

**CITY OF MONROE
PUBLIC ENTERPRISE COMMITTEE
300 W. CROWELL STREET, MONROE, NC 28112
TUESDAY, DECEMBER 5, 2023 - 4:00 PM
AGENDA
www.monroenc.org**

1. Public Enterprise Committee Meeting Minutes of November 7, 2023
2. Parcels adjacent to Energy Services property
3. Energy Services Rate Study

Public Enterprise Committee Minutes
November 7, 2023
City Hall Conference Room
4:00 p.m.

Members Present: Council Member Freddie Gordon (Chair), Council Member Julie Thompson, Council Member James Kerr
Staff: Richard Long, Mark Watson, Lisa Hollowell, Lisa Strickland, Sila Vlachou, Sarah McAllister, Terry Sholar, Robert Miller, Cathy Nance, Steve Buchanan, Rich Riser, Chuck Derrick, Cole Hancock, Scott Clark

Council Member Freddie Gordon called the November 7, 2023 Public Enterprise Committee meeting to order at 4:00 p.m.

Item #1: Adoption of Minutes of the Meeting

Recommendation:

Council Member Freddie Gordon asked if anyone would like to make a motion that the minutes of the October 3, 2023 Public Enterprise Committee be approved.

Motion: Adopt October 3, 2023 meeting minutes
Motion made by: Council Member Julie Thompson
Second: Council Member James Kerr
Voting: **In Favor** – Council Member Freddie Gordon and Council Member Julie Thompson, Council Member James Kerr
Opposed – None
Action: Motion adopted

Item #2: Staff Report – Award of Purchase of one AN67-E100 Bucket Truck

Recommendations:

Staff requests the Public Enterprise Committee approve sending this request to City Council for approval to award the purchase of an AN67-E100 Bucket truck to Altec Industries, Inc. in the amount of \$526,656.00 through Sourcewell's Cooperative Purchasing program. Sufficient funds are budgeted for the acquisition in account number 5408220 424010. Staff requests that this item is placed on the City Council consent agenda to authorize the City Manager to execute the necessary documents.

Presentation and Discussion:

Director of Energy Services Rob Miller said this is a replacement 100-foot bucket truck. Energy Services obtained quotes from the Sourcewell program and it will cost \$526,656. The Sourcewell Cooperative Program has been vetted by our purchasing department and it is a good way to purchase vehicles. Sufficient funds are budgeted for the acquisition, and staff requests that this item is placed on the city council agenda and authorize City Manager to execute the necessary documents.

Motion: Motion to approve item and add to the consent agenda for the November 14, 2023 City Council meeting.
Motion made by: Council Member James Kerr
Second: Council Member Julie Thompson
Voting: **In Favor** – Council Member Freddie Gordon, Council Member Julie Thompson, and Council Member James Kerr.
Opposed – None
Action: Motion adopted

Item # 3: Staff Report – Approval of contract for Architectural Services for the Energy Services Warehouse project

Recommendation:

Staff requests the Public Enterprise Committee approve sending the contract for C Design to provide Architectural Services for the Energy Services Warehouse project to City Council for approval. Staff requests that this item is placed on the City Council consent agenda to authorize the City Manager to execute the necessary documents.

Presentation and Discussion:

Rob Miller said Energy Services is requesting the Public Enterprise Committee to consider approving a contract for C Design to provide architectural services for the Energy Services Warehouse project. Energy Services is proposing to build the warehouse project which will house IT and purchasing and will expand the warehouse from the existing 8000 square feet to about 20,000 square feet, and then we will remodel the existing 8000 square feet of our existing building for our use. C Design was chosen in July 2022 in a competitive RFQ process. They will provide schematic design, design development, construction documents, permitting, bid documents and construction administration. As part of this contract, the contract will not exceed \$1,152,500. Sufficient funds are available in the capital projects EL 2301 and NG 2301 budget. We are requesting that this item be placed on city council consent agenda and authorize the city manager to execute the necessary documents

Council Member Freddie Gordon asked if the warehouse would be just for Energy Services purchasing.

