

EXECUTIVE SUMMARY
CITY/COUNTY UTILITY COMMISSION MEETING
June 14, 2004

At its regularly scheduled monthly meeting, the Utility Commission agenda included 12 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 held a public hearing and final resolution to approve two sewer line extension projects on **Timber Ridge Court and Shallowford Road**. These projects will provide service for 11 citizens and a total of 573 feet of sewer main will be extended to service this project. The total estimated costs of these projects are \$117,800.00.

A public hearing date was set for July 12, 2004, for the preliminary assessment roll on the following streets: **Swaim Road, Hillhaven Drive, Sun Meadows Drive, Old Salem Road, Wedge Drive, Rock Hill Road, Loftler Drive, Pope Lane, Lisa Drive, McGregor Road, McGregor Downs Lane, W. Clemmons Road, and Havenstraat Street**.

The Commission approved preliminary agreements with developers for nine projects where water and sewer facilities will be dedicated to the Utility Commission. These improvements are valued at \$631,730.00 and will provide service for 86 new water and sewer customers. A total of 19,417 feet of water and sewer main will be extended to provide water and/or sewer service for these projects.

Main line extension projects under the City/County Utility Commission (CCUC) Feasibility Plan totaling \$120,445.00 were awarded to provide water service in the following residential areas of Forsyth County: **Franklin Road and Tave Beeson Road**. A total of 1,853 feet of water main will be extended to provide service for 11 water customers in existing residential areas. These projects will be constructed once the customers have paid their required capital charges.

The Commission approved the purchase of two easements; one in the amount of \$3,300.00 for the **Lewisville-Clemmons Road/Holder Road Water Line** project and a second in the amount of \$3,350.00 for the **Martin Mill Creek Outfall** project.

The Commission awarded three contracts totaling \$4,954,291.45 for improvements to the City's water distribution system and sanitary sewer collection system along **Art Street, Argonne Boulevard sanitary sewer basin repair and rehabilitation and the Martin Mill Creek Interceptor**. The contracts were awarded to O'Brien Southern Trenching, Inc., Atlantic Coast Contractors, Inc., and H & C Utilities, Inc.

The Commission approved 105 requests made by property owners to finance various capital charges associated with water and/or sewer connections previously approved by the Commission. These charges have been treated the same as a confirmed assessment roll (assessment bills). The assessment bills for the connection charges will be financed over a five-year period at an 8% interest rate.

Final payment was approved to O'Brien Southern Trenching, Inc., for work completed on the City's water distribution system, Contract No. 2003-8.

WATER AND SEWER TREATMENT FACILITIES

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

The Commission approved an amended engineering agreement with HDR Engineering in the amount of \$67,000.00 for design of additional modifications to the aeration system at the Muddy Creek Wastewater Treatment Plant. The original agreement was approved in October 2002 in the amount of \$288,609.00. Due to the NPDES permit renewal process for both treatment plants in 2003, the scope of work for HDR shifted to modeling the current treatment processes in order to prepare an engineering alternatives analysis. The modeling effort considered new basin configurations and optimization with a cost evaluation in anticipation of new nutrient limits. This effort lengthened the overall project design schedule. As a result of this, there is not enough funding left to complete the original scope. In addition to completing the original scope of the project, HDR will perform the following additional design services: 1) Lime feed system design needed to provide alkalinity for improved nitrification, 2) Updating the dissolved oxygen monitoring and air control equipment with more modern technology; and 3) Design to replace the fiberglass reinforced air header piping with stainless steel header piping.

A service agreement payment was approved for Turblex, Inc., for Class II service work (inspection) and replacement parts on the Turblex Blowers at the Archie Elledge Wastewater Treatment Plant in the amount of \$99,753.53. Turblex, Inc., is the only authorized service vendor for the blowers and has been performing repairs and scheduled preventive maintenance since they were installed some years ago.

WATER DISTRIBUTION AND SEWER COLLECTION SYSTEM EVALUATION/REHABILITATION

Projects in this category allow for improvements to the distribution and collection system.

The Commission awarded an engineering agreement to Cavanaugh & Associates, PA in the amount of \$69,350.00 to provide professional engineering services for a sewer system evaluation study and basin evaluation for the downtown infrastructure.

SOLID WASTE DISPOSAL

Projects in this category are associated with waste disposal.

On April 2, 2002, the Commission extended an offer to purchase 18 homes on Woodcliff Drive. Included in that purchase was property located at 5482 Woodcliff Drive. The property was purchased for \$150,000.00 on January 21, 2003. The property was listed for sale with Coldwell Banker Triad Realtors last summer. An offer to purchase the property has been made in the amount of \$132,000.00. The Commission recommended that the amount be accepted for the sale of the property and that this request be forwarded to the City Council for approval.

The Commission requested that staff develop a schedule for a long range plan to address the solid waste needs of the community after the Hanes Mill Landfill has closed. This information will be presented to the Commission at their September meeting. The Commission also requested that staff prepare a plan of action that addresses the increased costs of the solid waste programs and the flat and declining revenue base. This information will be presented to the Commission at their November meeting.

ADMINISTRATION

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

Historically, the City has imposed an 8% interest rate on all special assessments for water and sewer liens. This rate for Special Assessments is authorized by the N.C.G.S. 160-233. On September 15, 2003, the City Council approved an optional financing plan that was developed for individuals seeking a lower interest rate. This option provides a new interest rate for housing lien special assessments based on the prime interest rate on July 1 of each calendar year. The new rate is set at the prime interest rate (currently 4%) plus 1% up to a cap of 8%. To qualify for this lower rate, the individual will have to accept a shorter financing term of three years. Since the Utility Commission operates as an appointed body of the City Council and the Forsyth County Commissioners, the same general statutes for Special Assessments applies as well. After thorough investigation of this process by staff, the Commission approved the optional financing plan for water and sewer assessment and feasibility projects whereby individuals seeking a lower interest rate would be willing to finance the project cost over a three-year period at a rate equal to the prime interest rate as of July 1 of each calendar year (currently 4%) plus 1% up to a cap of 8%. The amended policy will be effective for all projects approved and confirmed after July 1 2004.

The Utility Commission has a regularly scheduled meeting on the second Monday of each month. The next meeting will be held on July 12 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 view the City's website at www.cityofws.org/meetings.