

**EXECUTIVE SUMMARY  
CITY/COUNTY UTILITY COMMISSION MEETING  
September 13, 2004**

At its regularly scheduled monthly meeting, the Utility Commission agenda included 14 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 confirmation of assessment rolls (assessment bills) for the following streets: **Swain Lane, Rocklane Drive (2 areas), Celeste Road (2 areas), Christian Circle, Darrow Road, Reidsville Road (US Highway 158) (2 areas), Dillon Street (2 areas), Poindexter Street, Old Hollow Road (NC Highway 66) (3 areas), Chapel Street, Martin Street, Bellaire Circle, Ruxton Drive, (2 areas), New Street, Morris Street (2 areas), Lakawanna Drive, Payton Lane, Friendly Road, Willoughby Street, Harley Drive, New Walkertown Road, Winthrop Street, Main Street, Church Street, Avalee Street, Martin Street, Annie Lane, Main Street, Sullivantown Road, Walkertown Plaza Blvd., New Walkertown Road (US Highway 311), and Old Walkertown Road (NC Highway 66).**

A public hearing date was set for October 11, 2004, for one sewer line project on the following streets: **White Rock Road and Jordan Drive.**

The Commission approved preliminary agreements with developers for seven projects where water and sewer facilities will be dedicated to the Utility Commission. These improvements are valued at \$1,233,580.00 and will provide service for 368 water and sewer customers. A total of 31,447 feet of water and sewer main will be extended to provide water and/or sewer service for these projects.

The Commission approved an agreement with Windsor Commercial Properties, LLC, to relocate the Little Creek Pump Station force main for their development known as Hillcrest Town Center. The estimated cost of the sewer improvements is \$300,000.00 and will be paid for by the developer.

The Commission approved the purchase of one easement in the amount of \$4,500.00 for the **Peace Haven Road Sewer Line** project.

The Commission awarded one contract in the amount of \$97,366.08 for improvements to the City's water distribution and sewer collection system along **Timber Ridge Court and Main Street** in Kernersville. The contract was awarded to Burton Builder's Inc. Additional funding of \$8,500.00 was also approved to cover increased construction costs for the previously approved Timber Ridge Court project.

On August 9, 2004, the Finance Committee of the Commission reviewed 14 requests for relief of assessments on various projects. Based on the information related to those properties that was presented by staff, the Commission denied relief of assessment for eight projects and approved relief of assessment on six projects. All relief of assessments would be subject to special privilege charges at the then current rates if the property is made buildable and is connected to the public utility in the future.

**WATER AND SEWER TREATMENT FACILITIES**

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

On December 11, 2000, the Commission entered into an agreement with Black & Veatch for a 32-month construction period for construction management services in the amount of \$2,989,334.00. The construction project exceeded the 32-month time period and Black & Veatch's costs for services exceeded the contract amount. Therefore, Staff has requested that \$404,597.88 be authorized from the contingency of the water plant construction project to pay for these services. There will also remain an estimated expense of \$350,000.00 for completion of the construction inspection services by Black & Veatch.

On March 16, 2001, the Commission entered into a construction contract with Pizzagalli Construction Co., for the Northwest Water Treatment Plant. The contract stipulated a 5% retainage held until the completion of the project. This 5% represents \$2,574,200.00 based on the bid of \$51,484,000.00. Pizzagalli requested that retainage be reduced since the plant is completed and has been under City operation since July 15, 2004. Staff believes it is reasonable to reduce the retainage to \$1,500,000.00 held. This would give Pizzagalli a payment of \$1,074,200.00 which would allow them to make retainage payments to its suppliers and vendors. The \$1,500,000.00 held equates to about 3%. As a result of staff's recommendation, the Commission authorized the reduction in retainage held to \$1,500,000.00 and to pay Pizzagalli \$1,074,000.00 of the funds presently held.

## **SOLID WASTE DISPOSAL**

*Projects in this category are associated with waste disposal.*

The Commission previously authorized staff to enter into options to purchase four parcels that comprise a potential construction and demolition landfill site containing approximately 382 acres, located on Highway 311 north of Walkertown. Legal assistance is necessary to obtain the parcels. Therefore, staff has been authorized to enter into an agreement with Smith Moore, LLP to provide legal services in an amount not-to-exceed \$50,000.00.

An engineering agreement was approved with HDR Engineering, Inc., to provide engineering services related to permitting the proposed Forum 52 Yard Waste Processing Facility. HDR will provide these services for a not-to-exceed fee of \$28,500.00.

The Solid Waste Director presented a draft Policy Statement on developing future Solid Waste Disposal options for information purposes only.

## **OTHER BUSINESS**

The Capital Improvement Plan approved by the Commission assumes that a portion of the Capital projects built over the next two years will be funded with Revenue Bonds. Therefore, the Commission approved an agreement with Black & Veatch to provide a bond issuance feasibility study for a not-to-exceed fee of \$60,000.00.

The North Carolina Department of Transportation (NCDOT) has adopted plans to replace Bridge #149 over Fiddlers Creek on Cole Road. Certain utility adjustments will be made as a result of this project, including relocating a short section of a water line, water connections and hydrants, realigning a sewer line and adjusting manholes. The Utility Commission will be responsible for a portion of these expenses. Therefore, the Commission approved an agreement that will reimburse the NCDOT for the actual cost of the work. The estimated cost of the project is \$40,792.50. An additional appropriation of \$10,000.00 was also approved to cover inspection of the work by the Engineering Division of the City.

## **ADMINISTRATION**

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

The Commission approved changes to the water and sewer policy resolutions to adjust the fees it charges for water and sewer connections. The current and proposed fees are intended to recover the average cost of installing connections including reasonable pavement repair costs. The proposed rate will also include a cost plus approach to recoup pavement repair costs in situations where pavement repair policies other than those approved by the City of Winston-Salem are in effect. These rates will be effective for all connections purchased after January 1, 2005. Any petitions received on or before December 31, 2004, will be charged the current water and sewer connection rates.

The Commission also approved changes to the water and sewer policy resolutions to adjust current water (\$15.00) and sewer (\$26.00) assessments rates to better reflect the Commission's cost of installation. An analysis of water and sewer projects recently installed show the Commission's cost is \$16.58 per front foot for water and \$35.98 per front foot for sewer. Staff recommended adjusting the water assessment rate to current actual cost. However, for sewer construction, since market rates have not stabilized and since these costs have increased significantly (38%), staff recommended adjusting the sewer rate by splitting the difference between last year's cost and the actual cost of sewer installations. Therefore, staff recommended that the water assessment rate be increased to \$17.00 per front foot and the sewer assessment rate be increased to \$31.00 per front foot. These rates will be effective for petitions received on or after January 1, 2005. Any petitions received on or before December 31, 2004, will be charged the current rates.

The Utility Commission has a regularly scheduled meeting on the second Monday of each month. The next meeting will be held on October 11 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](http://www.cityofws.org/meetings).