Rob Miller said the Purchasing division is currently both at Energy Services and Water Resources. They will all move over to the new facility. Also IT will have a portion of the building for their offices and the data center.

Motion: Motion to approve item and add to the consent agenda for the November 14, 2023 City Council meeting.
Motion made by: Council Member Julie Thompson
Second: Council Member James Kerr
Voting: **In Favor** – Council Member Freddie Gordon, Council Member Julie Thompson, and Council Member James Kerr.
Opposed – None
Action: Motion adopted

Item #4. Proposed Chick-fil-a Public Sidewalk Easement Abandonment

Recommendation:

The Public Enterprise Committee is requested to approve Resolution R-2023-79 releasing and abandoning the public sidewalk easement. If the Public Enterprise Committee is in agreement, this item would be placed on the consent agenda for consideration by City Council at the next meeting on November 14, 2023.

Presentation and Discussion:

Director of Engineering Sarah McAllister said Engineering has received a request from Carter Engineering on behalf of a proposed new Chick-fil-A to abandon an existing 10-foot-wide public sidewalk easement on property located at the along Roosevelt Blvd (US Highway 74). It's in front of Nottingham at the old Jack in the Box location. There is an existing 10-foot sidewalk easement that they would like to have abandoned. They are going to install a sidewalk but it will be within the right of way of Roosevelt Blvd. In addition, there is an overlapping 20-foot public storm drainage easement that will remain. There is a resolution for approval that will release and abandon that sidewalk easement once the new sidewalk is installed in the right of way.

Motion: Motion to approve and send the resolution to the consent agenda for the November 14, 2023 City Council Meeting.
Motion made by: Council Member James Kerr
Second: Council Member Julie Thompson
Voting: **In Favor** – Council Member Julie Thompson, Council Member Freddie Gordon and Council Member James Kerr
Opposed – None
Action: Motion is approved

Item #5. Water Sewer Rate Study

Recommendation:

The City Manager is requesting input from the Public Enterprise Committee on a Water Sewer Rate Study.

Presentation and Discussion:

City Manager Mark Watson said he has asked for this topic to be put on the agenda just as a brief discussion and to get some feedback from the Public Enterprise Committee. As part of the monthly meetings with directors, this topic of water and sewer rates came up. He said he asked Scott Clark find out the last time that water sewer rates were studied. There has been a lot of discussion around the city about water and sewer rates, and affordability. That prompted this question to Scott about when was the last time rates were studied. It was 2018.

The City currently has a single tier rate for a three quarter inch line, which is a standard residential line. So no matter how much water you use, or how few gallons you use, it's all the same money. Monroe is unique in the fact that it has a single tier, or single rate. That was not so uncommon amongst municipalities and

water service providers years ago, but today, most water service providers have multi-tiered rate structures for a number of different reasons. You might have tiers that are based on usage. For example, most consulting services will tell you that the average household residential household uses about 5000 gallons a month. So if you use up to what's considered that average, you pay a certain rate, and generally that's the lowest rate possible for water. Think about individuals that may be the only person in the house, they may not use that much water. So it is providing them a break on the cost per gallon, but you know that this works, you go up to the next level by the individual residences that that use up to 10,000 gallons, well, they use more water, they use more resource, so they paid incrementally a little bit more. And then you might go up to a third tier. And the same thing would apply for commercial accounts, different size, service connections, those types of things, which are not currently present in our rate structure.

Since it was 2018 since this was studied, it's probably time for us to revisit that and at least verify that we have right numbers in our rates structure. It may be an opportunity also to look at a different structure and compare the two. Now, for comparison purposes, I'll tell you, the county has a multi-tiered rate structure based on usage. But they also have a tier on top of the tier structure, which is based on drought conditions. If rainfall and water tables are normal, that is the lowest possible rate structure for everybody. Let's just say that's rate number one. Then, if intermediate drought conditions exist, everybody's rate goes up incrementally to a different table. Then if you move into long term or severe drought conditions, you move to a third table that are maximum rates that you would charge. All that would, in theory, help conserve water resources.

