CITY OF MONROE
PUBLIC ENTERPRISE COMMITTEE
300 W. CROWELL STREET, MONROE, NC 28112
TUESDAY, APRIL 2, 2024 - 4:00 PM
AGENDA
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1. Public Enterprise Committee Meeting Minutes of March 5, 2024
2. Street Sweeper Waste Disposal Building
3. Rate Study Update for Informational Purposes Only
4. Stewarts Creek Pump Station Upgrade Plan Set - A Force Main Project
5. Water and Sewer Fund Minimum Reserve
6. Monroe WWTP Flow Equalization Basin Project SR2127 Budget Ordinance 2024-07 and Change Order #1
7. Natural Gas Supply Agreements
8. Closed Session pursuant to North Carolina General Statute (N.C.G.S.) Section 143-318.11(a)(5).

Public Enterprise Committee Minutes
March 5, 2024
City Hall Conference Room
4:00 p.m.

Members Present:	Council Member James Kerr (Chair), Council Member Julie Thompson, Council Member Franco McGee
Staff:	Mark Watson, Terry Sholar, Robert Miller, Scott Clark, Lisa Strickland, Lisa Hollowell, Kyle Ketchum, Rich Riser, Amy Cook, David Rankin, Sarah McAllister, Richard Long, Sandra Slifer
Guest:	Adam Feffer, Kyle Massey, Daryle Anderson

Council Member James Kerr called the March 5, 2024 Public Enterprise Committee meeting to order at 4:02 p.m.

Item #1: Adoption of Minutes of the February 6, 2024 Meeting

Recommendation:
Council Member James Kerr asked if anyone had any questions or concerns about the minutes, if not, if anyone would like to make a motion that the minutes of the February 6, 2024 Public Enterprise Committee be approved.

Motion:	Adopt February 6, 2024 meeting minutes
Motion made by:	Council Member Julie Thompson
Second:	Council Member Franco McGee
Voting:	**In Favor** – Council Member James Kerr, Council Member Franco McGee, Council Member Julie Thompson **Opposed** – None
Action:	Motion approved

Item #2: Fluoride Presentation for Informational Purposes

Recommendations:
Water Resources presented item for informational purposes only with request to advise if the presentation should be presented at the March 12th City Council Meeting.

Presentation and Discussion:
Director of Water Resources, Scott Clark introduced representatives from Black and Veatch Adam Feffer and Kyle Massey to present the information.

Adam Feffer, Senior Water Process Engineer with Black and Veatch, is going to provide information about fluoride in drinking water but that they are making no specific recommendations but providing background information about the practice of fluoridation and studies that have been done both regarding the benefits and potential health adverse impacts.

Mr. Feffer explained Fluoridation does naturally occur in drinking water. It is also commonly added to toothpaste and mouthwash but that hasn't always been the case. It has been a long standing widespread practice to add fluoride to drinking water for the benefits that it provides. It started in Grand Rapids 1945 as the first system to add fluoride to the drinking water that resulted in a strong correlation between naturally occurring fluoride in drinking water and low prevalence of dental health cavities. In Grand Rapids 1950 was a follow up study showing significant decrease in tooth decay. This has been observed widely over the years after the introduction of water fluoridation as a reduction in tooth decay. Mr. Feffer went on to state that about 63% of the population of the US receives fluoride in drinking water and of those who are served by community water systems, meaning large scale systems, rather than small non community systems, that number jumps to 73%. Within North Carolina, they're much higher than the national average in terms of population, it's about 80%.

The most well established health benefit of the fluoride is enhancing mineralization. There's a hydroxyl bond that forms in the top layer of your teeth and under acidic conditions it mineralizes and begins to expose the under layer of your teeth. The fluoride displaces some of the naturally occurring ions in your mouth that form that hydroxyapatite bond and the fluoride bond is stronger so it provides an increased resistance to the demineralization that happens in acid environment. So the US Public Health Service endorses for Community Preventive Services Task Force. The CDC has touted water fluoridation as one of the top 10 public health achievements and strongly recommends fluoridation after their systematic review. Recently these benefits have come into question, one reason is that most of the studies are observational because there's no control group which puts them at a higher risk of bias by those who are performing the studies. The second is that 70% of the high quality studies and assessment of net benefits were performed before 1975 before it was common to have fluoride in toothpaste, mouthwash, etc. The argument is that if you did these exact same studies now you would see a lot less benefit because there is so much fluoride in the environment. The American Dental Association is staunchly in favor of fluoridation.

Health concerns include skeletal fluorosis, at very high levels of fluoride you can see some impact to the functionality of your teeth, this is extraordinarily rare and is not necessarily very controversial. The EPA has stated that this really only happens if you get up to about 20 ppm, drinking water regulation maximum level is 4 ppm. Another health concern is carcinogenicity, there have been some observational studies citing cancer associated with fluoride all the scientific agencies that have reviewed those have found a very poor to no link between the cancer and fluoride. The most recent concern is studies showing a link between fluoride and reduced IQ, the findings of those studies are highly disputed. The studies themselves are inconsistent in their findings. Recently questions have come regarding the endocrine disruption, particularly in the thyroid. The National Toxicology Program (NTP), the federal government's branch studying toxicology, is trying to figure out which things are toxic to the population. They updated their analysis of Fluoride in 2016 and as a result they recommended that a hazard classification be added to fluoride products and their findings went to the National Academy of Science and Engineering Medicine, which is a board under the federal government has the most esteemed scientists and medical experts in the country and they reviewed this National Toxicology Program (NCP) report and the review board disagreed with the findings. They've been arguing with each other since 2016. In December of 2023, they updated their findings and removed some fluoride labels, the NCP is moving forward with the publication of the report showing an uncertain and questioning degree of hazard related to Fluoride. They removed this classification at the at the insistence of the National Academy of Science and Engineering medicine but recommended further investigation research. These are people who are hypothetically acting in good faith, who are career experts in their fields, arguing about their cause versus risk of fluoride.

So in terms of operational considerations, fluoride is hazardous in its bulk form, it comes in a salt form in bags, when it is poured into the saturator it can create clouds. There are operational safety hazards involved with the feeding of fluoride, it can be a respiratory hazard, a contact hazard to the skin, and can be an ocular hazard. These things can be mitigated with proper personal protective equipment and the right administrative procedures. In terms of leak detection, it does have a benefit in that if there's ever water coming up out of the ground and you're not sure whether it's natural or from a water leak fluoride is an easy way to answer that question because it is so well conserved.

The state has taken the authority for approval or disapproval to put fluoride in drinking water, this is a way to delegate that authority. For fluoridation to begin a resolution by the local government or governing bodies operating community water system which shall include the board of local health approval of proposed fluoridation procedure. So the state gets to approve whether or not you can add fluoride to your drinking water, they recommend that this decision be made by the local Board of Health but the discretion does appear to lay with the governing body of the community water system. So whoever is in control of the community water system has the ultimate authority. The state has the approval or disapproval authority for that administrated body. For discontinuation of fluoride, prior to the discontinuation they shall provide to the Department of Health and Human Services, Oral Health Section documentation by the local government or the governing body operating that water system a resolution rescinding the addition of fluoride and formal application to stop the application of fluoride. If the governing body for the water system passes resolution to discontinue fluoride it must be submitted to the state board for permission to discontinue and the local waterfall has to be notified. Buffalo New York stopped fluoride in May 2015, and two lawsuits were filed against the city for not fluoridating, and the city lost. They were sued by parents of kids who had dental health problems. They were given an order to restart fluoridation. They were starting this summer. In San Francisco, there was a lawsuit that was filed against EPA and the City years ago to prohibit fluoridation from drinking water, the debate was continuing as of December. As of January the lawsuit is proceeding. This is not just against the state but it is also against the EPA. The basis claims neurotoxicity and thyroid function.

In summary, there is very extensive scientific research citing the effectiveness of fluoridation and reducing tooth decay. Today, the only widely acknowledged adverse health impacts are dental fluorosis and skeletal fluorosis. The cost benefit analysis conducted by government agencies and researcher's favors water fluoridation, the majority of the country, the majority in public health bodies, recommend water fluoridation for those reasons. There continues to be a debate on adverse health impacts, particularly neurotoxicity and endocrine impacts. This has led to a minority of systems to discontinue drinking water fluoridation for those reasons.

Council Member Thompson stated that from a healthcare background she is curious as to why a simple blood test to measure whether the levels in your body system contain the proper amounts of minerals, chloride, fluorine, and magnesium has not been done. It does not make sense when looking at the data that there are ways to measure that could provide some helpful information and to be able to substantiate some of the issues and possible concerns. Mr. Feffer stated that it's clear that there's a dental health net benefit and as far as the negatives almost anything that we have regulations against are drawn from quantifying health impacts at a high concentration and extrapolating downwards to an estimate and places of no harm. He feels that since we have so little control over the actual fluoride levels that people have in their systems, with all the environmental impacts, it's very difficult to make accurate extrapolations as to where adverse impacts arise.

Council Member Kerr asked if the adverse effect of mottling teeth can be corrected and if there is a dental procedure that gets rid of the spotting? Mr. Feffer stated that he is not sure if there is a bleaching protocol or something else. He is aware that there's no way to reverse the enamel damage.

<u>Recommendation:</u> Council Member Kerr suggested that this presentation would be beneficial and requested that it be presented at the next council meeting on March 12th. Council Member Thompson and Council Member McGee were all in agreement to include the presentation on the Council regular agenda on March 12th.

<u>Item #3: WWTP Roof Replacement</u>

<u>Recommendations:</u>
Water Resources is requesting the Public Enterprise Committee to approve a budget amendment to the water and sewer fund to provide needed funds to cover cost for installation of a new roof on the Wastewater Treatment Plant administration building.

<u>Presentation and Discussion:</u>
Water Resources Director Scott Clark explained that they have worked on obtaining quotes for the replacement of the roof on the Wastewater Treatment Plant administration building and have received three quotes. The roof needs repair due to multiple leaks due to aging infrastructure and impacts caused

by hazardous weather events. They are looking to replace the flat part of the roof as well as the shingle part with a red roof to match the detached building behind the administration building. The lowest quote obtained was from D.A.P. Contracting for $95,630, the second quote was from Stratford for $96,786, the third quote was from Baker Roofing at $114,000.

Mr. Clark is requesting a budget amendment of $125,000 which will provide for a contingency if they find structural damage that is unforeseen and to address the issues.

Council Member Kerr asked if this included guttering or some system to divert the water off the roof and getting is beyond the edge. Ms. Cook responded that the guttering was included in the quotes.

Motion:	Approve Budget Amendment and forward to City Council for consideration on the March 12, 2024 Consent Agenda.
Motion made by:	Council Member Franco McGee
Second:	Council Member Julie Thompson
Voting:	**In Favor** – Council Member James Kerr, Council Member Franco McGee, Council Member Julie Thompson **Opposed** – None
Action:	Motion approved

Item #4: Nelson Heights Tank Replacement Grant Acceptance Resolution and Budget Ordinance

Recommendations:
Water Resources is requesting the Public Enterprise Committee to consider a Resolution and Budget Ordinance that is required as part of an American Rescue Plan Act grant acceptance requirement for the Nelson Heights Tank Replacement Project funded from the State Fiscal Recovery Fund.

