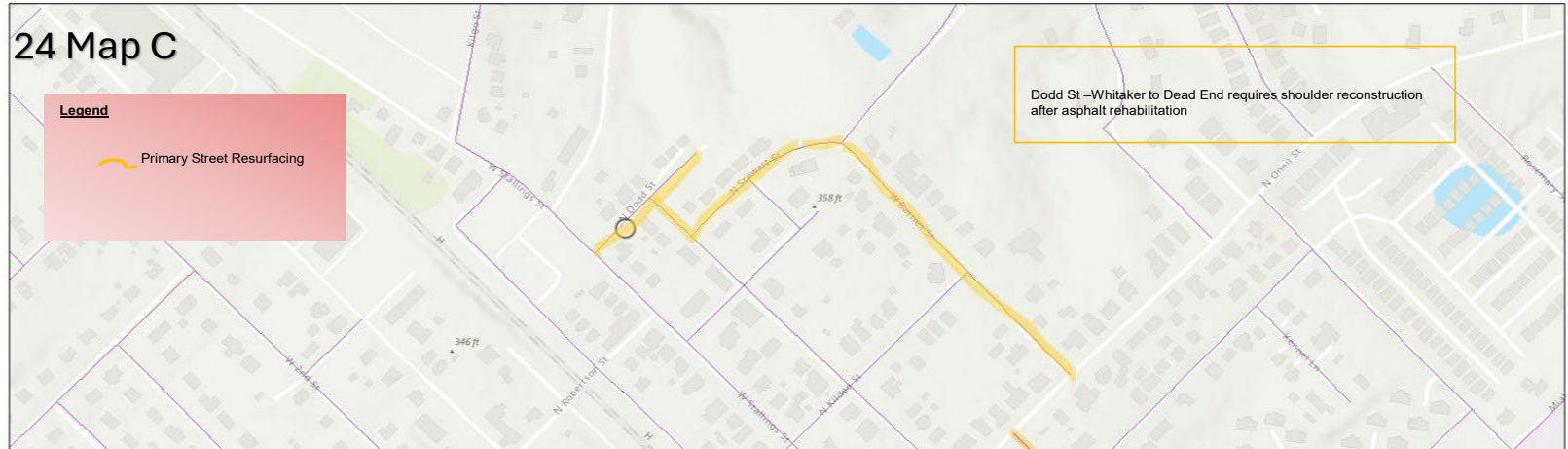
Town of Clayton Road Rehabilitation Project May 2024