And do that through this incentive on rates. I'm not suggesting that we move to a double-tiered type system. One day it probably may be mandatory, but it's not today. But when you look at affordability for households with one person, two persons and low water users, we might want to take a look at a structure that that is commensurate with their use.

If you're interested in pursuing that, then we can begin the request for qualifications. There are several companies out there that I know do really good work. We can see what they would charge us for such a study of how long it would take and things like that, and bring that back to this committee before moving it along to council. If the committee is not interested in it, then we certainly don't want to waste our time.

The other thing to take into consideration is the age of your system, the age of the pipe infrastructure, age of the water treatment infrastructure, the associated costs for maintaining that and operating it. Older systems are going to cost more. So, those are all factors and things that can go into an analysis that folks that do this kind of work are very familiar with.

Council Member James Kerr said it sounds like we should do the study. Council Members Julie Thompson and Freddie Gordon also agreed.

Scott Clark said that he and Rob Miller are working together on an AMI project and where the City will eventually put in automated meters. We're working with customer service and the finance team as well. That places the control of the bill more in the customers' hands. They can see or there may be apps that they'll have on their phone, and they can get on a website and see what is their usage. There is a lot of data to be gained from that type of project. And so as part of that, if we did look at tiered rates, customers could see where they are and how many days are left remaining in the month. It's going to take a lot of time, a lot of resources, but that puts the control of water usage more in the customers' hands on a day to day basis.

Council Member James Kerr asked if the study will that be for irrigation meters also. City Manager Mark Watson said yes, and said they will pursue the study, and bring the information back to the committee.

Item #6. System Development Fees

Recommendation:

The City Manager is requesting input from the Public Enterprise Committee on System Development Fees.

Presentation and Discussion:

City Manager Mark Watson said system development fees are the fees that are paid by developers. For each tap, whether it be a water tap, or sewer tap, when they're putting in subdivision. Or it could be could be someone that's building a new house on a lot that where a house has never existed before. A system development fee looks at cost recovery for putting the infrastructure into service, that location, everything from treatment plan, through pump, lift stations, or pump stations, through piping all the way to the meter. It is by no means a total cost recovery. But it does help offset some cost. For instance, if you look right now at the number of approved building lots and developments that have already been approved inside the City of Monroe, and you multiply that times the current water and sewer development fee rates, then you're talking in the neighborhood, in round numbers, \$35 million. And so we're looking at worst case scenario, \$90 million to build a new 3 MGD sewer plant. Over time, you could collect those monies to pay for building that additional facility to treat that sewer. That's really a very generic example. He asked when was the last time the system development fees were evaluated?

Director of Finance Lisa Strickland said maybe 2017 or 2018.

City Manager Mark Watson said between 2017 and today, think about all the developments that have been approved. And all improvements in infrastructure that are going to be needed. The rates are still the same. In order to adjust the system development fees, you have to do a rate study. And then one of the components as they are as the consultant is looking at, what should the system develop, they be the they look at how much capital construction you are planning over a certain period of time. And, and that's one factor that they use to adjust the right spot. Our current rates today may go up, but they will go up based on formula that everybody else uses. That is, you know, the state regulates. So that we can have some of that cost recovery back onto the system. So, I wanted to make you aware of that, because if a rate modelling study goes forward, then I would definitely recommend a review of systems development fees. It just makes sense. They're all there. They're all kinds of other factors that limit what you can do and can't do with that money, you collect that money, it has to go back to improvement of the system, you can't take it and use it for something else. In some extreme cases, and not a point to Union County. There, there are a number of different basins and sub basins. For sewer collection, okay. Based on the way the county has this ordinance written, the money that's collected in those basins and sub basins can only be used in that basin or sub basin. Monroe doesn't have as many, you know, you might have one collection basin for all sewer so it could give anything that is in our system can be applied for that. That expense, which is good day, it makes it a whole lot easier to manage and plan for if you got it that way.

