



AGENDA

Henderson City Council Special Called Meeting

Monday, 26 September 2016, 6:00 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 Resolution 16-37, Authorizing Approval of a Grant/Loan Application to DWSRF for the Kerr Lake Regional Water System Plant Improvement Project. (*CAF 16-18*)

- Resolution 16-37

IV. ADJOURNMENT

City Council Minutes

Special Called Meeting

26 September 2016

PRESENT

Mayor Eddie Ellington, Presiding; and Council Members Marion B. Williams, Sara M. Coffey, Michael C. Inscoe, D. Michael Rainey, D. Melissa Elliott, Garry D. Daeke and Fearldine A. Simmons

ABSENT

Council Member George Day

STAFF PRESENT

City Manager Frank Frazier, City Clerk Esther J. McCrackin, Engineering Director Clark Thomas Kerr Lake Regional Water Director Christy Lipscomb and Finance Director Joey Fuqua.

CALL TO ORDER

The 26 September 2016 Special Called Meeting of the Henderson City Council was called to order by Mayor Eddie Ellington at 6:00 p.m. 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. Clerk McCrackin said one citizen wished to address Council and it was up to Council as to when they wanted to hear that citizen. Council asked to hear the citizen before discussion the new business of the evening.

Elissa Yount, 216 Chavasse Avenue Ms. Yount, a previous member of council, felt much of the information being provided in this resolution was erroneous. She began by saying she did not believe the planning began in 2005. She then went on to present certain facts as she saw them. She reminded Council that this is only the first phase of this project and said Council is being asked to decide if expansion is a better goal than treatment. Ms. Yount said it does not make good business sense to exhaust capital reserve to pay the first year's debt. She asked Council not to be rushed and to ask who is providing the information for consideration. Ms. Yount made a point of saying the City does not have a professional engineer in water technology and felt a consultant should be hired that will look out for only Henderson's interests. Ms. Yount thanked Council for listening and offered to share her information relative to past minutes.

Mayor Ellington thanked Ms. Yount for her information and asked Council if they had any questions for Ms. Yount. With no questions, Mayor Ellington turned the meeting over to City Manager Frazier.

NEW BUSINESS

Authorizing Approval of a Grant/Loan Application to DWSRF for the Kerr Lake Regional Water System Plant Improvement Project. (Reference: CAF 16-18, Resolution 16-37)

City Manager Frazier thanked Council for coming to this special meeting. He said the Advisory Board has met several times to discuss this issue thoroughly. In response to Ms. Yount's comment about the design, Mr. Frazier said the design for the expansion took place during the timeframe she referenced and the City still has authorization from the State to construct. He gave credit to the staff and added Clark Thomas is the professional engineer on the City's staff. Mr. Frazier said Henderson has worked well with the City of Oxford and Warren County staff in reviewing the options for all boards to consider. Amy Ratliff is Oxford's engineer and Macon Robertson is the Public Utilities Director for Warren County, and they are in both in tune with this process. He said the first estimate was much higher than expected which is why other options have been considered. With NC Connect bond money and SRF funding available, this is a good opportunity to bring in a phased approach. Mr. Frazier said the City of Oxford has already passed a resolution in favor of this project and added they really wanted to do the full 20MGD expansion. Warren County is meeting tonight and they feel this is a good approach. Mr. Frazier said the needs of the partners have been considered and at this time Oxford is using approximately 1.6-1.7MGD which is 75-76% of its allocation. Overall, he said the plant is at approximately 72%. The main aspect to consider with this project is the TTHM's and water quality as this application addresses disinfection by products and meeting those standards.

The success of this application will not be known before December or January of 2017. Mr. Frazier added he is hopeful that grant funds will be approved but at this time does not anticipate receiving any grants. With that asked Engineering Director Clark Thomas and Kerr Lake Regional Water Director Christy Lipscomb to provide more detailed information.