Neighborhood A – F&R Report

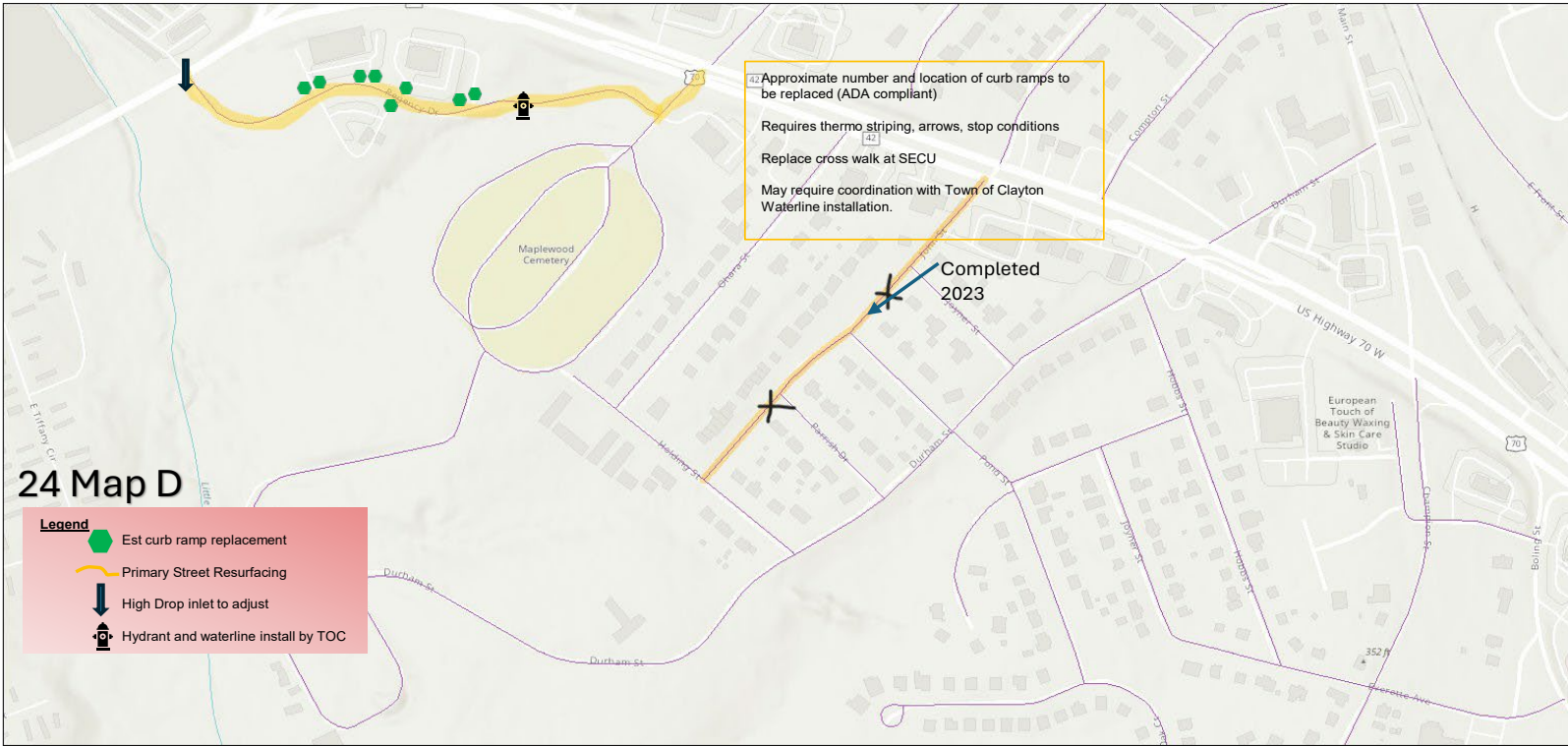


Town of Clayton Road Rehabilitation Project May 2024



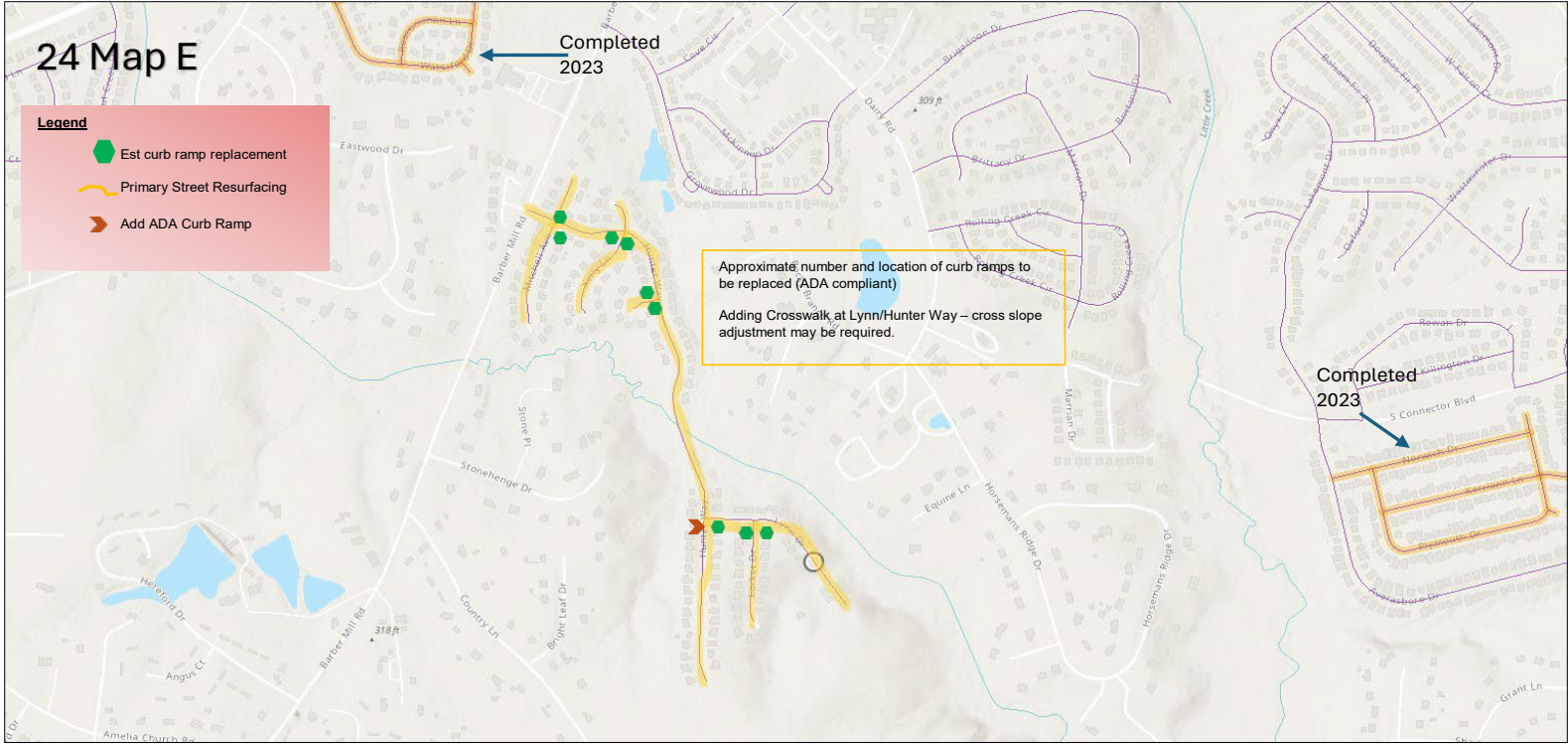
Neighborhood C – F&R Report

Town of Clayton Road Rehabilitation Project May 2024

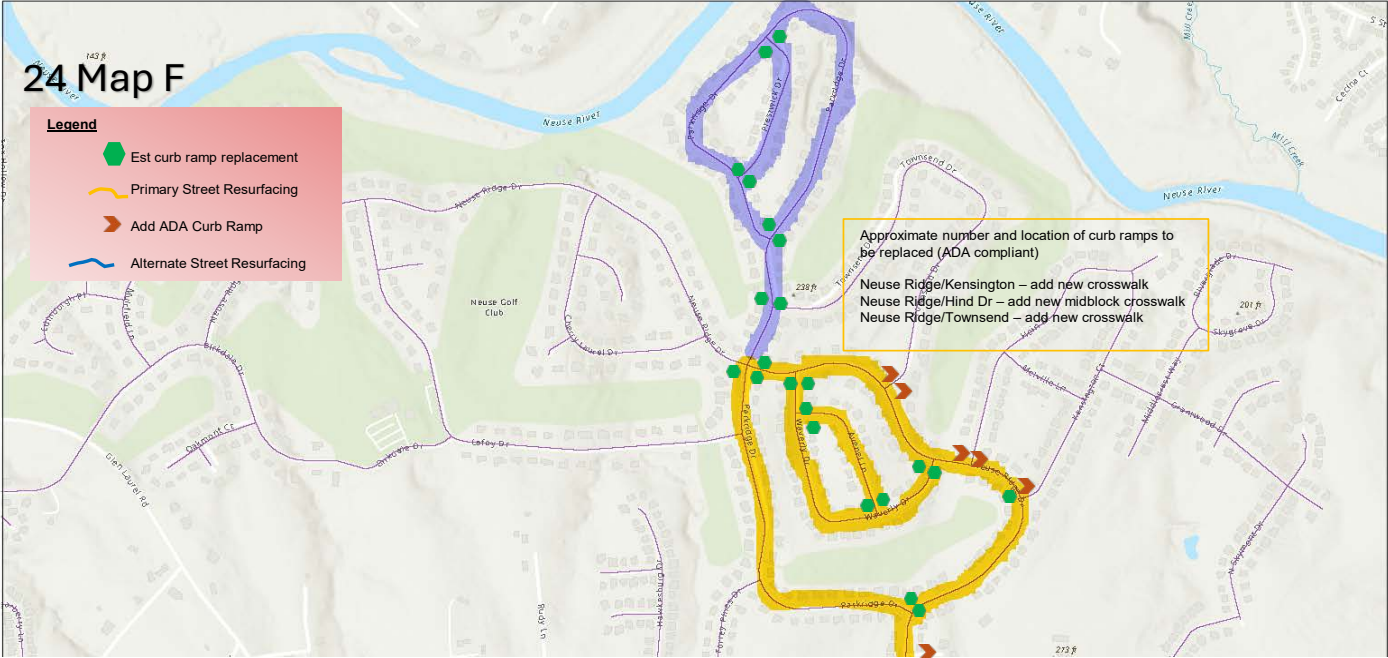


No F&R Report

Town of Clayton Road Rehabilitation Project May 2024



Town of Clayton Road Rehabilitation Project May 2024



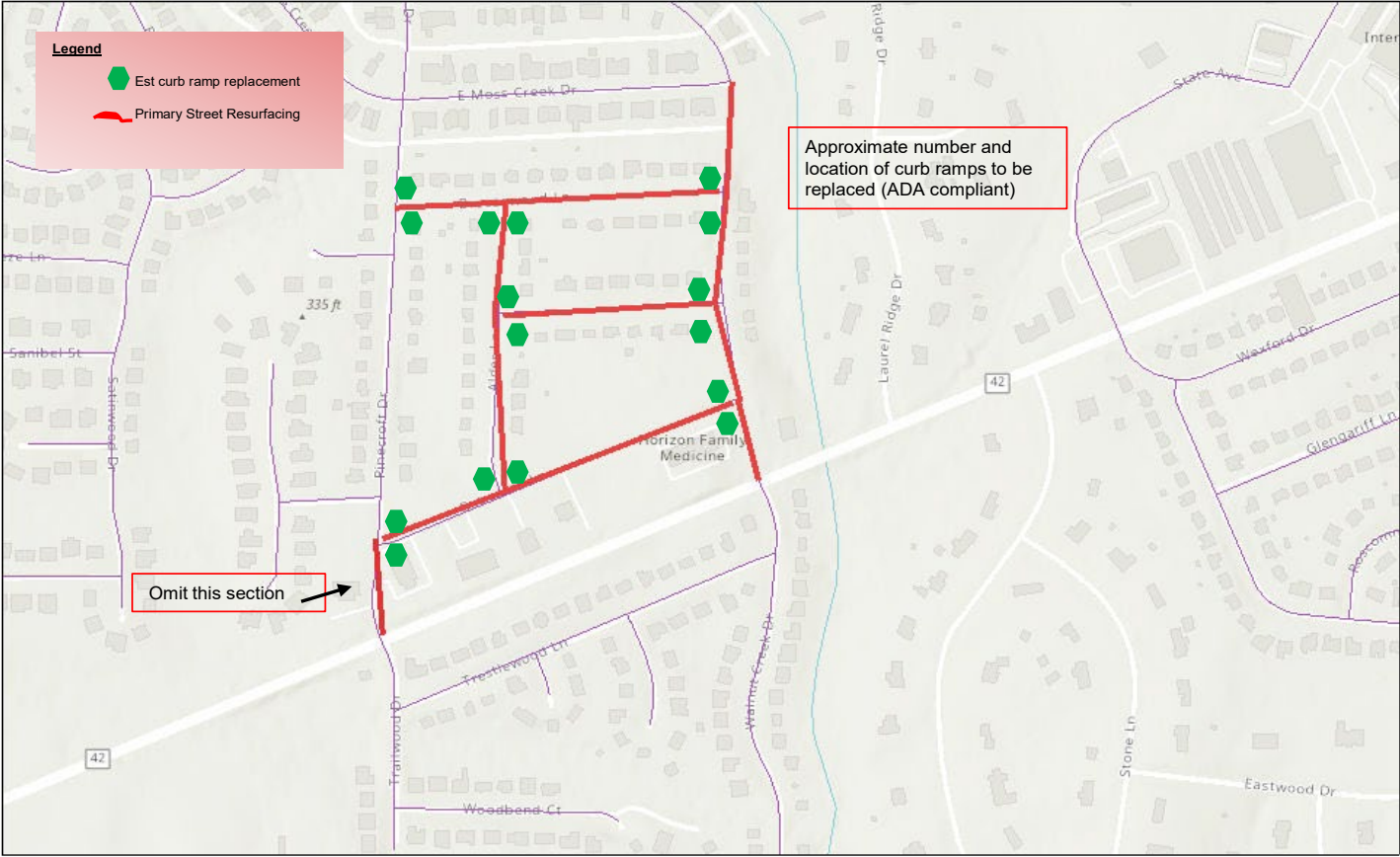
25 Maps - Street Section Summary

Map	Street		From	To	WV Qty	MH Qty
25 Map A	WINDING WOOD	DR	BUTTERNUT LN	BENTWOOD LN	4	1
25 Map A	WINDING WOOD	DR	NC 42 HWY E	BUTTERNUT LN	4	2
25 Map A	ALDER	LN	BENTWOOD LN	BREEZEWOOD LN	3	2
25 Map A	BUTTERNUT	LN	ALDER LN	WINDING WOOD DR	3	4
25 Map A	BREEZEWOOD	LN	PINECROFT DR	ALDER LN	2	1
25 Map A	ALDER	LN	BUTTERNUT LN	BENTWOOD LN	1	1
25 Map A	BUTTERNUT	LN	PINECROFT DR	ALDER LN	0	0
25 Map A	BENTWOOD	LN	ALDER LN	WINDING WOOD DR	1	2
25 Map A	BREEZEWOOD	LN	ALDER LN	WINDING WOOD DR	3	2
25 Map A	WINDING WOOD	DR	BENTWOOD LN	BREEZEWOOD LN	3	1
25 Map B	PARKRIDGE	DR	TORREY PINES DR	LAFOY DR	4	5
25 Map B	LAFOY	DR	BIRKDALE DR	PARKRIDGE DR	6	8
25 Map B	LAFOY	DR	VISTA CT	BIRKDALE DR	4	6
25 Map B	VISTA	CT	LAFOY DR	CUL DE SAC	1	1
25 Map B	CHERRY LAUREL	DR	NEUSE RIDGE DR	KNOLLWOOD PL	3	2
25 Map B	PARKRIDGE	DR	LAFOY DR	NEUSE RIDGE DR	3	1
25 Map B	CHERRY LAUREL	DR	KNOLLWOOD PL	WARRICK PL	3	1
25 Map B	LAFOY	DR	NEUSE RIDGE DR	VISTA CT	2	1
25 Map B	CHERRY LAUREL	DR	WARRICK PL	NEUSE RIDGE DR	3	5
25 Map B	PARKRIDGE	DR	NEUSE RIDGE DR	TORREY PINES DR	3	4
25 Map B	KNOLLWOOD	PL	CHERRY LAUREL DR	CUL DE SAC	2	3
25 Map B	WARRICK	PL	CHERRY LAUREL DR	CUL DE SAC	1	2
25 Map B	NEUSE RIDGE	DR	LAFOY DR - 305 Neuse Ridge	CHERRY LAUREL DR	3	7
25 Map B	NEUSE RIDGE	DR	CHERRY LAUREL DR	PARKRIDGE DR	1	2
25 Map B	NEUSE RIDGE	DR	CHERRY LAUREL DR	CHERRY LAUREL DR	4	5
25 Map C	MIAL	ST	CAMEL ST	WILSON ST	3	4
25 Map C	STALLINGS	ST	MIAL ST	LOMBARD ST	2	4
25 Map C	STALLINGS	ST	CUL DE SAC	MIAL ST	4	3
25 Map C	COOPER	ST	FRONT ST	STALLINGS ST	2	1
25 Map C	STALLINGS	ST	LOMBARD ST	COOPER ST	3	3
25 Map C	WHITAKER	ST	ROBERTSON ST	STEWART ST	5	1