Council Member Julie Thompson asked if there was a timetable for doing this.

City Manager Mark Watson said the only you can do it is when you do a rate modeling study. If you've done one this year, then you must wait at least four years. Fees are set for four years. And you can make adjustments every four years. If you choose not to do one for a long, extended period of time, that's fine. But how much money are you leaving on the table? Is this something that you would like to pursue?

Council Member Freddie Gordon said it sounds logical. Council Member James Kerr said absolutely.

City Manager Mark Watson said we will seek information from these consultants on both projects. But we're going to seek the right modeling first. And we'll have to figure out how that coordination to those two things works in in their proposals. We'll bring that back to you.

Item #7. Water Shortage Response Plan Approval from NCDEQ

Recommendation:

The Public Enterprise Committee is requested to approve Resolution R-2023-78 and forward to City Council for approval.

Presentation and Discussion:

Scott Clark said Water Resources Staff submitted the City's Water Shortage Response Plan/Ordinance (WSRP) to North Carolina Department of Environmental Quality (NCDEQ), as part of a 5-year cycle of review. There were no amendments to the Ordinance. The Ordinance was originally adopted by City Council in 2002, and last updated in 2010. The WRSP provides a framework for managing a water shortage that may arise due to a number of factors. It specifies what condition could bring forth a declaration of water shortage, progressive levels of water shortage stage and severity, public notification requirements, restrictions to be enacted based on the shortage stage severity, rates and surcharges that shall be enacted during a water shortage, and enforcement/penalties. The Water Shortage Response Plan must be adopted by City Council via resolution. Once the resolution is approved by City Council it will then be submitted to NCDEQ and will ensure compliance with NCGS 143-355(I).

<u>Motion:</u>	Forward item to City Council for approval on the November 14, 2023 consent agenda
<u>Motion made by:</u>	Council Member James Kerr
<u>Second:</u>	Council Member Julie Thompson
<u>Voting:</u>	In Favor – Council Member Julie Thompson, Council Member Freddie Gordon and Council Member James Kerr Opposed – None
<u>Action:</u>	Motion is approved

Item #8. Water Resources Equipment Purchase

Recommendation:

Staff recommends the Public Enterprise Committee approve forwarding the purchase request City Council for approval on the November 14, 2023 consent agenda.

Presentation and Discussion:

Scott Clark said Water Resources maintains infrastructure approaching 100-years old throughout the water distribution system. The infrastructure requires ongoing rehabilitation and replacement, while minimizing service disruptions for our customers. To ensure maximum reliability and system resiliency, it is imperative we utilize innovative technologies maintain operational efficiency. We routinely rely on aging valves and assets to isolate water mains during routine repairs. Water Resources identified valve insertion equipment that allows for new valves to be installed resulting in no outages for our customers. Staff identified and evaluated two similar companies that manufacture valve-insertion equipment. After a thorough review, staff selected Hydra-stop Valve Insertion Equipment for the long-term cost benefits, stainless steel valves, and ease of installation. Budgeted and approved funds in the amount of \$104,853 are available in the FY24 Capital Equipment Request to purchase the valve insertion equipment.

Motion: Forward item to City Council for approval on the November 14, 2023 consent agenda
Motion made by: Council Member Julie Thompson
Second: Council Member James Kerr
Voting: **In Favor** – Council Member Julie Thompson, Council Member Freddie Gordon and Council Member James Kerr
Opposed – None
Action: Motion is approved

Item #9: Capital Improvement Project Special Financing

Recommendation:

Staff request the Public Enterprise Committee authorize the City Manager, City Attorney, and staff to coordinate with our Consultant (Hazen & Sawyer)/applicable Agencies to prepare the preliminary application for the funding opportunity.

