

UTILITIES COMMITTEE MEETING MINUTES
APRIL 21, 2010 – 6:00 P.M.
CITY COUNCIL CONFERENCE ROOM – 2ND FLOOR CITY HALL

Committee Members Present: Walker E. Reid, III, Chairman
Councilwoman Brenda B. Craig
Councilman Keith Tidwell

The Utilities Committee met on April 21, 2010, at 6:00 p.m. in the Council Conference Room, 2nd Floor, City Hall, 181 S. South Street, Gastonia, North Carolina. Chairman Reid called the meeting to order.

ITEM 1: System Expansion Fee and Policy Incentives:

Chairman Reid recognized Ms. Michelle Nance, Development Services Manager, for staff's presentation. Ms. Nance presented an implementation policy for the System Expansion Fee (SEF) originally approved by City Council on June 19, 2009, with an effective date of July 1, 2010. The fee applies to each new domestic connection for water and/or wastewater services and is collected with application for a building permit or utility service. After discussions with the development community, primarily through the Gaston County Joint Land Use Development Council, staff recommended adjustments to the SEF as noted: (a) delete the current availability fee so that applicable properties only pay one fee; (b) allow the developer to choose the method for calculating SEF for attached housing; (c) increase the incentive area where SEF would be waived; (d) waive fees for select industries/businesses meeting a certain level of investment and/or job creation (non-retail: \$1M in investment, 50 new full-time jobs, and average wage at 200% of the minimum wage. Retail: \$3M in investment); (e) reduce the actual amount of SEF based on new information regarding average daily flow rates for residential; (f) eliminate fire service connection fees.

Staff stated that existing tap fees cover the City's direct materials and equipment; however, labor costs are not included. Also, staff recommended that tap fees for irrigation meters be revised (increasing three of the four tap fees and decreasing one tap fee). Staff proposed an amendment to the City Code removing the references to "availability" fee and to refer the reader to a separate adopted fee schedule.

Representatives from the Gaston County Joint Land Use Development Council (LUDC) addressed the Committee and provided concerns and proposed amendments to the SEF. The concerns were: (a) the timing to begin Capital Improvement Project implementation; (b) public education to advise citizens of needs of financing Capital Improvement Projects; (c) funding sources of future projects including bonds, rate increases and system expansion fees; (d) SEF should be phased in over a five-year period; (e) grandfathering of all existing lots and commercial development where construction plans have been permitted or constructed, but not built upon.

After much discussion, staff recommended the Committee accept the modifications and policy changes regarding the System Expansion Fees.

Committee Recommendation: The Committee voted unanimously (3-0) to recommend to full Council the implementation and policy modifications of the System Expansion Fees.

Necessary Council Action: Accept or reject the Committee recommendation.

Councilman Tidwell requested to be excused from the remainder of the meeting, and Chairman Reid consented.

ITEM 2: Town of Ranlo Utility Consolidation Study:

Chairman Reid recognized Mr. Matt Bernhardt, Director of Public Works and Utilities, for staff's presentation. Mr. Bernhardt stated that Gastonia and the Town of Ranlo have begun preliminary discussions regarding options for a unified water and wastewater system. Staff presented the Committee with a Memorandum of Understanding (MOU) authorizing a formal study of various options by McGill Associates on behalf of both communities. Staff recommended the MOU be adopted and that Gastonia pay one-half (\$8,250) of the total cost (\$16,500) associated with the engineering study (one-half paid by Town of Ranlo). Funds are available in the FY 09/10 Budget.

Committee Recommendation: The Committee noted unanimously (2-0) to recommend to full Council the recommendation to adopt the MOU and for the City of Gastonia to pay one-half of the cost of the study by McGill Associates.

Necessary Council Action: Accept or reject the Committee recommendation.