Presentation and Discussion:
Mr. Clark stated that they applied for a grant and were awarded $400,000 in funding from the State as part of the American Rescue Plan to cover a portion of the design for the water storage tank that will be located on Charles Street and Sunset, this will replace the Nelson Heights tank. The Nelson Heights tank is approximately a 500,000-gallon tank, the new tank will increase the storage capacity and provide resiliency to the overall system.

Motion:	Approve Resolution 2024-14 and Budget Ordinance BO-2024-04 and forward to City Council for consideration on the March 12, 2024 Consent Agenda.
Motion made by:	Council Member Franco McGee
Second:	Council Member Julie Thompson
Voting:	**In Favor** – Council Member James Kerr, Council Member Franco McGee, Council Member Julie Thompson **Opposed** – None
Action:	Motion approved

Item #5: Critical Intersection Analysis 2024

Recommendations:
Engineering Department is recommending City Council enter into an Interlocal Agreement with Union County for critical intersection analysis study.

Presentation and Discussion:
Sarah McAllister advised that Union County was recently awarded a grant in the amount of $192,000 with a required local government match of $48,000. The City's portion is going to be $4,000. As part of that we will go through another intersection analysis review, several intersections have been or received funding for improvements in the past. There is an Interlocal Agreement that is required.

Mr. Daryle Anderson, a local resident, had concerns regarding the conclusions on the report citing that "Union County has one of the highest crash rates in North Carolina and continues to be one of the fastest growing counties in the state of North Carolina according to DOT. The Charlotte Regional Transportation Planning Organization, project selection processes, as well as public feedback, safety and congestion continues to remain a priority. When identifying and prioritizing intersections, the residents have spoken." Mr. Anderson received a complete copy of the report and feels that a better look is needed at this report. He is concerned that when a real population is over 35,000 and the number of people that responded to the survey is 172 is this a valid survey. Per his research on Google to be a valid survey you have to have 5% to be considered to be valid. Per his calculations we did not even get 1%. He feels that the survey is flawed in the methods we used to reach out to the community. He feels that we really need to take a look at this report and that we have some work that needs to be done before we spend $1 of our taxpayer money on anything on the report. He says that one of the biggest intersections, he has a petition with 315 signatures, is not even on the report and that only one of the 315 people heard of the survey.

City Manager Mark Watson asked Ms. McAllister if we were provided the link to the survey and did we promote in plain sight on our website and on our social media tool?

Ms. McAllister stated that the survey is not meant to identify critical intersections but meant to get public input and involvement in the ranking and methodologies used to rank the intersections. The intersections are ranked based on the severity of the types of crashes, the numbers of the types of crashes, congestion, and a lot of other factors. They then go in and score each intersection. The intersections that Mr. Anderson is referring to was on the list but it did not move to the top based on the selection criteria. Ms. McAllister stated that the intersections that rise to the top are the ones that are funded.

In the three years of participation the first intersection of Williams Road and Old Charlotte received spot safety funds through the DOT and that should be constructed late this year. The next intersection was Poplin Road at Unionville Indian Trail Road which has now had a four way stop installed. The third intersection is Sutherland Avenue at Walkup Ave and was submitted to CRTPO. Ms. McAllister stated that there will be another piece of work to take the results to another firm for further recommended improvements and what is the best solution. The intersection of Franklin and Johnson has also been on the list but has not risen to the top.

Council Member McGee asked why this has not risen to the top? Ms. McAllister stated that this is based off of the selection criteria including the number of accidents and the severity of the accidents.

Council Member Kerr asked if there have been any other citizen input or concerns? Ms. McAllister stated that there really have been none and that Mr. Anderson's concern is the survey and the number of responses and that Waxhaw and Weddington have a much higher level of response.

Motion:	Approval of the Interlocal Agreement with Union County and authorization of the City Manager to execute the agreement and forward to City Council on the March 12th consent agenda for approval.
Motion made by:	Council Member Franco McGee
Second:	Council Member Julie Thompson
Voting:	**In Favor** – Council Member James Kerr, Council Member Franco McGee, Council Member Julie Thompson **Opposed** – None
Action:	Motion approved

Item #6: NCDOT Request for Historical Certificates

Presentation and Discussion:
Ms. McAllister advised that NCDOT has reached out about getting historical certificates of appropriateness to pave both Griffith road and Charles Street. That is on their current map and they will be resurfacing in the next 18-month contract time. Griffith Road from Sunset to Lancaster Avenue and Charles Street from Sunset to Franklin are included in the resurfacing maps.

Council Member Kerr asked what happened to the plan to take out the apartments and change the radius on Charles Street where Houston Street runs into Charles and Everett and move the street over a bit?

Ms. McAllister stated that she would need to pull the minutes of the Transportation Committee but that she also believes that they chose not to fund that project.

There was no further business. There being none, Council Member James Kerr asked for a motion to adjourn.

Motion:	Adjourn Public Enterprise Committee meeting
Motion made by:	Council Member Julie Thompson
Second:	Council Member Franco McGee
Voting:	**In Favor** – Council Member James Kerr, Council Member Franco McGee, Council Member Julie Thompson **Opposed** – None
Action:	Motion is approved

There being no further business, the meeting is adjourned at 5:07 p.m.

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James Kerr, Chair

<u>Next Meeting</u> – April 2, 2024 at 4:00 p.m.

STAFF REPORT

TO:	Public Enterprise Committee
VIA:	Mark Watson, City Manager
DATE:	April 2, 2024
FROM:	Sarah McAllister, P.E., Engineering Director
PREPARED BY:	Sam Starnes, Stormwater Engineering Associate
SUBJECT:	Street Sweeper Waste Disposal Facility

SUMMARY STATEMENT

The Public Enterprise Committee is requested to consider information related to award of the construction contract for the Street Sweeper Waste Disposal Facility.

REVIEW

Project SU1601 – was created in Fiscal Year 2016 when the need for a best management practice was identified for the Street Sweeping program. Currently, street sweepings are dewatered using the wash bay at the Street Division that has an oil/water separator and then are offloaded into an uncovered area and temporarily stored until the material can be hauled off for proper disposal. There is a concern of the street sweeping material being hazardous material. The area is not covered and runoff is directed through a grassed swale and eventually drains, mostly untreated, into Richardson Creek which is deemed impaired and remains on the 303(d) list with the EPA. As part of the Pollution Prevention and Good Housekeeping measure in the National Pollutant Discharge Elimination System (NPDES), Phase II Stormwater permit, the City is required to treat water from the street sweeping material before discharging into grass or gravel areas.

In December 2020, the Stormwater Department initiated a contract with Armstrong Glen, PC to begin the engineering and design for a Street Sweeper Waste Disposal Facility in the amount of $59,980.00. A change order was approved on March 17, 2022 that added $18,700.00 for a total contract price of $78,680.00. The purpose of this change order was to re-design and relocate the proposed building as requested by the Street Division. Armstrong Glen, PC provided complete, sealed drawings for this facility on November 7, 2022.

The original Engineer's Estimate for this project was $396,048.95 and an informal process was followed to solicit bids for 30 days, closing on February 23, 2024. Due to 3 of the 4 bids exceeding the $500k limit for the informal bid process and several bid errors on the lowest bid, staff rejected all of the bids from the informal solicitation. Staff then solicited bids through the formal bid process beginning on March 9, 2024 and held a formal bid opening on March 28, 2024 at 10:00 AM. Four bids were received and the results are below.

Contractor	Bid Amount	DBE %	Comment
Rushing Contracting	$519,430.29	10.4%	Recommend Award
H.C. Rummage	$553,912.59	3.6%	
Ground Thunder	$556,236.88	10%	
Hoss Contracting	$825,284.90	0%	

The updated Engineer's Estimate is $453,469.50, largely due to a significant increase in concrete prices since the original estimate was provided in late 2022. A 10% contingency was included in the bid to cover possible change orders during the course of the work. Construction inspections and project oversight/management will be provided by the Engineering Department. The project included a 10% goal for minority business participation which was met by the low bidder. The contract period is 180 days with liquidated damages occurring at a rate of $800.00 per day thereafter.

The project has two existing project accounts: SU1601 with $171,320 in remaining available funds and MP2203 with $165,000 of ARPA funds. This provides a total of $336,320 which falls short of funding the project. Engineering is proposing to transfer funds from MP2203 and MP2201 Stormwater Control Measure Stewarts Creek in the amount of $261,545 to SU1601 for a total of $597,865. The project account MP2201 was for proposed projects from previous staff and were included in the ARPA funding. Current staff has been unable to locate a specific project or project documents that identify what project these funds were to be used to construct. There are several possible stormwater control measures to choose from in Park Williams, which is in the Stewarts Creek watershed, and staff plans to revisit those opportunities at a later date in coordination with Parks and Recreation. Budget Ordinance (BO-2024-05) is attached to transfer the necessary funds. Sufficient funds are available for the project.

RECOMMENDATION

The Public Enterprise Committee is requested to recommend the following to City Council:

A. Award of the Street Sweeper Waste Disposal Facility contract to Rushing Contracting in the amount of $519,430.29;

B. Authorization of the City Manager to execute the documents including future change orders, if required;
C. Approval of the attached Budget Ordinance (BO-2024-05).

If the Public Enterprise Committee is in agreement, the items will be placed on the consent agenda for consideration by City Council at the next meeting on April 9, 2024.

Attachment:
Budget Ordinance (BO-2024-05)

CAPITAL PROJECT BUDGET ORDINANCE
STREET SWEEPER WASTE DISPOSAL FACILITY
BO-2024-05

WHEREAS, the need for a best management practice was identified for the Street Sweeping program and project SU1601 – Wash Down Facility was previously created;

WHEREAS, the City previously approved the engineering and design of the Street Sweeper Waste Disposal Facility by Armstrong Glen, PC using project SU1601;

WHEREAS, construction bids have been received in the amount of $__________ for the construction of this project and the remaining funding is identified as follows:

- SU1601 – Wash Down Facility - $171,320
- MP2203 - SU Equipment Waste Disposal Facility - $165,000

WHEREAS, additional funding is needed to cover the increased construction costs for this project;

WHEREAS, funds are available to cover the increased costs in a separate project account MP2201 – Stormwater Control Measure Stewarts Creek.

NOW, THEREFORE, BE IT ORDAINED, that the City Council hereby adds to the Wash Down Facility Project and appropriates/transfers the following revenues and expenditures:

Capital Project Fund:

Expenditures:	
Transfer to Stormwater Utility Capital Project	$426,545
Improvements Construction MP2201	($261,545)
Improvements Construction MP2203	($165,000)

Stormwater Project Fund:

Revenues:	
Transfer from General Capital Project Fund	$426,545
Expenses:	
Improvements Construction SU1601	$426,545

Adopted this 9th day of April, 2024.

Attest:

Robert Burns, Mayor

Bridgette H. Robinson, City Clerk

STAFF REPORT

TO:	City Council
VIA:	Mark Watson, City Manager
DATE:	April 2, 2024
FROM:	Scott Clark, Water Resources Director
PREPARED BY:	Scott Clark, Water Resources Director
SUBJECT:	Rate Study Update for Informational Purposes Only

SUMMARY STATEMENT

Water Resources staff will provide brief information on the Rate Study Proposal from Raftelis Financial Consultants, Inc.