25 Map C	WHITAKER	ST	KILDEE ST	ROBERTSON ST	1	2
25 Map C	WHITAKER	ST	O'NEIL ST	KILDEE ST	1	1
25 Map C	ROBERTSON	ST	NEW ST	DEAD END	2	1
25 Map C	MIAL	ST	STALLINGS ST	CAMEL ST	3	7
25 Map C	ROBERTSON	ST	STALLINGS ST	WHITAKER ST	3	1
25 Map C	ROBERTSON	ST	WHITAKER ST	NEW ST	2	0
25 Map D	DAMON	ST	JOYNER ST	POND ST	1	1
25 Map D	POND	ST	JOHN ST	DURHAM ST	0	1
25 Map D	HOLDING	ST	JOHN ST	DURHAM ST	3	2
25 Map D	POND	ST	DURHAM ST	DAMON ST	2	3
25 Map D	DURHAM	ST	PARRISH DR	HOLDING ST	1	3
25 Map D	HOLDING	ST	O'HARA	DEAD END	2	0

25 Map D	DAMON	ST	HOBBS ST	JOYNER ST	3	1
25 Map D	POND	ST	DAMON ST	DEAD END	4	4
25 Map D	DURHAM	ST	HOBBS ST	JOYNER ST	6	3
25 Map D	HOLDING	ST	OHARA ST	JOHN ST	6	3
25 Map D	DURHAM	ST	US 70 HWY W	HOBBS ST	3	1
25 Map D	DAMON	ST	POND ST	CUL DE SAC	4	2
25 Map D	DURHAM	ST	POND ST	PARRISH DR	6	1
25 Map D	DURHAM	ST	JOYNER ST	POND ST	1	1
25 Map E	CONNECTOR	BV	AVERASBORO DR & E CHAMPION ST	ROWAN DR	3	0
25 Map E	CHAMPION	ST	YORKSHIRE DR	AVERASBORO DR	11	4
25 Map E	ROWAN	DR	KILLINGTON DR	S CONNECTOR BLVD	2	2
25 Map E	ROWAN	DR	KILLINGTON DR	DREXEL CT	2	0
25 Map E	ROWAN	DR	S CONNECTOR BLVD	KILLINGTON DR	2	1
25 Map E	DREXEL	CT	ROWAN DR	CUL DE SAC	1	1
25 Map E	YALE	CT	ROWAN DR	CUL DE SAC	1	0
25 Map E	CARDINAL	DR	BOLING ST	FLAMINGO DR	3	3
25 Map E	WREN	LN	BOLING ST	FLAMINGO DR	2	2
25 Map E	CONNECTOR	BV	ROWAN DR	LAKEMONT DR & AVERASBORO DR	2	2
25 Map E	ROWAN	DR	YALE CT	KILLINGTON DR	1	1
25 Map E	ROWAN	DR	DREXEL CT	YALE CT	2	4
25 Map E	FLAMINGO	DR	CARDINAL DR	WREN LN	3	2
25 Map E	ROBIN	LN	BOLING ST	FLAMINGO DR	2	3
25 Map E	FLAMINGO	DR	WREN LN	ROBIN LN	0	1
25 Map F	BRITTANY	DR	DAIRY RD	LEAH CR	4	2
25 Map F	BROWNING	CT	BRITTANY DR	CUL DE SAC	2	1
25 Map F	BRITTANY	DR	MARRIAN DR	DARFIELD CT	4	2
25 Map F	MARRIAN	DR	JENNY CR	BRITTANY DR	2	2
25 Map F	LEAH	CR	BRITTANY DR	CUL DE SAC	1	0
25 Map F	BRITTANY	DR	LEAH CR	MARRIAN DR	1	2
25 Map F	BRITTANY	DR	DARFIELD CT	BROWNING CT	3	1
25 Map F	JENNY	CR	MARRIAN DR	CUL DE SAC	2	1
25 Map F	MARRIAN	DR	BRITTANY DR	JENNY CR	2	3
25 Map F	DARFIELD	CT	BRITTANY DR	CUL DE SAC	2	1
25 Map F	BRITTANY	DR	BRIGADOON DR	BROWNING CT	3	4
25 Map F	MARRIAN	DR	BRITTANY DR	DEAD END	2	1