Mr. Thomas began by saying the City started looking at this project a couple of years ago and one of the concerns was how to deal with the disinfection byproducts. There are multiple technologies available which is why a pilot study was performed to make sure the City's water would work with the proposed technology in question. He said now is a good opportunity to apply for funding from DWSRF as many municipalities are going after NC Connect funding which Henderson does not qualify. Mr. Thomas then clarified a statement made by Ms. Yount regarding the high rating of filters. He said right now the plant is designed for 10MGD. He said "back in the day" when everyone was pushing up their limits in water usage, the State allowed the City to use high rate filters instead of requiring major capital improvement projects. He said High Rate filters were a patch that could be used as long as certain criteria were met. One criterion was to use more chlorine on top of the filters which set up a more exasperated TTHM problem because you were not removing the TOC's in the conventional process. So the high rate filters really do not resolve the TTHM problem. By adding one filter, which is included in this proposal, the plant can go from 10MGD to 12.5MGD and improve the water quality. Under current operations/methods the plant is not able to resolve TTHM's.

Ms. Lipscomb added there have been extensive conversations with State regarding this project. The State, under new administration, has said it will rescind the City's ability to use high rate filters if anything is changed at the plant. That's the reason for adding the extra filter.

Council Member Daeke asked if we were 10.5 without the High Rate and if that is the difference between the number Ms. Yount quoted of 13MGD using High Rate Ms. Lipscomb said that is correct.

Ms. Yount asked for clarification on how often the high rate filters are used. Ms. Lipscomb said not very often. She said maybe a few 10.5 or 11 MG days but only under extenuating circumstances, like a break.

Mr. Daeke then asked about compliance issues with TTHM qualities which he felt would be addressed with this project. He next asked for the present amount of the Capital Reserve.

Mr. Frazier said \$1.3M was added this budget year and the total is approximately \$4M in Capital Reserve for the Regional Water fund. He said debt service has dropped off on several projects which have allowed funds for this project.

Mr. Daeke's next question was if the application is approved can Council refuse to accept the grant/loan. Mr. Frazier said Council does not have to accept the funding; however, he said for this amount of money, he did not think Council would want to go into this without the intent of using the funds.

Council Member Mr. Inscoe clarified that no engineers have been assigned to the project. He said that it would probably be two years before construction begins and during that time, more funds will be added to the Capital Reserve. Mr. Frazier said the City will have to go out for bids before then but it's about a 2 year project.

Council Member Coffey asked if it will be two years before actual construction. Mr. Frazier responded this will probably be a two to two and a half year project once the design is done and before the design is done and construction is complete.

Council Member Williams then asked if this is about more individuals needing water which will require the plant to work at a higher rate. Ms. Lipscomb responded that is correct. Mr. Daeke said it depends on who is demanding more water. Ms. Lipscomb said the 10MGD is split between three partners. 60% of cost falls on City of Henderson.

Council Member Coffey said being a 60% partner is a good thing.

Ms. Yount now asked for clarification that the plant is at 78% capacity. Mr. Frazier said the plant is at about 70-71% of 10MGD. Ms. Lipscomb added Oxford is at 78%. Ms. Yount said since Henderson is losing population Henderson should not be close to capacity. Ms. Lipscomb said yearly average is at 75-76% for entire plant but Oxford is closer to its allocation than Henderson and Warren County. Ms. Yount questioned if the whole system is at 75% then Oxford is no different shape than Henderson. Mr. Frazier said the 75-76% was of the 6MGD.

With no further questions, Mayor Ellington thanked Mr. Thomas and Ms. Lipscomb.

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

Council Member Daeke moved the approval of Resolution 16-37, *Authorizing Approval of a Grant/Loan Application to DWSRF for the Kerr Lake Regional Water System Plant Improvement Project*. Motion seconded by Council Member Rainey, and APPROVED by the following vote: YES: Williams, Coffey, Inscoc, Rainey, Elliott, Daeke and Simmons. NO: None. ABSTAIN: None. ABSENT: Daye. (*See Resolution Book 5, p 73*)

With no other discussion, Mayor Ellington asked if Council was prepared to adjourn.

ADJOURNMENT

Council Member Elliott moved for adjournment. Motion seconded by Council Member Daeke, and unanimously approved. The meeting adjourned at 6:25 p.m.

Eddie Ellington
Mayor

ATTEST:

Esther J. McCrackin, City Clerk