REVIEW

The Water Resources Department received three qualifications packages from consultants. Raftelis Financial Consultants, Inc. was selected as the most qualified by the selection committee. Their scope and fee proposal includes a detailed analysis of our water and sewer rates, system development fees, and other fees charged by the department. The Consultant's financial plan will consist of three (3) key tasks to include:

1) Establishing and projecting system revenue requirements
2) Developing a forecast of billable units and revenues at existing rates
3) Evaluating the sufficiency of existing revenues to meet the projection of revenue requirements

The total project fees will be $198,812.00, which includes two annual reviews and updates to the financial planning model, for the next two fiscal years.

RECOMMENDATION

No action is necessary at this time, as this is for informational purposes only.

Attachment(s): Scope and Fee Proposal

RAFTELIS

City of Monroe

Water and Sewer Rates and Fees Study

SCOPE AND FEE PROPOSAL / March 21, 2024

March 21, 2024

Mr. Ron Weathers
Senior Engineer
City of Monroe, Water Resources
2401 Walkup Avenue
PO Box 69
Monroe, NC 28111

Subject: Proposal for Water and Sewer Rates and Fees Study

Dear Mr. Weathers:

Raftelis is pleased to submit this proposal to assist the City of Monroe (City) with a water and sewer rate, system development and miscellaneous fee study. The following proposal details our project approach and proposed fee to meet the City's objectives.

We look forward to working with you and the City of Monroe. Should you have any questions, please do not hesitate to contact me at (704) 936-4441.

Very truly yours,
RAFTELIS FINANCIAL CONSULTANTS, INC.

Melissa Levin
Executive Vice President

Project Approach

We have developed the following proposed services based on our extensive experience in completing comprehensive water and wastewater rate studies for other utilities while taking into account the considerations identified by the City both in its Request for Qualifications (RFQ) and our conversation with the City. Our approach has been tailored to address the specific objectives and concerns identified while maintaining those elements that we believe are essential for a successful project. We have used a similar project approach on many of our rate and cost-of-service study projects for utilities throughout North Carolina, the Southeast, and the U.S.

Task 1: Project Initiation and Management

The project management task begins with the submittal of this proposal and continues throughout the duration of the study. It is designed to ensure the study progresses in an efficient and deliberate manner. This task will include administrative components related to project management and quality assurance and control processes. The project manager will provide monthly invoices and updates as to the status of the project.

With the depth of over 160 consulting professionals, and specifically the current and anticipated workload of the individuals assigned to this project, we have the availability to provide the requested services in a timely and efficient manner to meet the scheduling requirements and objectives of the City.

MEETINGS / DELIVERABLES:

- Monthly project invoices and progress updates

Task 2: Kick-off Workshop and Data Request

Raftelis believes the execution of a successful kick-off workshop is instrumental in conducting an efficient and useful study. The goals of this meeting include providing a forum to finalize the work plan and schedule of the study, ensuring Raftelis has a clear understanding of the City's objectives and providing an opportunity for City staff to meet and become comfortable with the Raftelis team. This meeting also provides an opportunity to review and prioritize the City's most important pricing objectives (e.g., revenue stability, affordability, conservation, etc.) for providing water and sewer services. The pricing objectives ultimately influence the "conceptual designs" for rate structure options. Raftelis will prepare a kick-off workshop package that contains the meeting agenda, our initial assessment of the system's current financial state, a broad list of questions related to the City's water and sewer system, and presentation materials to guide the discussion and describe the project approach and deliverables.

Prior to the kick-off meeting, Raftelis will prepare and submit to City staff a detailed data request list so that readily available data can be forwarded to Raftelis prior to the workshop. The data required will include, but will not be limited to, operating and capital budgets, billing data, financial reports, Master Bond Resolution (or related document), population forecasts, ordinances, and/or contractual agreements. Using the information provided, Raftelis will conduct a preliminary review to assess the financial health of the water and sewer funds.

MEETINGS / DELIVERABLES:

- Kick-off meeting (in-person)
- Data request list
- Agenda for kick-off meeting
- Documentation summarizing the kick-off meeting

Task 3: Development of Financial Plans

With a firm understanding of the utility's overall financial condition, pricing objectives, and policy goals, Raftelis will develop a financial plan that becomes the roadmap for financial decision making in the future. Developing the financial plan will include three key tasks:

1. Establishing and projecting system revenue requirements
2. Developing a forecast of billable units and revenues at existing rates
3. Evaluating the sufficiency of existing revenues to meet the projection of revenue requirements

Project System Revenue Requirements

The revenue requirements will include all operating and maintenance (O&M) costs, capital costs, reserve requirements, and bond covenants. In addition, the projection of revenue requirements will also recognize the City's current and future capital program and provide an estimate for future debt service requirements and revenue financed capital.

The City's FY 2024 (or latest available) budget will serve as the baseline for the forecast of future operating costs. Raftelis will review the City's actual O&M costs for the past three-to-five years to identify trends that should be recognized in the forecast of future costs. We will review the current budget and discuss with staff any known and measurable changes to current cost levels, such as wages and benefits, utility costs, and other significant cost categories. In order to project costs over the planning period, we will develop escalators based on historical trends and anticipated impacts of inflation on the various categories of costs. These escalation factors will be reviewed with City staff to obtain their perspectives and input.

A critical component when projecting revenue requirements will be working with the City's capital improvement plan (CIP). Depending on the City's level of future capital needs and policies on capital financing, it may be appropriate to consider the issuance of future debt in combination with revenue generated from rates to deliver the capital program while managing the impacts on customers.

As a Registered Municipal Advisor, Raftelis will be available to work with the City to develop a capital financing plan for the study period. This is now a requirement under the Dodd-Frank Wall Street Reform and Consumer Protection Act. As part of this task, Raftelis will incorporate debt service on existing debt and calculate projected debt service payments related to future borrowings to finance the capital program. If necessary, Raftelis will also review bond resolutions and ordinances (or related documents) securing outstanding bonds and loans to ensure we have a comprehensive understanding of the flow of funds and all debt covenants that should be monitored.

Finally, the forecast of revenue requirements will consider all of the City's financial and debt policies (reserve fund balances and debt service coverage targets). Policies and metrics, both existing and proposed, will be identified, tracked, and incorporated into the forecast of revenue requirements. Raftelis will hold a web meeting with City staff to review all components of the forecast of revenue requirements. We will solicit City staff input to ensure the forecast is consistent with the expressed financial objectives.

Establish and Forecast Billable Units of Service and Revenues Under Existing Rates

Raftelis will examine historical utility billing records to determine customer demands for water and sewer service. This analysis includes examining usage patterns as they relate to customer demands, population growth, and usage peaks during different periods of the year. Based on this historical analysis and planning data, Raftelis will develop projections of customer accounts and consumption.

The next step in the financial planning process is to forecast revenue over the planning period at the existing rates. To do this, Raftelis will incorporate the results of the customer demand analysis to develop a forecast that projects billable units of service while accounting for any anticipated decline in per capita consumption and any estimates for the impact of price elasticity on customer demand. The forecast of billable units is paired with the existing rates to calculate user charge revenues. In addition to revenue generated from user charges, we will also forecast revenues from various ancillary fees, miscellaneous revenue, and interest income for the planning period.

Evaluate Revenue Sufficiency and Establish Financial Plan

Combining the results from the previous work elements will result in a financial plan over both 5- and 10-year forecast periods. Projections beyond 10 years will also be included for planning purposes. The financial plan will summarize the projected revenues and revenue requirements and incorporate annual debt service coverage requirements and reserve fund balance targets. The financial plan will project any future revenue shortfalls under the City's existing rates and provide an indication of the additional revenues necessary to support the projected revenue requirements and financial health of the water and sewer utilities.

MEETINGS / DELIVERABLES:

- Web-based meeting to review multi-year financial plans
- Multi-year financial plans for water and sewer utilities
- Recommendations for reserve fund, debt coverage, and other key financial policies

Task 4: Cost Allocation, Rate Design, and Rate Calculation

We will work with City staff to develop conceptual designs, or approaches, for alternative rate and fee structures based on the City's pricing objectives and financial goals. The process will consider the current user charge structure and the financial impact on the various ratepayers based on alternative structures. The City's current structure consists of fixed charges (which includes customer and availability charges) and a uniform volumetric rate for all customers. The City wishes to ensure that this rate structure is thoroughly evaluated using cost-of-service analyses. Although we take care to tailor a utility's cost-of-service analysis to meet the needs of the individual utility, we always make sure to follow the basic premise of cost-of-service allocations set forth by state and local laws, the American Water Works Association's *Manual M1, Principles of Water Rates, Fees and Charges (Manual M1)* and the Water Environment Federation's *Manual of Practice No.27, Financing and Charges for Wastewater Systems (MOP 27)*, and other authoritative bodies. Depending on the results of the conceptual designs, we will determine the most appropriate methodology for allocating costs, which may include detailed cost allocations to functional components of the utility systems, categories of service, and customer classes based on usage characteristics. However, it may be determined that costs need to be allocated more simply between fixed and variable components, for the purpose of calculating fixed and variable charges that are not assessed by customer class. In either case, we will develop an approach to allocating costs that is consistent with AWWA and WEF standards.

Following the cost allocation, Raftelis will calculate preliminary rates and charges based on the conceptual designs for alternative rate and fee structures. We will work within industry guidelines to meet the strategic financial objectives of the City. Rates under the proposed alternatives will be calculated for each year in the forecast period and adjusted, where possible, to provide for a smooth forecast of rate adjustments. Customer impact analyses will be performed to understand the impact of proposed changes to different types of customers. Raftelis will also compare the proposed rates to those of comparable communities and peers throughout North Carolina. This survey will be incorporated into the report and presentation identified in Task 6.

At the end of this task, we will conduct a web meeting with City staff. At this meeting, Raftelis will review the entire rate-setting process and present preliminary rates. Prior to the meeting, City staff will be provided with the draft rate model and preliminary rates so that they will be able to review our methodology and suggest changes. We will discuss all suggested changes and then work with the City to develop our final rate recommendations.

MEETINGS / DELIVERABLES:

- In-person meeting with City staff to review costs by customer classes and resulting rate alternatives
- Preliminary and final rate recommendations
- Rate comparison which can be used in presentations and deliverables

Task 5: Rate Model Development

At the heart of any successful rate study is the rate model used to develop revenue requirements, perform operational and capital financial planning, review customer information, and calculate revenue and rates. The rate model will incorporate the results of each of the other tasks in the engagement and be sophisticated enough to perform the complex calculations involved in a comprehensive rate analysis with the ability to analyze various rate structures. The rate model created for this engagement will be developed using Excel and will be based on a model framework that incorporates industry-standard, rate-setting methodologies in a user-friendly manner. The rate model will be built around our innovative modeling approach and will include a customized and interactive dashboard that will provide the City with an intuitive system to measure, track, and manage the performance of the water and sewer utilities. The rate model will be non-proprietary and will become the property of the City at the conclusion of the study.

Raftelis will develop a customized financial model that incorporates a dashboard to allow you to easily run scenarios and see the impacts in real time. Shown here is a sample dashboard that we developed for another project.

