

EXECUTIVE SUMMARY
CITY/COUNTY UTILITY COMMISSION MEETING
May 9, 2005

At its regularly scheduled monthly meeting, the Utility Commission agenda included 13 items.

WATER DISTRIBUTION AND SEWER COLLECTION SYSTEM EXPANSION

Projects in this category are associated with the distribution of water from treatment facilities to the customer and from the customer to the treatment facilities.

The Commission approved agreements with developers for four projects (**Trillium Subdivision, Fieldcrest, Asheton Grove, and Forsyth Medical Center**) where water and sewer facilities will be dedicated to the Utility Commission. These improvements are valued at \$1,434,930.00 and will provide service for 224 water and sewer customers. A total of 31,680 feet of water and sewer main will be extended to provide service for these projects. Two developers are entitled to immediate refunds for oversized and intervening water and sewer mains in the amount of \$25,968.00.

One mainline extension project under the City/County Utility Commission (CCUC) Feasibility Plan totaling \$896,600.00 was awarded to provide water service in the following residential area of Forsyth County: **Kerner Road, Old Coach Road, Creek Bed Road, Weatherstone Drive, Saddle Creek Drive, Horsemen's Cove, Pine Shadows Court and Hollyhock Road**. A total of 14,500 feet of water will be extended to provide service for eighty-three water customers in an existing residential area. This project will be constructed once the customers have paid their required capital charges.

The Commission approved the purchase easements for the **Cunningham Avenue, Tenth Street, Jefferson Street and Park Lawn Court, August Drive Outfall, Parkway Hills Outfall, and Lewisville-Clemmons Road** projects in the amount of \$48,295.00.

The Commission awarded a contract addition in the amount of \$155,781.80 for a total of \$690,805.55 for improvements to the City's water distribution system along **Ebert Road, Mashie Drive, and Hawkins Road**, and awarded one new contract totaling \$82,134.75 for improvements to the City's water distribution system along **Industrial Way Drive, and Jefferson Avenue**.

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The Commission rejected a bid of \$238,347.05 received for improvements to the City's water distribution system along **Cunningham Street, Vargrave Street, and Tenth Street**. The bid substantially exceeded the project estimate. Staff will consider ways to combine this project with other water system improvements in order to create a larger job and encourage more contractors to bid.

WATER AND SEWER TREATMENT FACILITIES

Projects in the category allow for improvements to treatment facilities that increase operational efficiency throughout the system.

A contract was awarded to Fuller Contracting, Inc., in the amount of \$187,000.00 for sediment removal in one reservoir at R. W. Neilson Water Treatment Plant. The sediment must be cleaned out every 8 to 10 years.

SOLID WASTE DISPOSAL

Projects in this category are associated with waste disposal.

On June 7, 2000, the Commission awarded a contract to Carolina Tractor & Equipment Company, Inc., to extend the leases of an excavator for the Hanes Mill Road Landfill. The excavator has performed well and is in excellent condition. The Commission approved staff to enter into a new three-year lease agreement, in the amount of \$112,483.08 as well as a three-year Total Maintenance & Repair (TM&R) agreement in the amount of \$76,894.52 to maintain the excavator. Total amount of both agreements is \$189,377.60.

The Commission approved a resolution recommending that the City Council approve an offer to purchase property at 5445 Woodcliff Drive on June 16, 2003. The property was purchased from Otis L. and Virginia B. Chambers as a buffer for the Hanes Mill Road Landfill for \$185,000.00. The property was listed for sale with Coldwell Banker Triad Realtors in the spring of 2004. An offer to purchase has been received for \$165,500.00. The \$165,500.00 sale price is 90% of the original purchase price. The tax value at the time of purchase was \$166,800.00 and as of January 1, 2005 it is now \$191,600.00.

ADMINISTRATION

Projects in this category are associated with general policies of the Commission.

The Utility Commission approved its fiscal year 2005-2006 operating budget and recommended that it be forwarded to the City Council for approval. The budget projects a 10.05% increase over FY 05/06, including debt service. This year's proposed budget increases consists of a 3% merit increase for all employees, 5.44% operating budget and 4.58% personnel costs. The solid waste budget has an overall increase of 2.75%, including debt service. The capital improvement program totals \$39,029,519, including annexation related projects and is a continuation of the previously approved capital plan. Based on the most recent financial projections provided by the Finance Department, the proposed rate increase for both water and sewer is 7% (the new rates will become effective upon the first billing cycle after October 1, 2005) and solid waste fees will increase from \$22 to \$23 per ton at the Overdale Yardwaste Facility (new rate effective July 1, 2005). The rate increase will allow the Commission to recover the costs of operations and future capital needs, as well as compensate for declining consumption. Even with the rate increases, Winston-Salem continues to have one of the lowest rates among the state's larger metropolitan areas.

The Utility Commission has a regularly scheduled meeting on the second Monday of each month. The next meeting will be held on June 13 at 2:00 p.m. in the Public Meeting Room, located at 100 East First Street in City Hall South, fifth floor. For more information about the Commission agenda, please review the City's website at www.cityofws.org/meetings.