Presentation and Discussion:

Scott Clark said the Lake Lee dam is currently scheduled for replacement beginning 2035 in our Capital Improvement Plan. The dam is quickly approaching 100-years old and was constructed in 1925. The replacement of the dam is a significant expense that will be a large-scale project just as our WWTP plant expansion. The low-interest funding opportunity through USACE/NCDEQ would assist with funding such a large capital expense in the future. The United States Army Corps of Engineers (USACE) recently launched the Corps Water Infrastructure Financing Program (CWIFP). The CWIFP is a low-interest loan program to support dam safety projects. Through the North Carolina Department of Environmental Quality (NCDEQ), Division of Energy, Mineral, and Land Resources the preliminary application would be submitted for a minimum of \$20 million, but may request more due to projected cost estimates and other contributing factors.

Motion: Approve the amendment to the easement.
Motion made by: Council Member Julie Thompson
Second: Council Member James Kerr
Voting: **In Favor** – Council Member Julie Thompson, Council Member Freddie Gordon and Council Member James Kerr

Action: **Opposed** – None
Motion is approved

Items #10 - 15: Outside City Service Requests

Recommendation:

Staff requests the Public Enterprise Committee approve forwarding the six requests for outside City water service to City Council for approval on the consent agenda.

Presentation and Discussion:

Scott Clark said these six addresses have gone before the county commission for approval, and now the City has to approve.

Motion: Motion to approve the requests for outside City water services for
3610 Olive Branch Road,
3614 Olive Branch Road,
3620 Olive Branch Road,
2906 Weddington Road,
303 Pageland Monroe Road, and
802 Fowler Road,
and forward to City Council for approval on the November 14, 2023 consent agenda.
Motion made by: Council Member James Kerr
Second: Council Member Julie Thompson
Voting: **In Favor** – Council Member Julie Thompson, Council Member Freddie Gordon and
Council Member James Kerr
Opposed – None
Action: Motion is approved

Item #16: Closed Session pursuant to North Carolina General Statutes Sections 143-318.11(a)(1) and (a)(3)

Mark Watson said they are not at a point this evening to be able to present any concrete information, and so are not ready for a closed session.

Item #17: Other

Council Member asked if there was any other business to discuss. There being none, he asked for a motion to adjourn.

Motion: Adjourn Public Enterprise Committee meeting
Motion made by: Council Member Julie Thompson.
Second: Council Member James Kerr
Voting: **In Favor** – Council Member Julie Thompson, Council Member Freddie Gordon and
Council Member James Kerr
Opposed – None

Action: Motion is approved

There being no further business, the meeting adjourned at 4:57 p.m.

Freddie Gordon, Chair

Next Meeting – December 5, 2023 at 4:00 p.m.



STAFF REPORT

TO: Public Enterprise Committee
VIA: Mark Watson, City Manager
DATE: December 5, 2023
FROM: Rob Miller, Director of Energy Services
PREPARED BY: Rob Miller, Director of Energy Services
SUBJECT: Parcels adjacent to Energy Services property

SUMMARY STATEMENT

Energy Services staff requests the Public Enterprise Committee to consider approving the City begin the process to negotiate and acquire parcels 09150169 and 09150169A adjacent to the Energy Services property.

REVIEW

Energy Services is in the process of design for the new warehouse project and site improvements. The parcels adjacent to the existing property total 6.51 acres. The current site has limitations due to the unpermitted landfill that make the acquisition of the adjacent parcels attractive for cost control and additional equipment storage.

RECOMMENDATION

Staff requests the Public Enterprise Committee approve the City to move forward with obtaining an appraisal and any assessments of the property necessary. Staff requests that the City Manager, City Attorney, and staff be approved to negotiate the purchase of the parcels and prepare a formal purchase offer. The formal purchase offer will be subject to City Council approval.