Task 6: Miscellaneous Fees (Pretreatment, Hauled Waste and Other)

The City is interested in having its pretreatment as well as its water and sewer tap fees evaluated to ensure that the fees are recovering the cost of providing each of these services. Additionally, the City is interested in having its lake and dock fees evaluated. To calculate these fees, consistent with industry guidelines, Raftelis will use a bottoms-up approach or a top-down approach that examines the specific labor, time and materials costs for providing each of these services. Raftelis will rely on City staff for input regarding estimations for employee time spent to provide each of these services.

Task 7: Wholesale Rates

The City provides sewer wholesale service to Union County and purchases water from Union County. Raftelis will work with City staff to review the existing sewer wholesale agreement and current sewer wholesale rate. Raftelis will verify the existing wholesale rate based on the prescribed contract methodology as documented in the existing sewer wholesale agreement. In the absence of a prescribed methodology, the utility approach will be used to determine a fixed and volume-based rate structure for the wholesale calculation.

MEETINGS / DELIVERABLES:

- One (1) virtual presentation with City staff to review the results of the miscellaneous fee calculations and wholesale rates review

Task 8: System Development Fees

Raftelis will calculate system development fees in a separate model. Raftelis has calculated system development fees for utilities across North Carolina using buy-in, incremental, and combined approaches, all of which are detailed in the *M1 Manual*, and further refined for North Carolina in the NC General Statute 162A Article 8 "System Development Fees." Raftelis will determine the most appropriate fee calculation methodology to use, given the City's capital plan and existing infrastructure investment.

MEETINGS / DELIVERABLES:

- Presentation with City staff and others if needed. A separate report will be prepared for the system development fees.

Task 9: Report, Recommendations, and Presentations

The final task includes the development of draft and final deliverables and presentations to conclude the study.

Raftelis will develop and provide City staff a draft report that describes the study process along with financial planning, rate, and fee recommendations. The report will also include the rate benchmarking findings performed as part of Task 4. The draft report will be submitted to City administration for review and comment. Comments and revisions will be incorporated before finalizing the report.

Raftelis will incorporate City staff's comments of the draft report into a final report. Upon finalization of the report, Raftelis will deliver an electronic copy on a flash drive and any requested hard copies of the final report. The final rate model will also be delivered to the City and training provided for its continued use by City staff.

Raftelis will be able to assist the City as necessary in presenting the results of the study and supporting study recommendations. We will work with the City to determine the most appropriate level of stakeholder interaction. For the purpose of this scope of services, we have included one in-person presentation.

MEETINGS / DELIVERABLES:

In-person public meeting to present final study results
Web-based meeting with City staff to provide training on the final rate model

Project Fees

Raftelis proposes to complete the scope of services detailed in this engagement letter for fees and expenses not to exceed $162,800.[1] Estimated fees are based on 670 professional hours to complete the tasks described above. The project fees are based on our standard hourly billing rates for professional and administrative personnel assigned to the project, plus direct expenses.

It is our practice to bill monthly for fees and expenses as they are incurred during a project. The work plan shown below provides an estimate of the time required to complete each task, and we reserve the right to shift hours among tasks and personnel as circumstances may change during the project. Total fees and expenses will be limited to the not-to-exceed amount unless specific approval for an adjustment in scope is approved by the City.

CITY OF MONROE, NC

FY 2024 Proposed Scope of Services

Tasks	In-Person Meetings	Virtual Meetings	Hours					Total Fees & Expenses
			ML	WK	FM	MO	Total	
1. Project Initiation and Management	0	0	12	8	2	2	24	$6,970
2. Kick-off Workshop and Data Request	1	1	12	12	8	2	34	$9,520
3. Development of Financial Plans	0	0	16	16	24	40	96	$22,120
4. Retail Cost Allocation and Rate Calculation	1	1	16	16	24	32	88	$20,850
5. Rate Model Development	0	0	2	4	12	24	42	$8,680
6. Miscellanous Fees Review	0	0	12	24	28	40	104	$23,760
7. Wholesale Rate Review	0	1	24	24	40	2	90	$23,950
8. System Development Fees	1	1	24	24	24	40	112	$27,050
9. Recommendations and Presentations	1	1	16	24	20	20	80	$19,910
Total Estimated Meetings / Hours	**4**	**5**	**134**	**152**	**182**	**202**	**670**	
Hourly Billing Rate			**$340**	**$260**	**$230**	**$175**		
Total Professional Fees			**$45,560**	**$39,520**	**$41,860**	**$35,350**	**$162,290**	

Total Fees	**$162,290**
Total Expenses*	**$522**
Total Fees & Expenses	**$162,812**

ML - Melissa Levin
WK - Will Kerr
FM - Ford Moriarty

[1] Annual fiscal year updates to the financial planning model are estimated to be $18,000 if desired and requested by the City.

STAFF REPORT

TO: Public Enterprise Committee

VIA: William M. Watson, City Manager

DATE: April 2, 2024

FROM: Scott Clark, Water Resources Director

PREPARED BY: Richard Riser, Water Resources Engineering and Construction Manager

SUBJECT: Contract Award – Stewarts Creek Pump Station Upgrade Plan Set – A Force Main Project

SUMMARY STATEMENT

PEC is requested to consider a contract award for the installation of a new sanitary sewer force main from the existing City of Monroe Stewarts Creek pump station to a discharge point along Stafford Street Extension approximately 1,200 feet from Morgan Mill Road (NC 200.)

REVIEW

The Water Resources Department received formal bid proposals on March 21, 2024 for Stewarts Creek Pump Station Upgrade Plan Set - A Project. The project involves the replacement of approximately 6,000 linear feet of 12" sanitary sewer force main with a new 20" force main and related appurtenances.

Responsive proposals were received from the following qualified contractors (Bid Tabulation sheets are attached):

Contractor	Proposal
Park Construction Corporation	$1,925,818.65
BRS Construction	$2,616,048.75
R.H. Price	$2,786,724.15
Dellinger, Inc.	$3,079,098.00
State Utility Contractors	$3,154,872.00
Dawn Development	$3,353,988.75
Cleary Construction Inc.	$3,763,299.75

For this Contract, staff is recommending award to Park Construction of NC, Inc. in the amount of $1,925,818.65. The contract period is two hundred (200) days.

On June 8, 2021, City Council adopted the Annual Balanced Budget for Fiscal Year 2021-2022. The adopted budget included $2,000,000 in funding for the Stewarts Creek Pump Station Upgrades which included installation of a new force main, installation of a 4th pump along with the required electrical upgrades to control the 4th pump. Engineering cost as well as the cost for purchase of the 4th pump has reduced the available budget below the $2,000,000 requiring a budget amendment. Additional funding in the amount of $300,000 is requested to be appropriated via budget amendment BO-2024-06 from the Water/Sewer Capital Project Reserve Fund.

RECOMMENDATION

It is the recommendation of Staff that Public Enterprise Committee take the following action:

Staff recommends a motion to award the contract for the Stewarts Creek Pump Station Upgrade Plan Set A – Force Main to Park Construction of NC, Inc., in the amount of $1,925,818.65, authorization for the City Manager to execute the necessary documents and send to Council for approval on the April 9th consent agenda.

Staff recommends a motion to approve Budget Ordinance BO-2024-06 and forward to City Council for consideration on the April 9th consent agenda.

Attachments:

- City of Monroe Budget Ordinance BO-2024-06
- Contract for Construction Services for the Stewarts Creek Pump Station Upgrade Plan Set A – Force Main
- Bid Tabulation

AGREEMENT

THIS AGREEMENT, made this the ________ day of ______________, 20___, by and between the CITY OF MONROE, NORTH CAROLINA (hereinafter called "Owner"), a municipal corporation located in Union County, North Carolina; and PARK CONSTRUCTION OF NORTH CAROLINA, INC. (hereinafter called "Contractor"), a North Carolina Licensed Utility Contractor.

WITNESSETH

THAT for and in consideration of the mutual covenants hereinafter set forth agree as follows:

1. The Contractor shall furnish all materials, supplies, tools, equipment, labor, and other services necessary to construct and complete all Work as specified by the Contract Documents for the following Project:

   The furnishing of all materials, equipment and labor necessary for the replacement of approximately 5,200 linear feet of existing 12-inch force main from the Stewarts Creek Pump Station with 20-inch force main and construct an additional 800 linear fee of 20-inch force main parallel to the existing 18-inch force main from the Stewarts Creek Pump station.

2. The Contractor will begin Work by the date specified in the Contract Documents following issuance by the Owner of a Notice to Proceed and will complete the Work within the time specified in the Bid Form or as amended by Change Order executed by the Owner and Contractor. The Owner and Contractor recognize that time is of the essence to perform the Work under this Agreement and that the Owner will suffer financial loss if the Work is not performed within the time required. Should the Contractor fail to complete the Work within this time, the Contractor agrees, in lieu of expense and difficulties in proving the financial loss, to pay to the Owner for delay as liquidated damages the sum set forth in the Bid Form of the Contract Documents per day of delay.

3. The Contractor agrees to perform all of the Work described in the Contract Documents at the Lump Sum Price provided on the Bid Form which is represented by quantity on the Bid Form to equal the sum of the following:

$ 1,925,818.65
(Amount in Numerical Format)

($ One Million, Nine Hundred Twenty-Five Thousand, Eight Hundred Eighteen Dollars and Sixty-Five Cents)
(Amount Written Out)

4. The Owner agrees to pay the Contractor in the manner and at such time and in such amounts as is set forth in the Contract Documents.

5. The Contractor makes the following representations to the Owner:

A. That the Contractor has become familiar with the nature and extent of the Work prescribed in the Contract Documents, the site of the Work and its subsurface conditions, and local conditions and laws and regulations which in any manner may affect cost, progress, performance, or furnishing of the Work as is required by the General Conditions, Specifications, Special Provisions in the Contract Document and the City of Monroe Specification and Standard Details Manual.

B. That the Contractor has given the Owner written notice of all conflicts, errors, discrepancies, or need for clarification of understanding of any part of the Drawings or Contract Documents not entirely clear to the Contractor, and the written resolution of all such notices are acceptable to the Contractor.

C. That Contractor has adopted formal procedures and training for the Contractor's personnel in occupational safety and health practices in conformance with 29 CFR Part 1926 and has adopted procedures to require the same of any subcontractors.

D. **E-Verify Requirement.** The Contractor shall comply with the requirements of Article 2 of Chapter 64 of the General Statutes. Further, if the Contractor utilizes a subcontractor, the Contractor shall require the subcontractor to comply with the requirements of Article 2 of Chapter 64 of the General Statutes.

E. Bidder agrees that the Work will be Substantially Complete within 160 calendar days from the date of the Contract Time as will be defined in the Notice to Proceed in accordance with the Contract Documents, and further agrees that all work will be completed and ready for final payment within 200 calendar days from the beginning of the Contract Time. Bidder accepts the provisions of the Agreement and the General Conditions as to liquidated damages in the event of failure to complete the Work on time and agrees to pay to the Owner as liquidated damages the sum of $100.00 per day from the scheduled completion of the Contract Time to the actual completion date. If documented equipment delivery delays beyond the reasonable control of the Contractor occur, the Contract Time may be extended with the agreement of the Owner.