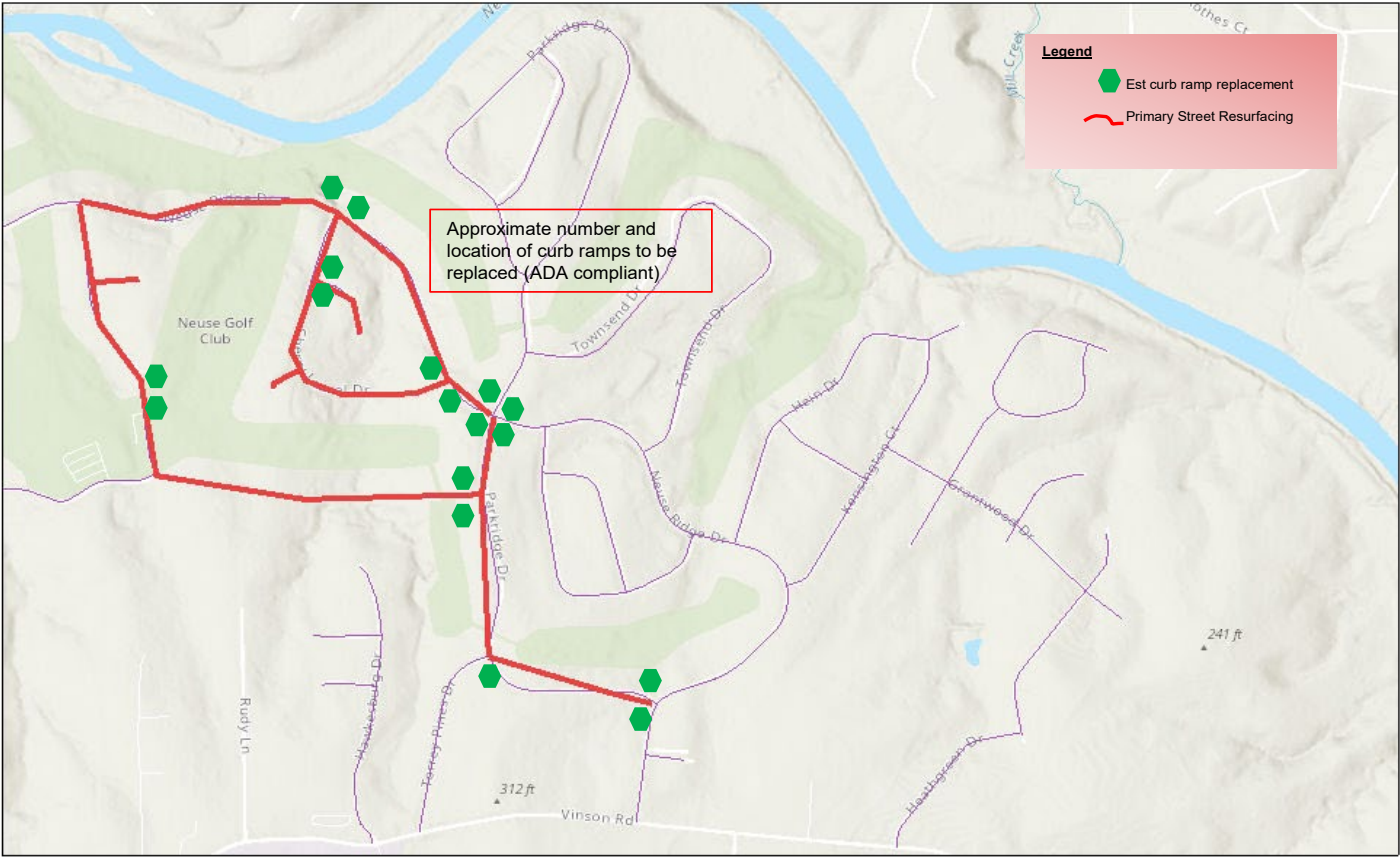
25 Map A

Town of Clayton Road Rehabilitation Project May 2024



25 Map B

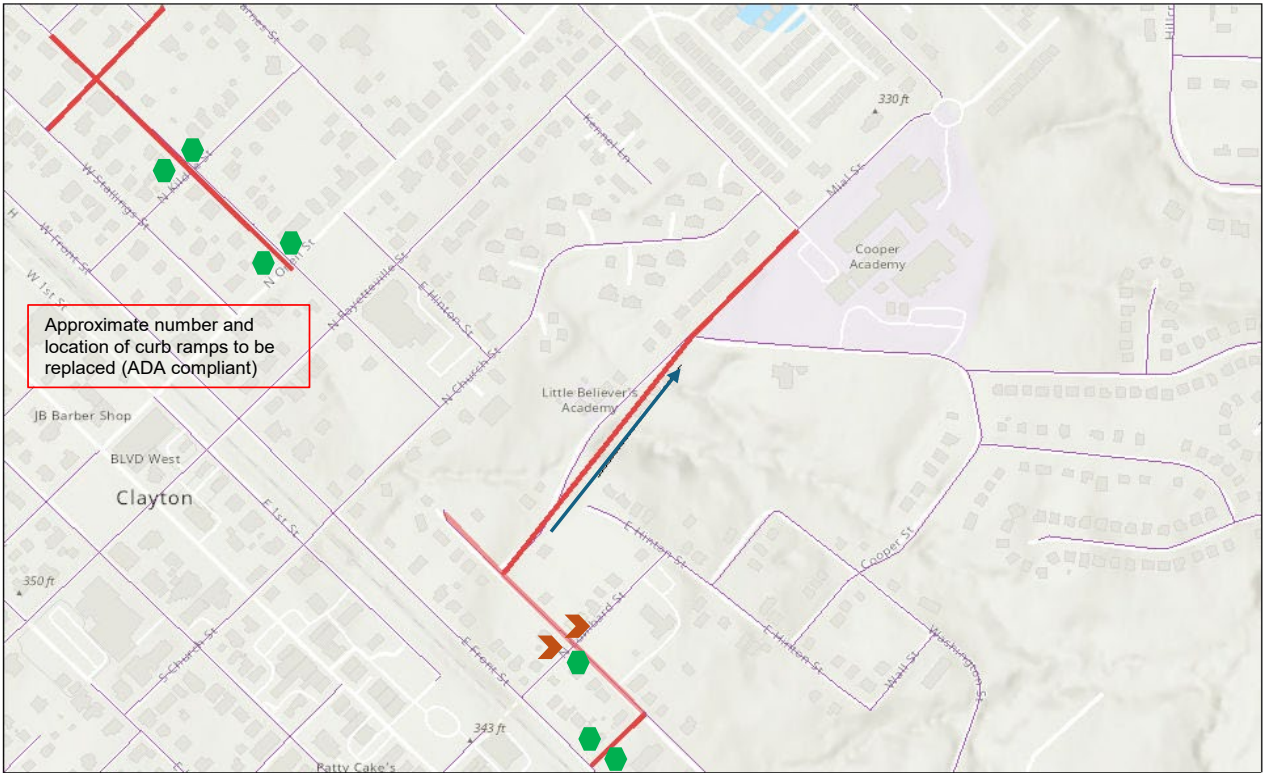
Town of Clayton Road Rehabilitation Project May 2024