Attachments: 2023-12-05 Presentation

CITY OF MONROE ENERGY SERVICES

SITE EXPANSION

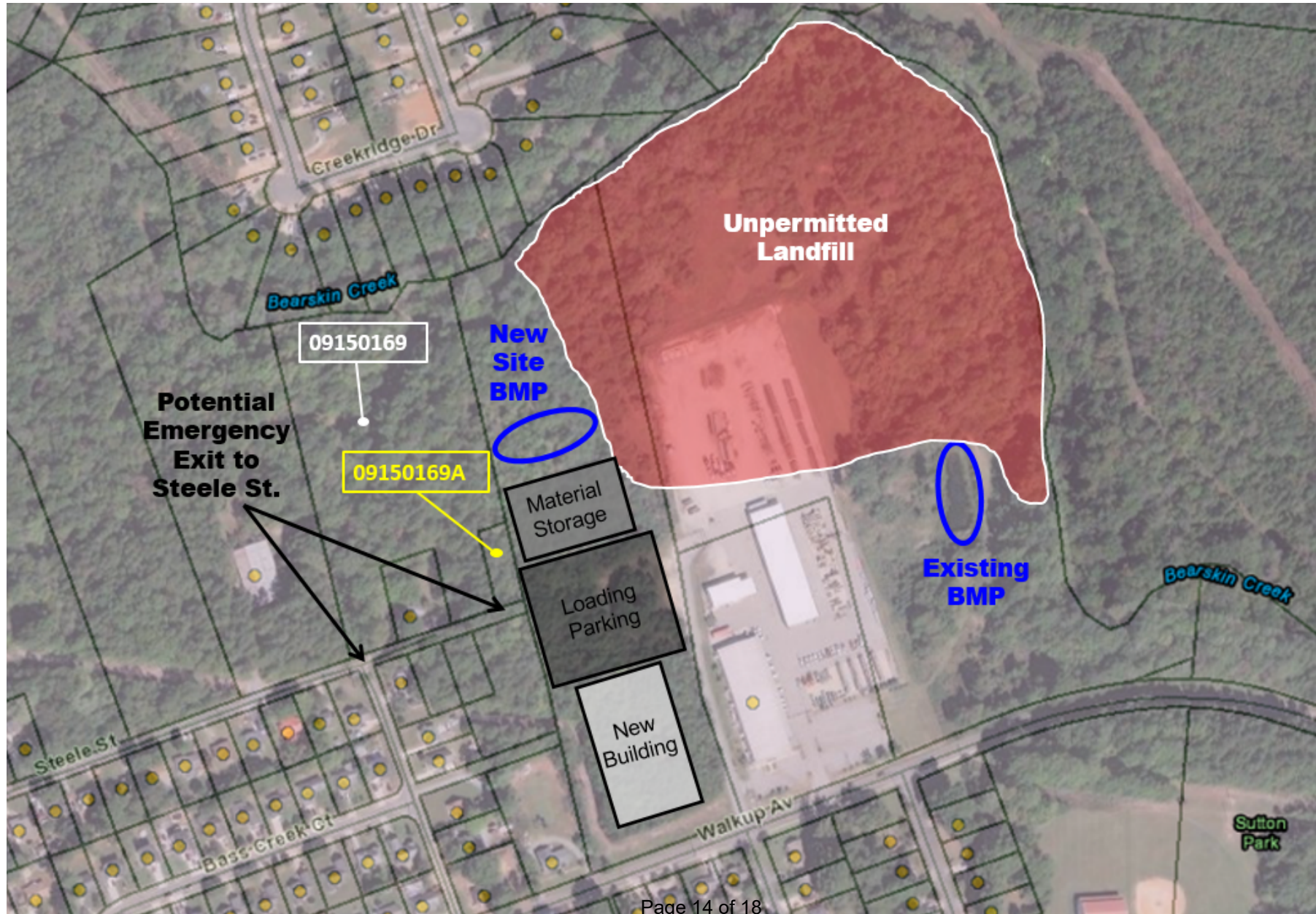


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December 5, 2023

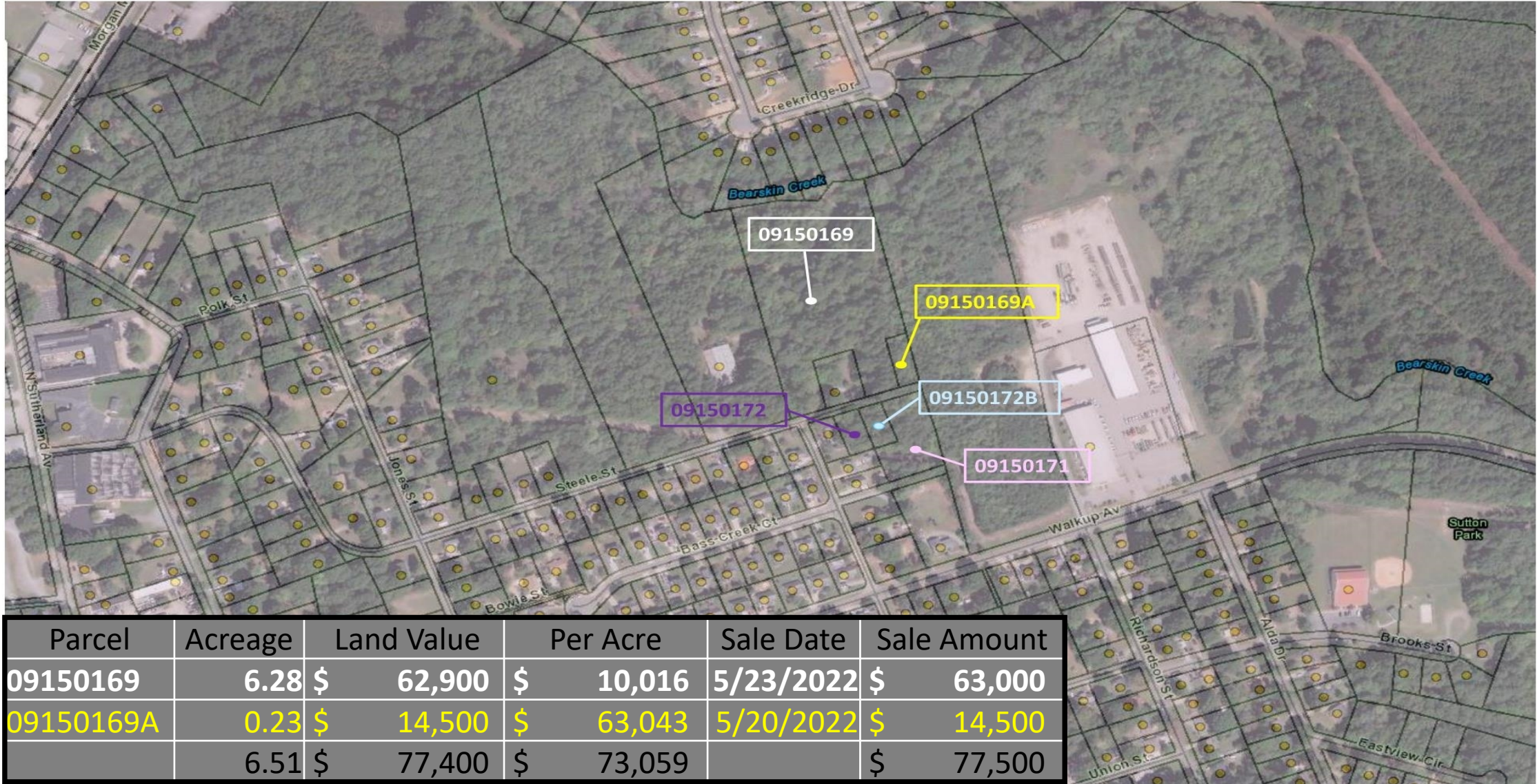
Background

- Energy Services is in the design process to:
 - Build a new warehouse with offices for Purchasing and IT
 - Renovate existing warehouse space to provide adequate facilities for Energy Services personnel
 - Construct site improvements for additional material storage