6. The Contract Documents which comprise this entire Agreement between the Owner and Contractor include the following:

This Agreement
Advertisement for Bids
Bid Invitation and Instructions to Bidders
Bid Form and All Addenda Referenced by the Completed Bid Form
Minority Business Contract Provisions
General Conditions and Supplemental Conditions
Contract Documents, Plans, Specifications, and Special Provisions
Notice of Award
Notice to Proceed
Executed Change Orders

7. No assignment by a party hereto of any rights under or interest in the Contract Documents will be binding on the other party hereto without the written consent of the party sought to be bound; and unless stated to the contrary in any written consent no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

8. This Agreement shall be binding upon all parties hereto and to their respective partners, successors, assigns and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

9. The City of Monroe reserves the right to delete sections or portions of the work indicated on the Plans without written consent of the Contractor.

IN WITNESS WHEREOF, the Contractor has hereunto set his hand and seal (or) has caused this contract to be signed in its corporate name and its Corporate Seal affixed and attested by its Secretary and by authority of its Board of Director duly given, and the City, acting through its City Council has caused this contract to be executed in the name of the City of Monroe by its City Manager, and attested by the City Clerk of said City, and the Corporate Seal of the City of Monroe to be hereto affixed.

THIS AGREEMENT, entered into as of the day and year first written above.

CONTRACTOR:

Park Construction of North Carolina, Inc.

____
President Date

ATTEST:

____
Corporate Secretary Date

(CORPORATE SEAL)

OWNER:
City of Monroe

By: ________________________________
William Mark Watson, City Manager Date

____
Richard Long - City Attorney Date

ATTEST:

____
Bridgette. Robinson, City Clerk Date

(SEAL)

This instrument has been pre-audited in the manner required by the local government budget and fiscal control act.

Signature ____________________ Date ____________

BID FORM

CITY OF MONROE WATER RESOURCES DEPARTMENT
STEWARTS CREEK PUMP STATION UPGRADE
PLAN SET A – FORCE MAIN
PROJECT NUMBER 22-26

Owner: City of Monroe, North Carolina

1. The undersigned Bidder proposes and agrees, if this Bid is accepted, to enter into an agreement with the Owner in the form included in the Contract Documents to complete all Work as specified in the Contract Documents for the Contract Price and within the Contract Time indicated in this Bid.

2. The undersigned Bidder accepts all of the terms and conditions of the Request for Bid Proposals and the Bid Invitation and Instructions to Bidders.

3. In submitting this Bid, Bidder represents, as more fully set forth in the Agreement, that:

   (a) Bidder has examined copies of all of the Contract Documents and all of the following addenda:

Addendum No.	Date of Issue
1	3-11-24
2	3-18-24
3	3-19-24

   (b) Bidder has examined the site and locality where the Work is to be performed, the legal requirements (federal, state, and local laws, ordinances, rules, and regulations) and the conditions affecting cost, progress and performance of the Work and has made such independent investigations as Bidder deems necessary

   (c) Bidder has reviewed and checked all information and data shown or indicated on the Contract Documents with respect to existing underground facilities at or contiguous to the site and assumes responsibility for the accurate location of said facilities during construction. No additional examinations, investigations, tests, reports, are or will be required by the Bidder in order to perform and furnish the Work at the Contract Price, within the Contract Time, and in accordance with the terms and conditions of the Contract Documents.

(d) Bidder has correlated the results of all such observations, examinations, investigations, explorations, tests, reports, and studies with the terms and conditions of the Contract Documents.

(e) Bidder has given Engineer written notice of all conflicts, error or discrepancies that he has discovered in the Contract Documents and the written resolution thereof by the Engineer is acceptable.

(f) The Bid is genuine and not made in the interest of or on behalf of any undisclosed person, firm, or corporation and is not submitted in conformity with any agreement or rules of any outside group, association, organization or corporation; Bidder has not directly or indirectly induced or solicited any other Bidder to submit a false or sham bid, or to refrain from bidding; and Bidder has not sought by collusion to obtain for himself any advantage over any other Bidder or over Owner.

4. Bidder shall complete the Work for the attached ~~Lump Sum price~~ TOTAL BASE BID. (PER Addendum 1)

5. Award of the contract shall be based on the lowest responsible bid for the Base Bid, which in the opinion of the City of Monroe Water Resources Department, best meets the needs of the project and the best interest of the City.

6. Bidder agrees that the Work will be Substantially Complete within 160 calendar days from the date of the Contract Time as will be defined in the Notice to Proceed in accordance with the Contract Documents, and further agrees that all work will be completed and ready for final payment within 200 calendar days from the beginning of the Contract Time. Bidder accepts the provisions of the Agreement and the General Conditions as to liquidate damages in the event of failure to complete the Work on time and agrees to pay to the Owner as liquidated damages the sum of $100.00 per day from the scheduled completion of the Contract Time to the actual completion date. If documented delays beyond the reasonable control of the Contractor occur, the Contract Time may be extended with the agreement of the Owner.

7. The Bidder shall agree to the guidelines for recruitment and selection of minority businesses for participation in this Bid as contained in these Contract Documents. All applicable forms shall be completed per the instructions. Failure to complete the applicable forms may be grounds for rejection of the bid.

8. Communications concerning this Bid shall be addressed to the Bidder at the address stated below:

Name of Company: PARK CONSTRUCTION of NC, INC.

Contact Person Name Bobbie Raynor

Address: PO Box 500

City/State/Zip: MORRISVILLE, NC 27560

State of North Carolina Contractor License Number(s) 61200

9. The terms used in this Bid Form have the meanings assigned to them in the definition section of the General Conditions.

Bid Submitted by: Christopher J. Humbert V.P. 3-21-24

(Signature) (Date)

CHRISTOPHER J. HUMBERT, VICE PRESIDENT

(Name and Title of Person Signing Above)

ATTEST: Bobbie Raynor

(Signature)

BOBBIE RAYNOR, ASSIST. SECRETARY

(Name and Title of Person Whose Signature Attests Above)

(SEAL)

Park Construction of North Carolina, INC. CORPORATE SEAL 2002 North Carolina

We have reviewed the attached Plans, Specifications and Contract Documents and submit the following bid to perform the work included in this project for the Lump Sum amount shown below.

Bid

Item Number	Item Description	Unit	Unit Quantity	Unit Price	Total Bid Price
1	Mobilization and Bonding	LS	1	$ 57,250	$ 57,250
2	Erosion Control	LS	1	$ 56,127	$ 56,127
3	Clearing and Grubbing	LS	1	$ 34,822	$ 34,822
4	Removal of 12-inch PVC Force Main (including fittings, valves, ARV assemblies and associated appurtenances)	LS	1	$ 23,187	$ 23,187
5	Abandon 12-inch PVC Force Main in place with Flowable Fill	LF	75	$ 27	$ 2025
6	20" PVC Force Main, C900 DR-18	LF	4250	$ 154.50	$ 656,625
7	20" PVC Force Main, Restrained Joint	LF	1950	$ 206.20	$ 402,090
8	20" DIP Force Main, Restraned Joint	LF	45	$ 417	$ 18,765
9	24" PVC Force Main, Restrained Joint	LF	70	$ 318	$ 22,260
10	20" 11.25° Bend	EA	1	$ 4224	$ 4224
11	20" 22.5° Bend	EA	2	$ 4335	$ 8670
12	20" 45° Bend	EA	9	$ 4227	$ 38,043
13	24" X 20" Reducer	EA	2	$ 5174	$ 10,348
14	24" X 20" Tee	EA	1	$ 8707	$ 8707
15	20" X 16" Reducer	EA	1	$ 3874	$ 3874
16	20" Plug Valve	EA	2	$ 18,067	$ 36,134
17	24" Plug Valve	EA	1	$ 36,199	$ 36,199
18	Combination Air Valve Assembly (including Concrete manhole and associated appurtenances)	EA	1	$ 10,202	$ 10,202
19	Valve Box (for Tracer Wire)	EA	4	$ 318	$ 1272
20	36" Steel Casing, via Open Cut	LF	45	$ 406	$ 18,270
21	Pump Station Site Work	LS	1	$ 119,171	$ 119,171
22	Pump Station Bypass Connection	LS	1	$ 20,950	$ 20,950
23	Connection for Bridge to Recovery	LS	1	$ 12,436	$ 12,436
24	Junction/Discharge Structure	LS	1	$ 15,626	$ 15,626
25	Existing 12" to 16" Connection Removal	LS	1	$ 3423	$ 3423
Add # 2 26	Cut and Replace Asphalt Street/Driveway	LF	500 ~~215~~	$ 56.80	$ 28,400
27	Replace Gravel Drive	LF	865	$ 14.80	$ 12,802
28	Bypass ~~Pumping~~ Piping (Addendum 1)	LS	1	$ 138,999	$ 138,999
29	Permanent Seeding and Mulching	LS	1	$ 13,513	$ 13,513
30	Traffic Control	LS	1	$ 19,699	$ 19,699
				Subtotal Items 1 - 30	$ 1,834,113
31	Contingency (5% of Items 1 - 30)			$ 91,705.65	$ 91,705.65
				Total Base Bid (Items 1 - 31)	$ 1,925,818.65

Total Base Bid Price

ONE MILLION NINE HUNDRED TWENTY-FIVE THOUSAND EIGHT HUNDRED EIGHTEEN Dollars SIXTY-FIVE Cents
(Words) (Words)

APPENDIX A - DISADVANTAGED BUSINESS ENTERPRISES

MINORITY BUSINESS CONTRACT PROVISIONS (CONSTRUCTION) APPLICATION:

The Guidelines for Recruitment and Selection of Minority Businesses for Participation in State Construction Contracts are hereby made a part of these contract documents. These guidelines shall apply to all contractors regardless of ownership. Copies of these guidelines may be obtained from the Department of Administration, State Construction Office.

MINORITY BUSINESS SUBCONTRACT GOALS:

The goals for participation by minority firms as subcontractors on this project have been set at 10%.

The bidder must provide with their bid (Affidavit A) identifying on its bid, the minority businesses that will be utilized on the project with corresponding total dollar value of the bid and listing good faith efforts

OR

(Affidavit B) of self-performance of work, if the bidder will perform work under contract by its own workforce, as required by G.S. **143-128.2(c) and G.S. 143-128-2(t)**

After the bid opening, if the lowest responsible, responsive bidder provided (Affidavit A) they must provide either Affidavit C, that includes a description of the portion of work to be executed by minority businesses, expressed as a percentage of the total contract price, which is equal to or more than the applicable goal, or Affidavit D, that includes a description of the portion of work to be executed by minority businesses, expressed as a percentage of the total contract price, with documentation of Good Faith Effort, if the percentage is not equal to the applicable goal.

If the Affidavit B is provided, the bidder does not have to submit Affidavit C or Affidavit D

The above information must be provided as required. Failure to submit these documents is grounds for rejection of the bid.

MINIMUM COMPLIANCE REQUIREMENTS:

All written statements, affidavits or intentions made by the Bidder shall become a part of the agreement between the Contractor and the City for performance of this contract. Failure to comply with any of these statements, affidavits or intentions, or with the minority business Guidelines shall constitute a breach of the contract. A finding by the City that any information submitted either prior to award of the contract or during the performance of the contract is inaccurate, false or incomplete, shall also constitute a breach of the contract. Any such breach may result in termination of the contract in accordance with the termination provisions contained in the contract. It shall be solely at the option of the State whether to terminate the contract for breach.