ITEM 3: High Shoals Sewer Project Agreements:

Chairman Reid recognized Mr. Matt Bernhardt, Director of Public Works and Utilities, for staff's presentation. Mr. Bernhardt stated that a joint venture between Gaston County, High Shoals, and Gastonia is moving forward to extend a sewer line from High Shoals to the County Landfill, and from the County Landfill to Gastonia's Long Creek Waste Water Treatment Plant (WWTP). Staff presented the proposed agreement with Gaston County for the project and an agreement with High Shoals for sewer service. No direct expenditure of Gastonia funds is

contemplated. Gastonia will provide in-kind services during right-of-way acquisition and construction inspection of the project. Staff recommended both agreements be approved.

Committee Recommendation: The Committee voted unanimously (2-0) to recommend to full Council approval of the proposed agreement with Gaston County and the proposed agreement with High Shoals.

Necessary Council Action: Accept or reject the Committee recommendation.

ITEM 4: Engineering Study Proposals for Lowell, McAdenville, and Pharr Yarns to Long Creek study and the Cramerton Options Study:

Chairman Reid recognized Mr. Matt Bernhardt, Director of Public Works and Utilities, for staff's presentation. Mr. Bernhardt stated that Cramerton, Lowell, McAdenville, Pharr Yarns, and Gastonia are partnering in a project that proposes construction of a sewer main to connect Lowell, McAdenville, and Pharr Mills to Cramerton's WWTP. Under the proposal, Gastonia would purchase capacity in the Cramerton WWTP, as well as fund an expansion study for Cramerton's WWTP. Funding through the Clean Water Management Trust Fund (CWMTF) is now limited and/or delayed. In order to move the project forward, Gastonia has proposed revising the project to: send the sewer flows from McAdenville, Lowell, and Pharr Yarns to Gastonia's Long Creek WWTP; and allow Gastonia to assume Lowell, McAdenville, and Pharr Yarns' respective flow allotments of the Cramerton WWTP to meet anticipated southeast growth. An updated grant request for the 2010 funding cycle has been submitted to the CWMTF. The grant request will be considered in July or August of 2010.

Proposals have been received from two highly qualified engineering firms familiar with the respective projects. Hobbs, Upchurch & Associates has submitted a proposal to complete the study to send sewer flows from McAdenville, Lowell and Pharr Yarns to the Gastonia sewer system for treatment at the Long Creek WWTP. Hobbs & Upchurch completed the original study for the sewer system consolidation study and is familiar with existing sewer systems. The proposed fee for the study is \$35,000. Gastonia will pay for the study since it is an alternate to the original study.

Pease Associates has submitted a proposal to complete the study to determine the best option for Cramerton including utility consolidation with Gastonia. Pease Associates designed the recent upgrades to Cramerton's WWTP and is familiar with their system. The proposed fee for the study is \$18,600. Gastonia will pay for the study since it will make wastewater capacity available for growth in the southeastern part of the County without building an additional wastewater plant or pumping the flows to Long Creek WWTP. Funds are available in the existing FY 09/10 Budget for both studies. Staff recommended that the proposals for the studies by Hobbs, Upchurch & Associates and Pease Associates be approved.

Committee Recommendation: The Committee voted unanimously (2-0) to recommend that full Council approve the staff's recommendations as presented.

Necessary Council Action: Accept or reject the Committee recommendation.

ITEM 5: Amendment to Chapter 14 – Stormwater Detention:

Chairman Reid recognized Mr. Rusty Bost, Assistant City Engineer, for staff's presentation. Mr. Bost stated in 2001, the City adopted a new stormwater management ordinance and created the Stormwater Utility. In 2007, that ordinance was amended to account for changes in the State requirements. Since the institution of these ordinances, staff identified a need for modifications to the ordinance to correct oversights and conflicts with policies and procedures. Accordingly, as part of the institution of the "Phase Two" Stormwater ordinance, the Central Business District or Municipal Services District (MSD) was inadvertently stripped of its exemption under previous ordinances. This ordinance amendment reinstates the exemption for the MSD from the 50/50 rule for stormwater detention. Staff recommends the adoption of the ordinance amendment to Chapter 14 – Stormwater Detention.

Committee Recommendation: The Committee voted unanimously (2-0) to recommend that full Council approve the staff's recommendation as presented.

Necessary Council Action: Accept or reject the Committee recommendation.

Having no other business, Chairman Reid adjourned the meeting.