Legend

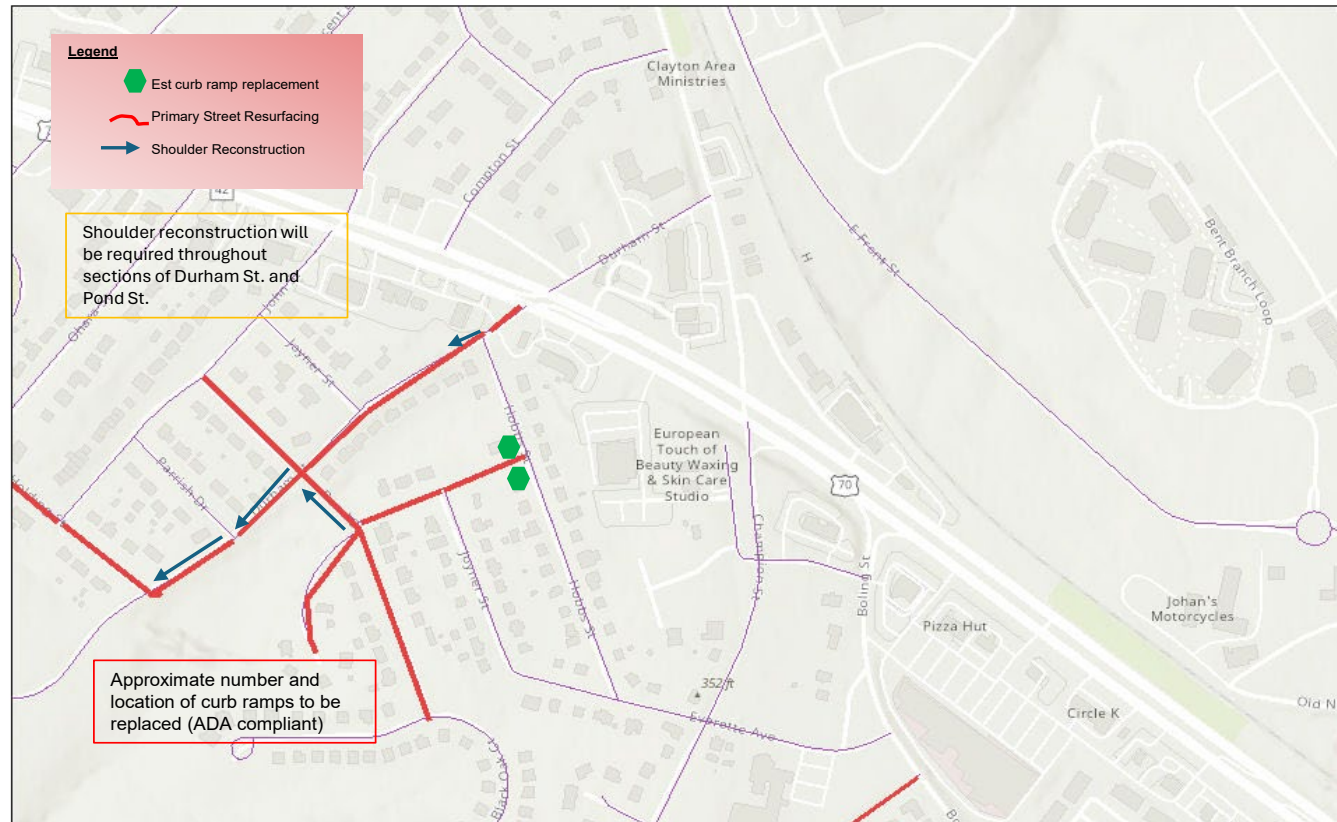
- Est curb ramp replacement
- Primary Street Resurfacing
- Shoulder Reconstruction
- Add new curb ramp