In determining whether a contractor has made Good Faith Efforts, the City will evaluate all efforts made by the Contractor and will determine compliance in regard to quantity, intensity, and results of these efforts. Good Faith Efforts include:

(1) Contacting minority businesses that reasonably could have been expected to submit a quote and that were known to the contractor or available on State or local government maintained lists at least 10 days before the bid or proposal date and notifying them of the nature and scope of the work to be performed.

(2) Making the construction plans, specifications and requirements available for review by prospective minority businesses, or providing these documents to them at least 10 days before the bid or proposals are due.

(3) Breaking down or combining elements of work into economically feasible units to facilitate minority participation.

(4) Working with minority trade, community, or contractor organizations identified by the Office for Historically Underutilized Businesses and included in the bid documents that provide assistance in recruitment of minority businesses.

(5) Attending any pre-bid meetings scheduled by the public owner.

(6) Providing assistance in getting required bonding or insurance or providing alternatives to bonding or insurance for subcontractors.

(7) Negotiating in good faith with interested minority businesses and not rejecting them as unqualified without sound reasons based on their capabilities. Any rejection of a minority business based on lack of qualification should have the reasons documented in writing.

(8) Providing assistance to an otherwise qualified minority business in need of equipment, loan capital, lines of credit, or joint pay agreements to secure loans, supplies, or letters of credit, including waiving credit that is ordinarily required. Assisting minority businesses in obtaining the same unit pricing with the bidder's suppliers in order to help minority businesses in establishing credit.

(9) Negotiating joint venture and partnership arrangements with minority businesses in order to increase opportunities for minority business participation on a public construction or repair project when possible.

(10) Providing quick pay agreements and policies to enable minority contractors and suppliers to meet cash-flow demands.

AFFIDAVIT A

SUBMIT WITH BID IF ANY MINORITY SUBCONTRACTOR ARE TO BE USED

Identification of Minority Business Participation – Goal is 10% of Contract

I, PARK CONSTRUCTION OF NC, INC.
(Name of Bidder)

do hereby certify that on this project, we will use the following minority business enterprises as construction subcontractors, vendors, suppliers or providers of professional services.

Firm Name, Address and Phone #	Work Type	* Minority Category
WALLACE MECHANICAL SUPPLY CHERAW, SC 843-537-4277	SUPPLIER	B
CANADY'S LANDSCAPE LEXINGTON, NC 336-236-1182	EROSION CONTROL	F

* Minority Categories: Black, African American (B), Hispanic (H), Asian American (A), American Indian (I), Female (F), Socially and Economically Disadvantaged (D)

The total value of minority business contracting will be ($) 192,582.

AFFIDAVIT A (continued) - Attach to Bid

City of Monroe
Listing of the Good Faith Effort

County of Union

Affidavit of PARK CONSTRUCTION OF NC, INC.
(Name of Bidder)

I have made a good faith effort to comply under the following areas checked:
(A minimum of 5 areas must be checked in order *to have achieved a good faith effort)*

✓ 1 - Contacted minority businesses that reasonably could have been expected to submit a quote and that were known to the contractor, or available on State or local government maintained lists, at least 10 days before the bid date and notified them of the nature and scope of the work to be performed.

✓ 2 - Made the construction plans, specifications and requirements available for review by prospective minority businesses, or providing these documents to them at least 10 days before the bids are due.

✓ 3 - Broken down or combined elements of work into economically feasible units to facilitate minority participation.

____ 4 - Worked with minority trade, community, or contractor organizations identified by the Office of Historically Underutilized Businesses and included in the bid documents that provide assistance in recruitment of minority businesses.

✓ 5 - Attended pre-bid meetings scheduled by the public owner.

✓ 6 - Provided assistance in getting required bonding or insurance or provided alternatives to bonding or insurance for subcontractors.

✓ 7- Negotiated in good faith with interested minority businesses and did not reject them as unqualified without sound reasons based on their capabilities. Any rejection of a minority business based on lack of qualification should have the reasons documented in writing.

✓ 8 - Provided assistance to an otherwise qualified minority business in need of equipment, loan capital, lines of credit, or joint pay agreements to secure loans, supplies, or letters of credit, including waiving credit that is ordinarily required. Assisted minority businesses in obtaining the same unit pricing with the bidder's suppliers in order to help minority businesses in establishing credit.

✓ 9 - Negotiated joint venture and partnership arrangements with minority businesses in order to increase opportunities for minority business participation on a public construction or repair project when possible.

✓ 10- Provided quick pay agreements and policies to enable minority contractors and suppliers to meet cash flow demands.

In accordance with GS143-128.2(d) the undersigned will enter into a formal agreement with the firms listed in the Identification of Minority Business Participation schedule conditional upon execution of a contract with the Owner. Failure to abide by this statutory provision will constitute a breach of the contract.

The undersigned hereby certifies that he or she has read the terms of the minority business commitment and is authorized to bind the bidder to the commitment herein set forth.

Date: 3-21-24

Name of Authorized Officer: CHRISTOPHER J. HUMBERT

Signature: [signature]

Title: VICE PRESIDENT

Ryan L Mack
NOTARY PUBLIC
Alamance County, NC

State of North Carolina, County of Alamance

Subscribed and sworn to before me this 21 day of March, 2024

Notary Public Ryan L. Mack

My commission expires 10-28-2028

NON-COLLUSION AFFIDAVIT

STATE OF NORTH CAROLINA

COUNTY OF WAKE

The undersigned being first duly sworn as provided by law, deposes and says:

1. His name is CHRISTOPHER J. HUMBERT

   And he resides at APEX, NC

   And his office is at MORRISVILLE, NC

2. He makes this affidavit with the knowledge and intent that it is to be filed with the City of Monroe, North Carolina, and that it will be relied upon by said City in any consideration which it may give to and any action which it may take with respect to this proposal.

3. He makes and is authorized to make this affidavit on behalf of:
   PARK CONSTRUCTION OF NC, INC.
   (Name of Corporation, Partnership, Individual, etc.)

   A GENERAL CONTRACTING BUSINESS formed under the laws

   of NORTH CAROLINA
   (State)

   which he is the VICE PRESIDENT

   (Sole Owner, Partner, President, etc.)

4. Neither the undersigned nor any other person, firm or corporation, named in the above paragraph 3 nor anyone else to the knowledge of the undersigned, have themselves solicited or employed anyone else to solicit favorable action for this proposal by the City of Monroe, North Carolina; also that no head of any department or employee therein, or any officer of the City is directly or indirectly interested therein.

5. That the undersigned certifies in connection with this bid or proposal that:

   A. The price of this bid or proposal has been independently arrived at without collusion with any other bidder or offer with any competitor.

B. Unless otherwise required by law, the price in this bid or proposal has not been knowingly disclosed prior to opening, in the case of a bid, or prior to award, in the case of a proposal, directly or indirectly to any other bidder or to any competitor; and

C. No attempt has been or will be made to induce any other person or firm to submit or not to submit a bid or proposal.

6. The affiant certifies that he has fully informed himself regarding the accuracy of the statements contained in this certification.

Christopher J. Hunt
(Affiant)

Subscribed and sworn to before the undersigned, a Notary Public, in and for the County and State aforesaid, this 21 day of March, 2024.

(Seal) Ryan L Mack
NOTARY PUBLIC
Alamance County, NC

Ryan L. Mack
Notary Public

My commission expires: 10-28-2028

Expiration Date

12/31/2024

License No.

61200

North Carolina

Licensing Board for General Contractors

This is to Certify That:

Park Construction of North Carolina, Inc.

Morrisville, NC

is duly registered and entitled to practice

General Contracting

Limitation: Unlimited

Classification: Unclassified

until

December 31, 2024

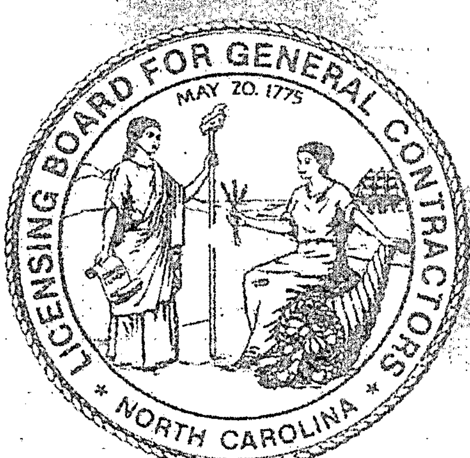
when this Certificate expires.

Witness our hands and seal of the Board.

Dated, Raleigh, N.C.

01/01/2024

This certificate may not be altered.



Chairman

Secretary-Treasurer

PARK
CONSTRUCTION OF NC, INC.

TEAMWORK Together We Achieve The Extraordinary!

Park Construction of North Carolina, Inc.
Certificate of Vote

I, Anne M. Young, hereby certify that I am elected Secretary of Park Construction of North Carolina, Inc.

I, hereby certify that the following is a true copy of a vote taken at a meeting of the Board of Directors of the Corporation, duly called and held on Thursday, December 31, 2015 at which a quorum was present and voting.

Voted:

RESOLVED, That Christopher J. Humbert was elected Vice President of Park Construction of North Carolina, Inc., effective December 31, 2015 is duly authorized and empowered to enter into any contract designated in the name of and on behalf of Park Construction of North Carolina, Inc., upon such terms and conditions as may be agreed upon between he and designated entities. Further, he is authorized to execute any document, which in his judgement is desirable to effect the purpose of this vote.

I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of January 5, 2016 and that Christopher J. Humbert is an officer and a bona fide employee of Park Construction of North Carolina, Inc.

ATTEST:

Anne M Young

Anne M. Young
Secretary
Park Construction of
North Carolina, Inc.

DATE: January 5, 2016

Post Office Box 500 ◦ Morrisville, NC 27560 ◦ Phone (919) 319-8801 ◦ Fax (919) 319-8835

PARK
CONSTRUCTION OF NC, INC.

TEAMWORK Together We Achieve The Extraordinary!

Park Construction of North Carolina, Inc.
Certificate of Vote

I, Anne M. Young, hereby certify that I am elected Secretary of Park Construction of North Carolina, Inc.

I, hereby certify that the following is a true copy of a vote taken at a meeting of the Board of Directors of the Corporation, duly called and held on Wednesday, January 13, 2016 at which a quorum was present and voting.

Voted:

RESOLVED, That Bobbie G. Raynor was elected Assistant Secretary of Park Construction of North Carolina, Inc., effective January 13, 2016 and is duly authorized and empowered to enter into any contract designated in the name of and on behalf of Park Construction of North Carolina, Inc., upon such terms and conditions as may be agreed upon between he and designated entities. Further, he is authorized to execute any document, which in his judgement is desirable to effect the purpose of this vote.

I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of January 14, 2016 and that Bobbie G. Raynor is an officer and a bona fide employee of Park Construction of North Carolina, Inc.

ATTEST:

Anne M Young

Anne M. Young
Secretary
Park Construction of
North Carolina, Inc.

