



AGENDA

**Henderson City Council Special Called Meeting
Wednesday, 28 October 2016, 12:00 p.m.
R. G. (Chick) Young, Jr. Council Chambers, Municipal Building
134 Rose Avenue
Henderson, North Carolina**

Mayor and City Council Members

Mayor Eddie Ellington, Presiding

Councilmember Marion B. Williams
Councilmember Sara M. Coffey
Councilmember Michael C. Inscoe
Councilmember D. Michael Rainey

Councilmember Melissa Elliott
Councilmember Garry D. Daeke
Councilmember Fearldine A. Simmons
Councilmember George M. Daye

City Officials

Frank Frazier, City Manager
D. Rix Edwards, City Attorney
Esther J. McCrackin, City Clerk

I. CALL TO ORDER

II. ROLL CALL

III. NEW BUSINESS

- a)* Consideration of Approval of 1) Resolution 16-79, Authorizing the Repair of the Generator and Associated Wiring at the Regional Water Plant in the Amount of \$125,000 and 2) Ordinance 16-44, FY17, BA #16, Amending Said Fund. *(CAF 16-116)*
- Resolution 16-79
 - Ordinance 16-44
- b)* Consideration of Approval of Resolution 16-73, Approving the Henderson Water Reclamation Facility Project Takeover Agreement with Liberty Mutual Insurance Company and Approving Additional Fees Related to Completion of the Project with McGill Associates. *(CAF 16-54) (Materials to be distributed at meeting)*
- Resolution 16-73

IV. ADJOURNMENT

City Council Minutes

Special Called Meeting

28 October 2016

PRESENT

Mayor Eddie Ellington, Presiding; and Council Members Marion B. Williams, Sara M. Coffey Michael C. Inscoe, Fearldine A. Simmons, and George M. Daye.

ABSENT

Council Members D. Michael Rainey, Melissa Elliott and Garry D. Daeke.

STAFF PRESENT

City Manager Frank Frazier, City Attorney D. Rix Edwards, City Clerk Esther J. McCrackin, Assistant to the City Manager Paylor Spruill, Henderson Water Reclamation Facility Director Lamont Allen, Kerr Lake Regional Water Director Christy Lipscomb and Engineering Director Clark Thomas.

CALL TO ORDER

The 28 October 2016 Special Called Meeting of the Henderson City Council was called to order by Mayor Eddie Ellington at 12:00 noon in the R. G. "Chick" Young, Jr. Council Chambers, Municipal Building, 134 Rose Avenue, Henderson, NC.

ROLL CALL

The City Clerk called the roll and advised Mayor Ellington a quorum was present.

NEW BUSINESS

Authorizing the Repair of the Generator and Associated Wiring at the Regional Water Plant in the Amount of \$125,000 and Amending Such Fund. (*Reference: CAF 16-116; Resolution 16-79, Ordinance 16-44, Budget Amendment #16*)

City Manager Frazier stated that during Hurricane Matthew the water plant experienced loss of power from Duke Energy and problems were also encountered when switching over to the on-site generator. Mr. Frazier said he felt an urgent need to have the generator repaired as 4 counties depend on Henderson for water. He explained the generator worked fine when it was tested the Wednesday before the hurricane and then asked Kerr Lake Regional Water (KLRW) Director Christy Lipscomb to explain further.

Ms. Lipscomb said a local electrician helped that morning; however, the repairs were beyond his ability. She was only able to obtain one quote from a company that works with 3 phase 4160 volt lines (A & W Electric, Inc. out of Charlotte). Other companies she contacted were unavailable due to the work needed “downeast” as a result of the hurricane. A & W determined the problem is with the underground electrical line from the generator to the raw water pumping station that has been compromised and felt a second wire as well is compromised, meaning it has a bad plate in the wiring. Ms. Lipscomb said the cables were originally installed in 2003 and as she understands it, most wires of this type have a lifespan of 15-20 years.

Council expressed many concerns about the lack of bids, why the cost was so high as the materials (as priced by Council Member Inscoe) only totaled approximately \$30,000 and whether the cable should be placed in a PVC conduit. There was also discussion as to whether a temporary fix might be more appropriate until more bids can be obtained and what a temporary fix might cost. Ms. Lipscomb stated that there could be several bad places in the wiring and that is why the repair was not recommended.

City Manager Frazier mentioned several times he was very uncomfortable putting off this repair and felt it should be done as soon as possible.

Ultimately Council expressed concerns about the elevated cost and with no bad weather expected in the next couple of weeks felt that the repair and/or replacement could wait until more bids and cost details were obtained.