25 Map C



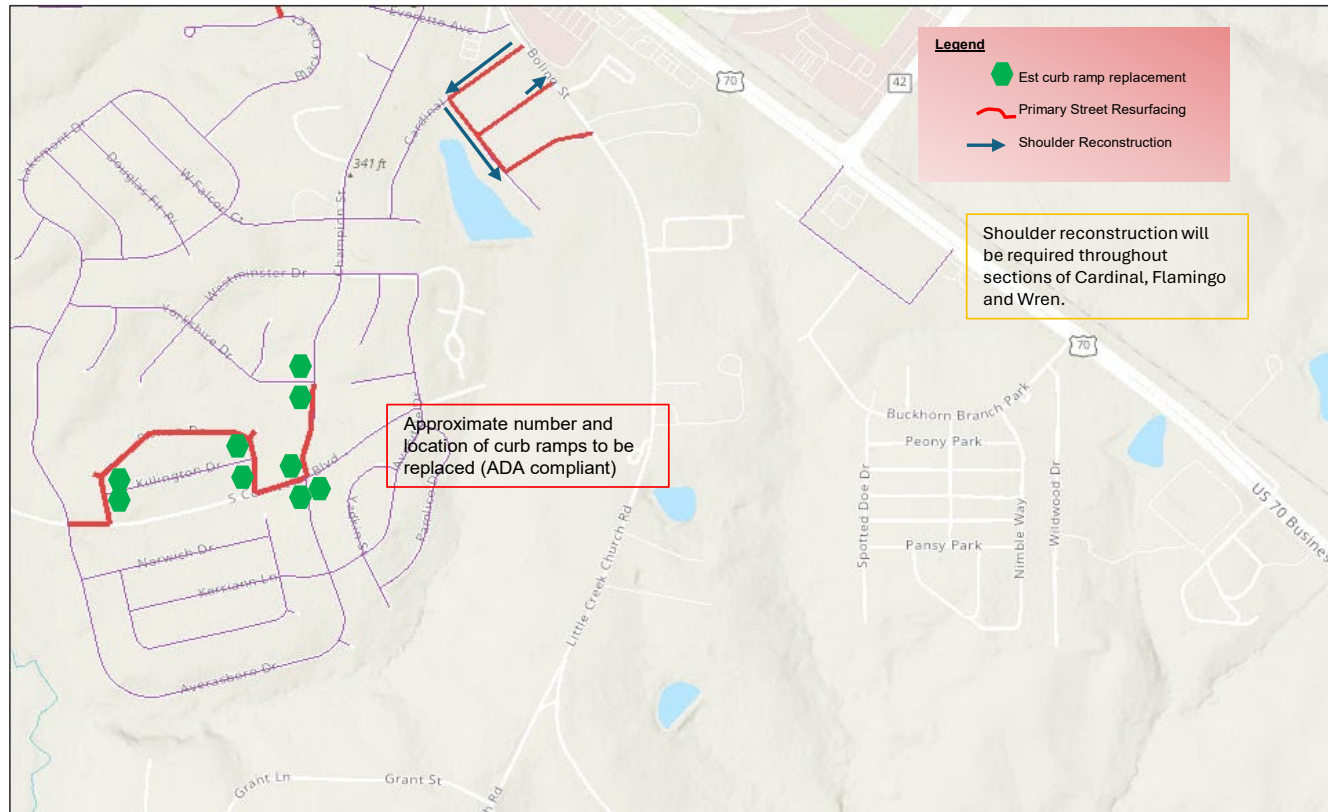
25 Map D

Town of Clayton Road Rehabilitation Project May 2024



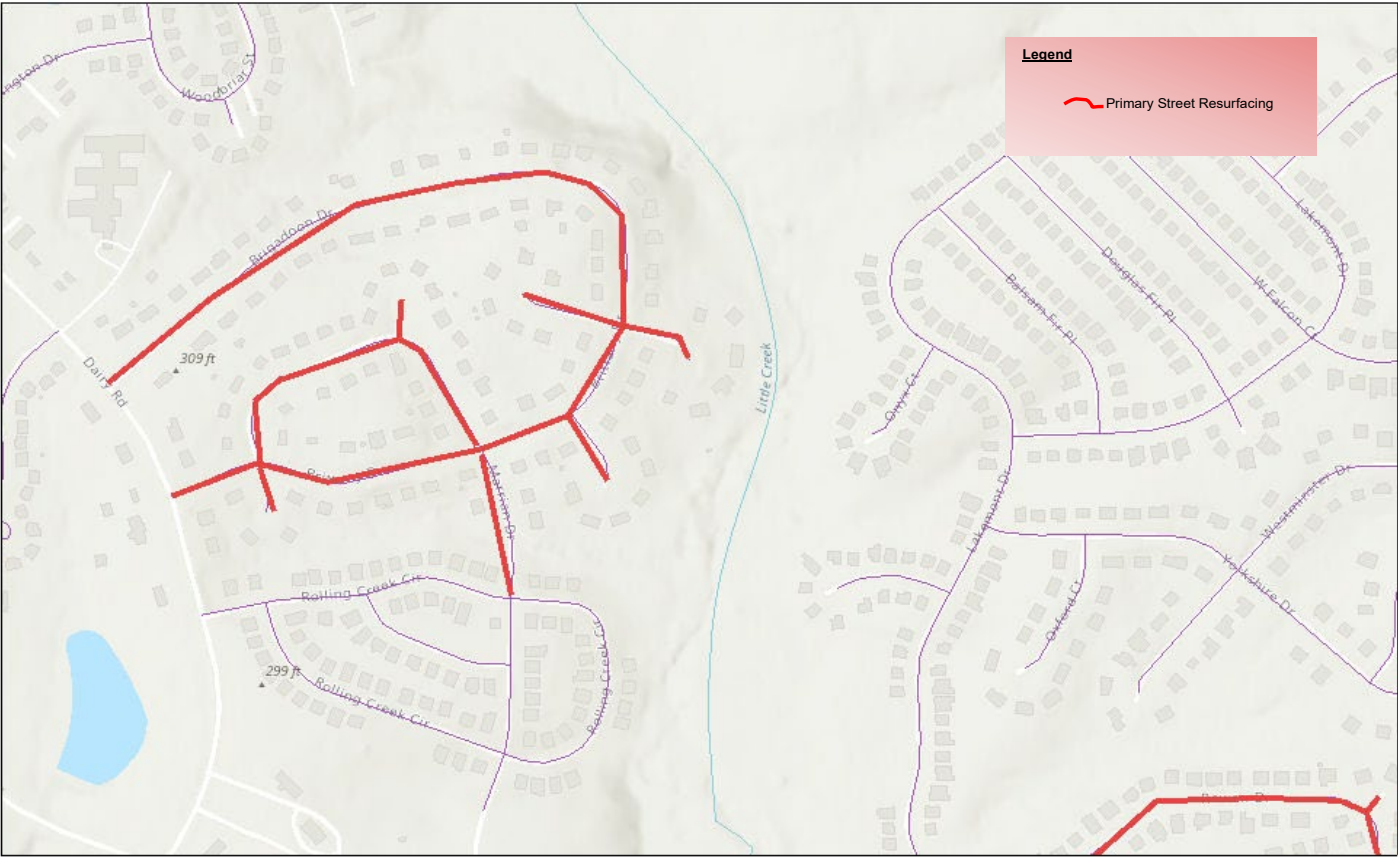
25 Map E

Town of Clayton Road Rehabilitation Project May 2024



25 Map F

Town of Clayton Road Rehabilitation Project May 2024





Regular Town Council Meeting Agenda Cover Sheet

Meeting Date

June 3, 2024

Agenda Location

NEW BUSINESS

Item Title

Hydrant Meter Program Policy

Presenter(s)

Brandon Carroll, Water Resources Department

Suggested Action

Adoption of Resolution

Strategic Priorities Alignment



☐
Think Clayton
(Administrative)



☐
Think Arts &
Culture



☐
Think
Downtown



☐
Think
Economic
Development



☐
Think Land
Use &
Housing



☐
Think
Mobility



☐
Think Parks,
Recreation
& Natural
Resources



☒
Think Public
Services &
Infrastructure

Public Hearing: No

If Approved, Will Document Require Recordation? No

Does This Item Require a Communication Plan?

- ☐ Public Hearing (Required by GS)
- ☐ Newspaper Notice (Required by GS)
- ☐ Public Forum/Input Session
- ☐ E-News Distribution
- ☐ Social Media
- ☐ Special Mailing

- ☐ Public Hearing (Not Required by GS)
- ☐ Newspaper Notice (Not Required by GS)
- ☐ Press Release
- ☐ Website
- ☐ Survey
- ☐ None Required

Summary

The fire hydrant meter program provides service for customers within the Town of Clayton water service district and outlines specific procedures to follow for authorized use of public fire hydrants. According to the Town of Clayton Code of Ordinance, only two organizations, the Town of Clayton Water Resources Department and Clayton Fire Department are authorized to use fire hydrants. Everyday businesses such as street cleaners, pressure washers, and those working on construction projects that require water from a fire hydrant must contact the Town of Clayton Utilities and Billing Department. The Town of Clayton offers these customers a rental for a Hydrant Meter Assembly to obtain water for non-drinking use in a safe and legal manner. Staff request Town Council approval of the policy.

Funding Source

N/A

Corresponding Documentation

[2024-55 Hydrant Meter Assembly Rental Policy](#)

[Town Of Clayton Hydrant Meter Assembly Rental Policy](#)

Submitted By: Brandon Carroll, Public Works/Operations

Reviewed By:

Joshua Baird, Engineering Director

Approved - May 28 2024

Rich Cappola, Town Manager

Approved - May 29 2024

Heidi Holland, Town Clerk

Approved - May 29 2024

**TOWN OF CLAYTON
HYDRANT METER ASSEMBLY RENTAL POLICY**

BE IT RESOLVED by the Clayton Town Council to adopt the Hydrant Meter Assembly Rental Policy as attached:

Duly adopted this the 3rd day of June 2024 while in regular session.

Jody L. McLeod
Mayor

ATTEST:

Heidi L. Holland, CMC, NCCMC
Town Clerk



Town of Clayton

Hydrant Meter Assembly Rental Policy

June 3, 2024

Town Of Clayton Hydrant Meter Assembly Rental Policy

FIRE HYDRANT METER PROGRAM FOR TEMPORARY WATER SERVICE

The fire hydrant meter program provides service for customers within the Town of Clayton water service district and outlines specific procedures to follow for authorized use of public fire hydrants. According to the Town of Clayton Code of Ordinances, only two entities, the Town of Clayton Water Resources Department and Clayton Fire Department are authorized to use public fire hydrants. Everyday businesses such as street cleaners, pressure washers, and those working on construction projects that wish to obtain water from a fire hydrant must contact the Town of Clayton Utilities and Billing Department. The Town of Clayton offers these types of customers a rental for a Hydrant Meter Assembly to obtain water for non-drinking use in a safe and legal manner.

FIRE HYDRANT METER PROGRAM GENERAL TERMS

Ownership: The Town of Clayton will be the owner of the fire hydrant meter assembly and all associated components. At the end of the project equipment will remain property of the Town of Clayton Water Resources Department.

Testing and Certification: Town of Clayton staff will test at time of installation, when removed and reinstalled, when Town staff or customer see discharge from the backflow relief valve and at least biannually for the duration of the rental.

Installation: Upon installation by Town staff, the customer shall notify Town staff to request any changes, re-locations, or modifications necessary to the assembly. The meter and assembly will only be installed by Town staff on hydrants that have been fully accepted by Engineering department and under Town operation and maintenance. If any of these requirements are not met the Town has the right to enforce any penalties for violations per the Town of Clayton Code of Ordinances as well as termination of the rental and potential loss of deposit. The Specific ordinances will be linked below.