DATE: January 14, 2016

Post Office Box 500 • Morrisville, NC 27560 • Phone (919) 319-8801 • Fax (919) 319-8835

THE AMERICAN INSTITUTE OF ARCHITECTS

AIA Document A310

Bid Bond

BOND # PCC314

KNOW ALL MEN BY THESE PRESENTS, that we
PARK CONSTRUCTION OF NORTH CAROLINA, INC.
416 AIRPORT BOULEVARD
MORRISVILLE, NC 27560
(Here insert full name and address or legal title of Contractor)
as Principal, hereinafter called the Principal, and
TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
350 GRANITE STREET
BRAINTREE, MA 02184
a corporation duly organized under the laws of the State of
CT
as Surety, hereinafter called the Surety, are held and firmly bound unto
CITY OF MONROE, NC
2401 WALKUP AVENUE MONROE, NC 28111
(Here insert full name, and address or legal title of Owner)

as Obligee, hereinafter called the Obligee, in the sum of
Five Percent of Amount Bid------------------------------------Dollars ($ **5% of bid**),
for the payment of which sum well and truly to be made, the said Principal and the said Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has submitted a bid for
STEWART'S CREEK PUMP STATION UPGRADE - PLAN SET A - FORCE MAIN

(Here insert full name, address and description of project)

NOW, THEREFORE, if the Obligee shall accept the bid of the Principal and the Principal shall enter into a Contract with the Obligee in accordance with the terms of such bid and give such bond or bonds as may be specified in the bidding or Contract Documents with good and sufficient surety for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof, or in the event of the failure of the Principal to enter such Contract and give such bond or bonds, if the Principal shall pay to the Obligee the difference not to exceed the penalty hereof between the amount specified in said bid and such larger amount for which the Obligee may in good faith contract with another party to perform the Work covered by said bid then this obligation shall be null and void, otherwise to remain in full force and effect.

Signed and sealed this **March 14, 2024.**

PARK CONSTRUCTION OF NORTH CAROLINA, INC.

Bobbi Raynor
(Witness)

Christopher J. Hunter
(Principal) (Seal)

VICE PRESIDENT
(Title)

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

Susan P. Place
(Witness)

E. A. Morrissette
(Surety) (Seal)
(Title) **E. A. MORRISSETTE, ATTORNEY-IN-FACT**

TRAVELERS

Travelers Casualty and Surety Company of America
Travelers Casualty and Surety Company
St. Paul Fire and Marine Insurance Company

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company are corporations duly organized under the laws of the State of Connecticut (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint **E A Morrissette** of **Manchester New Hampshire**, their true and lawful Attorney-in-Fact to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed, and their corporate seals to be hereto affixed, this **3rd** day of **February, 2017.**

State of Connecticut

City of Hartford ss.

By: [signature]
Robert L. Raney, Senior Vice President

On this the **3rd** day of **February, 2017**, before me personally appeared **Robert L. Raney**, who acknowledged himself to be the Senior Vice President of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.

My Commission expires the **30th** day of **June, 2021**.

Marie C Tetreault
Marie C. Tetreault, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, **Kevin E. Hughes**, the undersigned, Assistant Secretary of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which remains in full force and effect.

Dated this 14th day of March, 2024

[signature]
Kevin E. Hughes, Assistant Secretary

To verify the authenticity of this Power of Attorney, please call us at 1-800-421-3880.
Please refer to the above-named Attorney-in-Fact and the details of the bond to which the power is attached.

CAPITAL PROJECT BUDGET ORDINANCE
STEWARTS CREEK PUMP STATION UPGRADE PLAN SET – A FORCE MAIN PROJECT
BO-2024-06

WHEREAS, the City desires to provide reliable, quality sewer service to the citizens of Monroe; and

WHEREAS, due to rapid growth, the Stewart Creek Sewer Basin has reached capacity; and

WHEREAS, the City Council approved funding for the project as part of the Fiscal Year 2021-2022 budget; and

WHEREAS, $2,000,000 was previously transferred from the Water and Sewer Capital Reserve Fund to the Water and Sewer Capital fund for this project; and

WHEREAS, $300,000 is needed to complete the project pursuant to bids received.

NOW, THEREFORE, BE IT ORDAINED that the City Council of Monroe amends the capital project budget for the project entitled "Stewart Creek Pump Station Upgrade Plan Set – A Force Main Project" and appropriate the following revenues and expenses:

Water and Sewer Fund Reserve Fund:	
Revenue:	
Appropriation from Fund Balance	$300,000
Expenses:	
Transfer to Water & Sewer Capital Project Fund	$300,000
Water and Sewer Capital Project Fund:	
Revenue:	
Transfer from Water & Sewer Reserve Balance	$300,000
Expenses:	
Project Costs SR2226	$300,000

BE IT FURTHER ORDAINED that an amendment to the Water and Sewer Reserve Fund budget for FY 2023-2024 is approved to appropriate and transfer $300,000 to the "Stewart Creek Pump Station Upgrade Plan Set – A Force Main Project" in the Water and Sewer Capital Project Fund.

Adopted this 9th day of April, 2024.

____
Robert Burns, Mayor

Attest:

____
Bridgette H. Robinson, City Clerk

City of Monroe Water Resources Department
Stewarts Creek Forcemain Upgrades
Project Number 22-26

Bid Tabulation

Item Number	Item Description	Unit	Unit Quantity	Park Construction of North Carolina, INC. Unit Price	Park Construction of North Carolina, INC. Total Bid Price	B.R.S., INC. Unit Price	B.R.S., INC. Total Bid Price	RH Price, INC. Unit Price	RH Price, INC. Total Bid Price	Dellinger, INC. Unit Price	Dellinger, INC. Total Bid Price
1	Mobilization and Bonding	LS	1	$ 57,250.00	$ 57,250.00	$ 130,000.00	$ 130,000.00	$ 100,000.00	$ 100,000.00	$ 140,000.00	$ 140,000.00
2	Erosion Control	LS	1	$ 56,127.00	$ 56,127.00	$ 28,000.00	$ 28,000.00	$ 38,850.00	$ 38,850.00	$ 136,000.00	$ 136,000.00
3	Clearing and Grubbing	LS	1	$ 34,822.00	$ 34,822.00	$ 22,000.00	$ 22,000.00	$ 90,000.00	$ 90,000.00	$ 24,000.00	$ 24,000.00
4	Removal of 12-inch PVC Force Main (including fittings, valves, ARV assemblies and associated appurtenances)	LS	1	$ 23,187.00	$ 23,187.00	$ 16,500.00	$ 16,500.00	$ 5,550.00	$ 5,550.00	$ 80,000.00	$ 80,000.00
5	Abandon 12-inch PVC Force Main in place with Flowable Fill	LF	75	$ 27.00	$ 2,025.00	$ 29.00	$ 2,175.00	$ 35.00	$ 2,625.00	$ 120.00	$ 9,000.00
6	20" PVC Force Main, C900 DR-18	LF	4250	$ 154.50	$ 656,625.00	$ 250.00	$ 1,062,500.00	$ 214.00	$ 909,500.00	$ 160.00	$ 680,000.00
7	20" PVC Force Main, Restrained Joint	LF	1950	$ 206.20	$ 402,090.00	$ 290.00	$ 565,500.00	$ 260.00	$ 507,000.00	$ 235.00	$ 458,250.00
8	20" DIP Force Main, Restraned Joint	LF	45	$ 417.00	$ 18,765.00	$ 445.00	$ 20,025.00	$ 479.00	$ 21,555.00	$ 360.00	$ 16,200.00
9	24" PVC Force Main, Restrained Joint	LF	70	$ 318.00	$ 22,260.00	$ 355.00	$ 24,850.00	$ 371.00	$ 25,970.00	$ 405.00	$ 28,350.00
10	20" 11.25° Bend	EA	1	$ 4,224.00	$ 4,224.00	$ 4,350.00	$ 4,350.00	$ 4,357.00	$ 4,357.00	$ 6,150.00	$ 6,150.00
11	20" 22.5° Bend	EA	2	$ 4,335.00	$ 8,670.00	$ 4,450.00	$ 8,900.00	$ 4,467.00	$ 8,934.00	$ 6,300.00	$ 12,600.00
12	20" 45° Bend	EA	9	$ 4,227.00	$ 38,043.00	$ 4,350.00	$ 39,150.00	$ 4,362.00	$ 39,258.00	$ 6,150.00	$ 55,350.00
13	24" X 20" Reducer	EA	2	$ 5,174.00	$ 10,348.00	$ 5,100.00	$ 10,200.00	$ 10,062.00	$ 20,124.00	$ 7,100.00	$ 14,200.00
14	24" X 20" Tee	EA	1	$ 8,707.00	$ 8,707.00	$ 8,700.00	$ 8,700.00	$ 8,491.00	$ 8,491.00	$ 12,800.00	$ 12,800.00
15	20" X 16" Reducer	EA	1	$ 3,874.00	$ 3,874.00	$ 3,600.00	$ 3,600.00	$ 3,596.00	$ 3,596.00	$ 4,600.00	$ 4,600.00
16	20" Plug Valve	EA	2	$ 18,067.00	$ 36,134.00	$ 18,000.00	$ 36,000.00	$ 20,535.00	$ 41,070.00	$ 18,800.00	$ 37,600.00
17	24" Plug Valve	EA	1	$ 36,199.00	$ 36,199.00	$ 28,000.00	$ 28,000.00	$ 38,295.00	$ 38,295.00	$ 34,900.00	$ 34,900.00
18	Combination Air Valve Assembly (including Concrete manhole and associated appurtenances)	EA	1	$ 10,202.00	$ 10,202.00	$ 13,000.00	$ 13,000.00	$ 8,991.00	$ 8,991.00	$ 9,850.00	$ 9,850.00
19	Valve Box (for Tracer Wire)	EA	4	$ 318.00	$ 1,272.00	$ 350.00	$ 1,400.00	$ 277.00	$ 1,108.00	$ 345.00	$ 1,380.00
20	36" Steel Casing, via Open Cut	LF	45	$ 406.00	$ 18,270.00	$ 620.00	$ 27,900.00	$ 1,004.00	$ 45,180.00	$ 1,000.00	$ 45,000.00
21	Pump Station Site Work	LS	1	$ 119,171.00	$ 119,171.00	$ 105,000.00	$ 105,000.00	$ 172,050.00	$ 172,050.00	$ 172,000.00	$ 172,000.00
22	Pump Station Bypass Connection	LS	1	$ 20,950.00	$ 20,950.00	$ 22,000.00	$ 22,000.00	$ 52,170.00	$ 52,170.00	$ 66,000.00	$ 66,000.00
23	Connection for Bridge to Recovery	LS	1	$ 12,436.00	$ 12,436.00	$ 3,200.00	$ 3,200.00	$ 6,660.00	$ 6,660.00	$ 8,500.00	$ 8,500.00
24	Junction/Discharge Structure	LS	1	$ 15,626.00	$ 15,626.00	$ 11,500.00	$ 11,500.00	$ 22,200.00	$ 22,200.00	$ 32,000.00	$ 32,000.00
25	Existing 12" to 16" Connection Removal	LS	1	$ 3,423.00	$ 3,423.00	$ 1,200.00	$ 1,200.00	$ 22,200.00	$ 22,200.00	$ 165,000.00	$ 165,000.00
26	Cut and Replace Asphalt Street/Driveway (A#2)	LF	500	$ 56.80	$ 28,400.00	$ 83.00	$ 41,500.00	$ 126.00	$ 63,000.00	$ 300.00	$ 150,000.00
27	Replace Gravel Drive	LF	865	$ 14.80	$ 12,802.00	$ 5.00	$ 4,325.00	$ 33.00	$ 28,545.00	$ 22.00	$ 19,030.00
28	Bypass Piping (A#1)	LS	1	$ 138,999.00	$ 138,999.00	$ 215,000.00	$ 215,000.00	$ 274,170.00	$ 274,170.00	$ 245,000.00	$ 245,000.00
29	Permanent Seeding and Mulching	LS	1	$ 13,513.00	$ 13,513.00	$ 10,000.00	$ 10,000.00	$ 48,174.00	$ 48,174.00	$ 18,000.00	$ 18,000.00
30	Traffic Control	LS	1	$ 19,699.00	$ 19,699.00	$ 25,000.00	$ 25,000.00	$ 44,400.00	$ 44,400.00	$ 250,000.00	$ 250,000.00
				Subtotal Items 1 - 30	$ 1,834,113.00	Subtotal Items 1 - 30	$ 2,491,475.00	Subtotal Items 1 - 30	$ 2,654,023.00	Subtotal Items 1 - 30	$ 2,931,760.00
31	Contingency (5% of Items 1 - 30)				$ 91,705.65		$ 124,573.75		$ 132,701.15	(1)	$ 146,588.00
				Total Base Bid (Items 1 - 31)	$ 1,925,818.65	Total Base Bid (Items 1 - 31)	$ 2,616,048.75	Total Base Bid (Items 1 - 31)	$ 2,786,724.15	Total Base Bid (Items 1 - 31)	$ 3,078,348.00

(1) Math error in contingency calculation adjusted Total Base Bid from $3,079,098.00 as shown on the Bidders bid form to $3,078,348.00 as indicated on this Bid Tabulation, a $750.00 difference.