The outcome of the discussion was to TABLE this item until additional information/bids can be obtained and the City Manager was charged with calling the City’s Duke Energy representative to verify its understanding that Duke must be immediately responsive to any problems at the water plant.

There was no further discussion so Mayor Ellington asked Council how it wished to proceed.

Council Member Inscoe made a motion to **TABLE** Resolution 16-79, *Authorizing the Repair of the Generator and Associated Wiring at the Regional Water Plant in the Amount of \$125,000* and Ordinance 16-44, *Amending Said Fund* until additional information is obtained and for the City Manager to contact the Duke Energy representative to ensure they understand they must be immediately responsive to any problems at KLRW. Motion seconded by Council Member Simmons and APPROVED by the following vote: YES: Williams, Coffey, Inscoe, Simmons and Daye. NO: None. ABSTAIN: None. ABSENT: Rainey, Elliott, Daeke.

Approving the Henderson Water Reclamation Facility Project Takeover Agreement with Liberty Mutual Insurance Company and Approving Additional Fees Related to Completion of the Project with McGill Associates. (Reference: CAF 16-54, Resolution 16-73)

City Manager Frazier reviewed the project beginning with when the original contract was awarded on January 14, 2013, to DeVere Construction. DeVere Construction declared itself in default due to its inability to financially complete the project and since that time the City and

City Attorney have worked with Poyner & Spruill, LLP on a takeover agreement with the Liberty Mutual Insurance (the surety company) to complete the project.

The proposed agreement includes warrantees and Turner Murphy is prepared to begin work immediately to complete the project. The agreement provides for 150 days to completion; includes \$170,000 credit and a punch list of items to be or have been completed.

Council Member Coffey opined that it was a lot of money going to McGill Associates.

Council Member Inscoe asked if the \$170,000 included the concrete refund. Mr. Frazier said yes. Mr. Frazier said with the projected savings there is about \$45,000 in contingency. Mr. Inscoe then asked the City Attorney if he has reviewed the agreement and if he had any comments. Attorney Edwards said he had reviewed the agreement and felt it properly reflected the negotiations by Mr. Tom Davis of Poyner & Spruill. Mr. Inscoe asked if the attorney fees were up to date. Mr. Frazier said they are current and there is approximately \$10,000 left in the account, but there will be an invoice for work to complete this agreement.

There are still a few things that need to be demolished such as the lime pad and the digester will need to be cleaned out which is part of the work included in the agreement.

Council Member Inscoe then asked about warranties. Engineering Director Clark Thomas explained depending on the work/item there is one year for new work included on the change order but 90 days for some items that have already been in service for a year or so. Mr. Inscoe also asked about labor savings. Mr. Frazier said a maintenance position has been eliminated and savings on electrical costs were seen last year and he expects this will continue. Mr. Frazier said reductions in the repair budget have also been noticeable.

Council Member Williams asked how long before the project will be completed. Mr. Frazier said Turner Murphy is ready to begin work and according to the agreement the project should be completed within 150 days.

There was no further discussion so Mayor Ellington asked how Council would like to proceed.

Council Member Coffey moved the approval of Resolution 16-73, *Approving the Henderson Water Reclamation Facility Project Takeover Agreement with Liberty Mutual Insurance Company and Approving Additional Fees Related to Completion of the Project with McGill Associates*. Motion seconded by Council Member Williams, and APPROVED by the following vote: YES: Coffey, Inscoe, Simmons, Daye and Williams. NO: None. ABSTAIN: None. ABSENT: Rainey, Elliott Daeke. (*See Resolution Book 5, p 145*)

OTHER

Mr. Frazier advised Council that NCDOT plans to open both lanes of I-85 next week until January 15, 2017. He mentioned on Sunday there will be a walk through Elmwood Cemetery by the historical society and lastly he mentioned the passing of former long-term Council Member Lonnie Davis. Funeral arrangements have yet to be announced.

Council Member Coffey thanked the Mayor for the use of a truck to transport supplies to Hurricane Matthew victims. Council Members Williams and Simmons reflected specifically on the plight of the residents of Princeville, NC.

With no further business, Mayor Ellington asked if Council was prepared to adjourn.

ADJOURNMENT

Council Member Inscoe moved for adjournment. Motion seconded by Council Member Coffey and unanimously approved. The meeting adjourned at 12:51 p.m.

Eddie Ellington
Mayor

ATTEST:

Esther J. McCrackin, City Clerk