Operation: Customer will only be allowed to operate the gate valve that shall be installed after the backflow assembly. Customer will also be required to provide any security, fittings or hoses that would be required beyond the gate valve for the project. Customers shall not lock hydrant meter in such a way that Town staff or Fire department are unable to remove the meter in the event of an actual fire or other emergency. The Town of Clayton is not responsible for any damage to the meter and assembly during the rental period and outside normal operations. In the event of an issue with the assembly you may call the Water Resources emergency hotline at 919-553-1530 to have the hydrant turned off. This will be subject to any after-hours staff time fees if deemed to be the result of nonstandard operating procedures. In no circumstance shall the customer modify or manipulate the set up.

Billing: Town staff will take an initial meter reading once installed and then will record a monthly reading and bill accordingly on a month-to-month basis. Customer will be responsible for all usage of this meter and the Town will not waive any usage outside the contractor's intended use.

FIRE HYDRANT METER ASSEMBLY RENTAL

The Water Resources Department will provide temporary water service by means of a public fire hydrant to customers who qualify for this service at locations within the service area. The provided Standard Fire Hydrant Meter Assembly offers a 2 ½-inch NST fire hose connection. Individuals or companies must apply for access to a hydrant for

non-drinking water use. Minimum rental periods will be for one month.

Applicants must provide the desired fire hydrant location which shall include unobstructed access to the job site and hydrant location. The fire hydrant's location and condition may affect availability and authorization of service. If the desired fire hydrant is deemed unsatisfactory for a temporary water connection Water Resources staff will suggest the next best available fire hydrant for providing temporary water service.

Additionally, The Town of Clayton reserves the right to deny service to any customer depending on equipment availability, water use restrictions, weather conditions or system capabilities. The Town of Clayton Water Resources Department will grant access to a Fire Hydrant Meter Assembly for temporary water service only to customers who have satisfied the requirements for obtaining such services.

The Town of Clayton reserves the right to disconnect service for any reason deemed necessary.

PROCESS FOR OBTAINING A FIRE HYDRANT METER ASSEMBLY

A five - business day notification is required for all Fire Hydrant Meter Assembly Requests.

Call Utilities and Billing at 919-553-5002 to inquire about a temporary Fire Hydrant Connection Service and availability.

1. Customer will obtain and complete the hydrant meter assembly application online.
2. Water Resources will verify hydrant placement.
3. Utilities and Billing will create fire hydrant meter assembly rental account.
4. Customer will pay the refundable deposit and installation fee.
5. Water Resources will schedule installation.

Under most circumstances Fire Hydrant Meter Assembly can be installed within five business days of completed application and payment.

FIRE HYDRANT METER PROGRAM WAITING LIST

If equipment is not immediately available, you will need to sign up on our waiting list through the Town of Clayton Utilities and Billing Department.

Hydrant Meter Assembly Waiting List:

1. Registration Date and Time:
2. Name:
3. Organization/Company Name (if applicable):
4. Contact Information:
5. Address:
6. Phone Number:
7. Email:
8. Expected Duration of Usage:
9. Purpose of Use:
10. Additional Comments/Notes (if any):

Instructions:

- To register for the waiting list, please fill out the above information and submit it via online web form.

- Registrations will be processed on a first-come-first-serve basis.
- You will receive a confirmation message acknowledging your place on the waiting list.
- As hydrant meter assemblies become available, we will contact registrants in the order their registrations were received.
- Upon notification of availability, you will have two business days to confirm your interest and arrange for delivery. Failure to respond within the specified timeframe may result in your registration being moved down the waiting list.
- Thank you for your patience and cooperation.

INSTALLATION AND OPERATION GUIDELINES FOR A FIRE HYDRANT METER ASSEMBLY

Hydrant Meter Applicants cannot provide their own water meter or backflow device!

Town of Clayton Water Resources Staff will contact the customer at the number on the application to schedule the installation of the Fire Hydrant Meter Assembly. Installation is available between 7:30am and 2:00 pm Monday-Friday.

The Town of Clayton Water Resources Department will install and secure/lock a Fire Hydrant Meter Assembly on the requested fire hydrant if possible. If the requested hydrant is unfit to accept a Fire Hydrant Meter Assembly Water Resources staff will suggest next best available and upon concurrence from customer install the equipment at the next best location.

Water Resources staff will turn on the fire hydrant, take initial reading and ensure all equipment is working properly before leaving the site.

The customer will have access to and only be allowed to operate the 2" hand valve located on the exterior of the enclosed Fire Hydrant Meter assembly. **Using a personal combination lock is permissible to secure the 2" hand valve.** Any locks used for the hand valve requires the renter to provide the Town with the combination for continual access.

Unauthorized companies and the public are not authorized or permitted to operate any Town of Clayton fire hydrant or meter assembly rental.

All Fire Hydrant Meter Assemblies include metal boxes for protection to ensure proper and continuous operation throughout the year.

The Standard Fire Hydrant Meter assembly will come with the following connection:

- 2.5" NST Fire Hose Connection (Standard)

Customers may request the town to attach adapters to the hydrant meter rental boxes if available for a fee (see page 5). Disassembly of connections by the customer is not permitted.

The Town of Clayton shall complete an inspection and obtain a water consumption reading (fee incurred) on the 1st of the month, or the closest non-weekend or non-Holiday for Customers that are in possession of Hydrant Meter Assemblies for extended periods of time. This will incur a fee.

If a customer wishes to have their Fire Hydrant Meter Assembly relocated (upon request for fee), advance notice of two business days shall be provided to Utilities and Billing staff and is subject to prior commitments. Hydrant Meter customers are not authorized to relocate the Fire Hydrant Meter Assembly themselves.

When the customer is finished with the Fire Hydrant Meter assembly, they must contact the Utilities and Billing

Department at 919-553-5002 and submit written request from the original applicant to remove at least two business days in advance to schedule retrieval of the equipment. Retrieval of equipment can be scheduled between 7:30 a.m. and 2:00 p.m.

The customer is responsible for immediately reporting any damage or concerns to the Fire Hydrant Meter Assembly to the Water Resources Department at 919-553-1530. If after hours your call will be forwarded to 911.

All renters are responsible for ANY damage to fire hydrant meter assemblies such as:

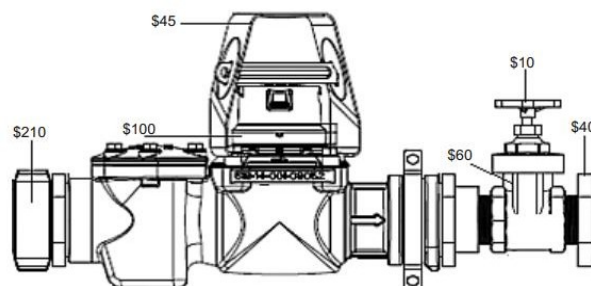
- Vandalism
- Damage or Unauthorized use of box other than the renter.

To avoid freezing damage, call Utilities and Billing at 919-553-5002 to request shutoff. The Town of Clayton Water Resources Department will send out a Freeze reminder every year on November 1st to all renters. Additional reminders may go out as the department sees fit.

FIRE HYDRANT METER ASSEMBLY FEES

See the latest Town of Clayton Comprehensive List of Fees

REPLACEMENT PART FEES:



- Backflow Preventer \$1,500
- Meter Box \$1,150
- Meter \$850
- Fire Hose \$150

ADDITIONAL INFORMATION

If a customer violates any portion of the Hydrant Meter Guidelines or associated policies, Water Resources Staff will immediately remove the equipment. The department will put the customer's account and deposit on hold. Following an investigation of the circumstances, there may be additional fees or penalties.