Site Plans and Limitations



Adjacent Parcels



Adjacent Parcels

11/10/22, 3:55 PM

Parcel Report

Parcel Number

09150169

Owner

VONEGIDY DENNIS VONEGIDY TRACI

Mailing Address

PO BOX 2192
MONROE
NC, 28111



Account Information

Land Value

\$62,900.00

Building Value

\$0.00

Total Value

\$62,900.00

Acreage

6.2800

Description

P/#15 & #17CAMP SUTTON PB3
PG110

Situs Address

0 STEELE ST

Property Class

RESIDENTIAL

Sales Information

Sale Date

05/23/2022

Sale Amount

\$63,000.00

Book & Page

8483 0200

Grantor

MANGUM, HENRIETTA

Sale Date

08/27/2021

Sale Amount

\$0.00

Book & Page

D149 1258

Grantor

SPITTLE, KAY

Sale Date

07/18/2016

Sale Amount

\$0.00

Book & Page

6723 492

Grantor

MANGUM MARGIE A HEIRS

Location Information

Municipal Administration

Monroe

County Zoning Code

CITY

Zoning Administration

Monroe

ETJ

Fire District

Monroe

Soils

ChA,BaB,BdC2,BuB

12 Mile Service Area

No

School

[School Assignment Information](#)

Census Tract Number

206.01

FEMA Panel

5445

FEMA Zone

AE,0.2% Annual Chance,AE-FW

Building Information

[View Real Property Site](#)

Total Living Area

00

Year Build

0

District Voting Assignments (Jurisdictions)

Polling Place

SUTTON PARK RECREATION CENTER

School District

1

Congressional District

9

Precinct District

#4

State House

55

Senate District

35

<https://gis.unioncountync.gov/gomaps/Reports/UserDefined/parcelReport.cfm?objectids=46607&visLayers=7,8,56,10,13,15,30,31,32&bbox=-80.5193...> 1/1

11/10/22, 3:56 PM

Parcel Report

Parcel Number

09150169A

Owner

VONEGIDY DENNIS VONEGIDY TRACI

Mailing Address

PO BOX 2192
MONROE
NC, 28111



Account Information

Land Value

\$14,500.00

Building Value

\$0.00

Total Value

\$14,500.00

Acreage

0.2300

Description

18 CAMP SUTTON 1331-507

Situs Address

0 STEELE ST

Property Class

RESIDENTIAL

Sales Information

Sale Date

05/20/2022

Sale Amount

\$14,500.00

Book & Page

8482 0107

Grantor

SPITTLE, AUSTIN CURTIS

Sale Date

08/26/2021

Sale Amount

\$0.00

Book & Page

W21E 1360

Grantor

SPITTLE, KAY M HEIRS

Sale Date

08/26/2021

Sale Amount

\$0.00

Book & Page

D149 1258

Grantor

SPITTLE, KAY M

Location Information

Municipal Administration

Monroe

County Zoning Code

CITY

Zoning Administration

Monroe

ETJ

Fire District

Monroe

Soils

BdC2,BuB

12 Mile Service Area

No

School

[School Assignment Information](#)

Census Tract Number

206.01

FEMA Panel

5445

FEMA Zone

Building Information

[View Real Property Site](#)

Total Living Area

00

Year Build

0

District Voting Assignments (Jurisdictions)

Polling Place

SUTTON PARK RECREATION CENTER

School District

1

Congressional District

9

Precinct District

#4

State House

55

Senate District

35

<https://gis.unioncountync.gov/gomaps/Reports/UserDefined/parcelReport.cfm?objectids=46608&visLayers=7,8,56,10,13,15,30,31,32&bbox=-80.5171...> 1/1

Next Steps

- Obtain appraisal
- Negotiate the purchase price for the property
- Prepare a formal purchase offer
- Obtain City Council approval for the formal purchase offer



STAFF REPORT

TO: Public Enterprise Committee
VIA: Mark Watson, City Manager
DATE: December 5, 2023
FROM: Rob Miller, Director of Energy Services
PREPARED BY: Rob Miller, Director of Energy Services
SUBJECT: Energy Services Rate Study

SUMMARY STATEMENT

Energy Services staff would like to discuss performing a rate study for electric and natural gas rates.

REVIEW

Energy Services plans seek qualifications for a vendor to perform a rate study.

RECOMMENDATION

This item is for informational purposes.