Related North Carolina Laws and Regulations

15A NCAC 18C.0406(b) (1,6 &7) - Cross Connections 15A NCAC

18C.0102(c)(5) - Cross Connection Definition

Related Town of Clayton Codes and Ordinances

Chapter 50 General Utility Regulation

Chapter 53 Cross Connection / Backflow Protection



Regular Town Council Meeting Agenda Cover Sheet

Meeting Date

June 3, 2024

Agenda Location

NEW BUSINESS

Item Title

FY 2024 Audit Contract

Presenter(s)

Robert McKie - Finance Director

Suggested Action

Approval of Contract

Strategic Priorities Alignment

Think Clayton
(Administrative)



Think Arts &
Culture



Think
Downtown



Think
Economic
Development



Think Land
Use &
Housing



Think
Mobility



Think Parks,
Recreation
& Natural
Resources



Think Public
Services &
Infrastructure

Public Hearing: No

Applicable General Statute Number: G.A. 159-34

If Approved, Will Document Require Recordation? No

Does This Item Require a Communication Plan?

☐ Public Hearing (Required by GS)

☐ Newspaper Notice (Required by GS)

☐ Public Forum/Input Session

☐ E-News Distribution

☐ Public Hearing (Not Required by GS)

☐ Newspaper Notice (Not Required by GS)

☐ Press Release

☐ Website

- ☐ Social Media
☐ Special Mailing

- ☐ Survey
☒ None Required

Updates Since Previous Presentation

Contract amount range is \$29,500-\$29,750 for FY 2024.

Summary

The Finance Director will present the audit contract proposal from Anderson Smith & Wike PLLC, which has a maximum \$250 fee increase, or from \$29,500 to \$29,750. The firm received a peer review rating of Pass in August 2022, which is the highest rating an audit firm can receive.

Recommendation

Approval of audit contract.

Funding Source

General Fund FY 2025 Budget is \$35,000 for the FY 2024 Audit Contract.

Cost

Yes

Corresponding Documentation

[Audit Contract FY 2024](#)

[Audit Contract FY 2024 Peer Review Letter](#)

Submitted By: Robert McKie, Finance Department

Reviewed By:

Robert McKie, Finance Director
Rich Cappola, Town Manager
Heidi Holland, Town Clerk

Approved - May 24 2024
Approved - May 28 2024
Approved - May 28 2024

The	Governing Board COUNCIL
of	Primary Government Unit TOWN OF CLAYTON
and	Discretely Presented Component Unit (DPCU) (if applicable) NA

Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)

and	Auditor Name ANDERSON SMITH & WIKE PLLC
	Auditor Address P.O. BOX 697, ROCKINGHAM, NC 28380

Hereinafter referred to as Auditor

for	Fiscal Year Ending 6/30/24	Date Audit Will Be Submitted to LGC 10/31/24
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Must be within four months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.

2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards (GAGAS)* if the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F* (Uniform Guidance) or the State Single Audit Implementation Act. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

Effective for audits of fiscal years beginning on or after June 30, 2023, the LGC will allow auditors to consider whether a unit qualifies as a State low-risk auditee based upon federal criteria in the Uniform Guidance §200.520(a), and (b) through (e) as it applies to State awards. In addition to the federal criteria in the Uniform Guidance, audits must have been submitted timely to the LGC. If in the reporting year, or in either of the two previous years, the unit reported a Financial Performance Indicator of Concern that the audit was late, then

the report was not submitted timely for State low-risk auditee status. Please refer to "Discussion of Single Audits in North Carolina" on the LGC's website for more information.

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Auditing Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC Staff within four months of fiscal year end. If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.

For GAAS or *Government Auditing Standards* audits, if an auditor issues an AU-C §260 report, commonly referred to as "Governance Letter," LGC staff does not require the report to be submitted unless the auditor cites significant findings or issues from the audit, as defined in AU-C §260.12 - .14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious reviewed with those charged with governance, and other significant matters. If matters identified during the audit were required to be reported as described in AU-C §260.12-.14 and were communicated in a method other than an AU-C §260 letter, the written documentation must be submitted.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit contracts and invoices for system improvements and similar services of a non-auditing nature.

9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. This also includes any progress billings [G.S. 159-34 and 115C-447]. All invoices for audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).

11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements and/or the compliance section, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.
15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.
16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC.
17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.
18. Special provisions should be limited. Please list any special provisions in an attachment.
19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.
20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.
21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.
22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

26. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Government Auditing Standards, 2018 Revision* (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The auditor shall present the audited financial statements including any compliance reports to the government unit's governing body or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary. The auditor's presentation to the government unit's governing body or audit committee shall include:

- a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the auditor, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successor;
- b) the status of the prior year audit findings;
- c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
- d) notification to the governing body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern. See 20 NCAC 03 .0502(c)(6).

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 17 for clarification).

31. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitting-your-audit>

32. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

33. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

CONTRACT TO AUDIT ACCOUNTS

Rev. 11/2023

FEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Government Auditing Standards, 2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will be not be approved.

Financial statements were prepared by: ☒ Auditor ☐ Governmental Unit ☐ Third Party

If applicable: Individual at Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

Name: ROBERT MCKIE Title and Unit / Company: FINANCE DIRECTOR, CLAYTON Email Address: mckie@townofclaytonnc.org

OR Not Applicable ☐ (Identification of SKE Individual on the LGC-205 Contract is not applicable for GAAS-only audits or audits with FYEs prior to June 30, 2020.)

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8 and 13 for details on other allowable and excluded fees.

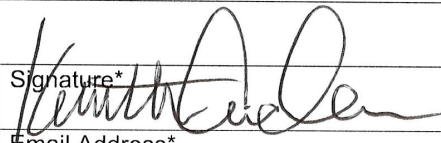
3. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned to the audit form for correction.

4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the unit's last annual audit that was submitted to the Secretary of the LGC. All invoices for services rendered in an audit engagement as defined in 20 NCAC .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

Primary Government Unit	TOWN OF CLAYTON
Audit Fee (financial and compliance if applicable)	\$ 29,500-29750
Fee per Major Program (if not included above)	\$
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	\$
All Other Non-Attest Services	\$
TOTAL AMOUNT NOT TO EXCEED	\$ 29,750
Discretely Presented Component Unit	NA
Audit Fee (financial and compliance if applicable)	\$
Fee per Major Program (if not included above)	\$
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	\$
All Other Non-Attest Services	\$
TOTAL AMOUNT NOT TO EXCEED	\$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* ANDERSON SMITH & WIKE PLLC	
Authorized Firm Representative (typed or printed)* KENNETH ANDERSON	Signature* 
Date* 4/29/2024	Email Address* krandersoncpa@bellsouth.net

GOVERNMENTAL UNIT

Governmental Unit* TOWN OF ANSONVILLE	
Date Governing Board Approved Audit Contract* (Enter date in box to right)	X
Mayor/Chairperson (typed or printed)* JODY MCLEOD, MAYOR	Signature* X
Date X	Email Address* mayor@townofclaytonnc.org

Chair of Audit Committee (typed or printed, or "NA") NA	Signature
Date	Email Address NA

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

Sum Obligated by This Transaction:	\$ 29,750
Primary Governmental Unit Finance Officer* (typed or printed) ROBERT MCKIE	Signature* X
Date of Pre-Audit Certificate* X	Email Address* mckie@townofclaytonnc.org

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

DPCU* NA	
Date DPCU Governing Board Approved Audit Contract* (Enter date in box to right)	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

Chair of Audit Committee (typed or printed, or "NA") NA	Signature
Date	Email Address

DPCU – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

Sum Obligated by this Transaction:	\$
DPCU Finance Officer (typed or printed)* NA	Signature*
Date of Pre-Audit Certificate*	Email Address*

Remember to print this form, and obtain all
required signatures prior to submission.

PRINT



Report on the Firm's System of Quality Control

To the Partners of Anderson Smith & Wike, PLLC and the
Peer Review Committee, Coastal Peer Review, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of Anderson Smith & Wike, PLLC (the firm) in effect for the year ended March 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, and an audit of an employee benefit plan.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Anderson Smith & Wike, PLLC in effect for the year ended March 31, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Anderson Smith & Wike, PLLC has received a peer review rating of *pass*.

Dean Dorton Allen Ford, PLLC

Dean Dorton Allen Ford, PLLC

August 4, 2022