City of Monroe Water Resources Department
Stewarts Creek Forcemain Upgrades
Project Number 22-26

Bid Tabulation

				State Utility Contractors, INC.		Dawn Developemnt Co., INC.		Cleary Construction, INC.	
Item Number	Item Description	Unit	Unit Quantity	Unit Price	Total Bid Price	Unit Price	Total Bid Price	Unit Price	Total Bid Price
1	Mobilization and Bonding	LS	1	$ 150,000.00	$ 150,000.00	$ 75,000.00	$ 75,000.00	$ 165,000.00	$ 165,000.00
2	Erosion Control	LS	1	$ 86,000.00	$ 86,000.00	$ 60,000.00	$ 60,000.00	$ 45,000.00	$ 45,000.00
3	Clearing and Grubbing	LS	1	$ 42,000.00	$ 42,000.00	$ 30,000.00	$ 30,000.00	$ 50,000.00	$ 50,000.00
4	Removal of 12-inch PVC Force Main (including fittings, valves, ARV assemblies and associated appurtenances)	LS	1	$ 37,000.00	$ 37,000.00	$ 116,000.00	$ 116,000.00	$ 50,000.00	$ 50,000.00
5	Abandon 12-inch PVC Force Main in place with Flowable Fill	LF	75	$ 105.00	$ 7,875.00	$ 50.00	$ 3,750.00	$ 96.00	$ 7,200.00
6	20" PVC Force Main, C900 DR-18	LF	4250	$ 224.00	$ 952,000.00	$ 300.00	$ 1,275,000.00	$ 286.00	$ 1,215,500.00
7	20" PVC Force Main, Restrained Joint	LF	1950	$ 275.00	$ 536,250.00	$ 400.00	$ 780,000.00	$ 340.00	$ 663,000.00
8	20" DIP Force Main, Restraned Joint	LF	45	$ 585.00	$ 26,325.00	$ 500.00	$ 22,500.00	$ 623.00	$ 28,035.00
9	24" PVC Force Main, Restrained Joint	LF	70	$ 485.00	$ 33,950.00	$ 375.00	$ 26,250.00	$ 493.00	$ 34,510.00
10	20" 11.25° Bend	EA	1	$ 5,300.00	$ 5,300.00	$ 2,000.00	$ 2,000.00	$ 7,000.00	$ 7,000.00
11	20" 22.5° Bend	EA	2	$ 5,300.00	$ 10,600.00	$ 2,000.00	$ 4,000.00	$ 7,250.00	$ 14,500.00
12	20" 45° Bend	EA	9	$ 5,300.00	$ 47,700.00	$ 4,000.00	$ 36,000.00	$ 7,000.00	$ 63,000.00
13	24" X 20" Reducer	EA	2	$ 7,000.00	$ 14,000.00	$ 3,000.00	$ 6,000.00	$ 8,500.00	$ 17,000.00
14	24" X 20" Tee	EA	1	$ 15,000.00	$ 15,000.00	$ 5,000.00	$ 5,000.00	$ 13,000.00	$ 13,000.00
15	20" X 16" Reducer	EA	1	$ 3,800.00	$ 3,800.00	$ 2,000.00	$ 2,000.00	$ 6,000.00	$ 6,000.00
16	20" Plug Valve	EA	2	$ 23,000.00	$ 46,000.00	$ 20,000.00	$ 40,000.00	$ 30,000.00	$ 60,000.00
17	24" Plug Valve	EA	1	$ 47,000.00	$ 47,000.00	$ 40,000.00	$ 40,000.00	$ 50,000.00	$ 50,000.00
18	Combination Air Valve Assembly (including Concrete manhole and associated appurtenances)	EA	1	$ 14,000.00	$ 14,000.00	$ 20,000.00	$ 20,000.00	$ 18,000.00	$ 18,000.00
19	Valve Box (for Tracer Wire)	EA	4	$ 400.00	$ 1,600.00	$ 250.00	$ 1,000.00	$ 100.00	$ 400.00
20	36" Steel Casing, via Open Cut	LF	45	$ 750.00	$ 33,750.00	$ 1,000.00	$ 45,000.00	$ 800.00	$ 36,000.00
21	Pump Station Site Work	LS	1	$ 182,000.00	$ 182,000.00	$ 45,000.00	$ 45,000.00	$ 155,000.00	$ 155,000.00
22	Pump Station Bypass Connection	LS	1	$ 90,000.00	$ 90,000.00	$ 25,000.00	$ 25,000.00	$ 40,000.00	$ 40,000.00
23	Connection for Bridge to Recovery	LS	1	$ 6,000.00	$ 6,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00
24	Junction/Discharge Structure	LS	1	$ 67,000.00	$ 67,000.00	$ 15,000.00	$ 15,000.00	$ 25,000.00	$ 25,000.00
25	Existing 12" to 16" Connection Removal	LS	1	$ 112,000.00	$ 112,000.00	$ 7,000.00	$ 7,000.00	$ 25,000.00	$ 25,000.00
26	Cut and Replace Asphalt Street/Driveway (A#2)	LF	500	$ 200.00	$ 100,000.00	$ 75.00	$ 37,500.00	$ 330.00	$ 165,000.00
27	Replace Gravel Drive	LF	865	$ 26.00	$ 22,490.00	$ 35.00	$ 30,275.00	$ 30.00	$ 25,950.00
28	Bypass Piping (A#1)	LS	1	$ 270,000.00	$ 270,000.00	$ 250,000.00	$ 250,000.00	$ 435,000.00	$ 435,000.00
29	Permanent Seeding and Mulching	LS	1	$ 9,000.00	$ 9,000.00	$ 35,000.00	$ 35,000.00	$ 60,000.00	$ 60,000.00
30	Traffic Control	LS	1	$ -	$ -	$ 150,000.00	$ 150,000.00	$ 100,000.00	$ 100,000.00
				Subtotal Items 1 - 30	$ 2,968,640.00	Subtotal Items 1 - 30	$ 3,194,275.00	Subtotal Items 1 - 30	$ 3,584,095.00
31	Contingency (5% of Items 1 - 30)				$ 148,432.00		$ 159,713.75		$ 179,204.75
				Total Base Bid (Items 1 - 31)	$ 3,117,072.00	Total Base Bid (Items 1 - 31)	$ 3,353,988.75	Total Base Bid (Items 1 - 31)	$ 3,763,299.75

City of Monroe
Where Heartland Meets High Tech

STAFF REPORT

TO:	Public Enterprise Committee
VIA:	Mark Watson, City Manager
DATE:	April 2, 2024
FROM:	Scott Clark, Water Resources Director
PREPARED BY:	Scott Clark, Water Resources Director
SUBJECT:	Water and Sewer Fund Minimum Reserve

SUMMARY STATEMENT

The Public Enterprise Committee is requested to consider adjustment of the Water and Sewer Fund minimum reserve requirement.

REVIEW

In March 2012, City Council adopted a policy for Water Resources to maintain a cash reserve equivalent to 100% of the annual operating expenses plus debt service. This policy hinders our ability to adequately fund our Capital Improvement/Replacement Program. In order to allow for more funding to be available for Capital Improvements, staff is proposing to lower the reserve requirement to 60% of operating expenses.

RECOMMENDATION

The Public Enterprise Committee is requested to approve the revised reserve requirement of 60% of operating expenses and forward to City Council to be placed on Consent Agenda for approval.

STAFF REPORT

TO: Public Enterprise Committee

VIA: Mark Watson, City Manager

DATE: April 2, 2024

FROM: Scott Clark, Water Resources Director

PREPARED BY: Scott Clark, Water Resources Director

SUBJECT: Monroe WWTP Flow Equalization Basin Project SR2127
Budget Ordinance 2024-07 and Change Order #1

SUMMARY STATEMENT

The Public Enterprise Committee is requested to consider a Budget Ordinance in the amount of $50,000.00 for the Monroe WWTP Flow Equalization Basin Project. The Public Enterprise Committee is also requested to consider a change order request in the amount of $159,388.67 for the unforeseen construction circumstances encountered.

REVIEW

The Monroe Wastewater Treatment Plant Flow Equalization Basin Project (SR2127) is nearing completion. Due to unforeseen circumstances, additional construction measures had to be taken in order to install adequate erosion control measures and the force main piping. As the project is nearing completion, an additional $50,000.00 is needed to cover a change order in the amount of $159,388.67.

RECOMMENDATION

It is the recommendation of Staff that the Public Enterprise Committee take the following action:

Motion to approve Budget Ordinance BO-2024-07, Change Order #1, and authorization of the City Manager to execute the documents, and approval be placed on Consent Agenda for the Regular Council meeting on April 9th, 2024.

Attachment: BO-2024-07
Change Order #1

CAPITAL PROJECT BUDGET ORDINANCE
MONROE WWTP FLOW EQUALIZATION BASIN PROJECT
BO-2024-07

WHEREAS, the City desires to provide reliable, sanitary sewer service to the citizens of Monroe; and

WHEREAS, it is imperative to effectively maintain and operate the Monroe Wastewater Treatment Plant and related regulatory compliance to support current and future demand; and

WHEREAS, a detailed analysis identified additional construction measures to the original scope of the WWTP Flow Equalization Basin Project; and

WHEREAS, the original funds allocated in the FY2021-2022 adopted budget was $5,856,836.66; and

WHEREAS, the Flow Equalization Basin Project contract was awarded to Dellinger, Inc. during October, 2021 in the amount of $5.017,532.00; and

WHEREAS, Dellinger, Inc. submitted a Change Order request in the amount of $159,388.67 to make necessary construction installation measures; and

WHEREAS, it is recommended that $50,000 be transferred from the Water and Sewer Fund to fund the remaining portion of the project.

NOW, THEREFORE, BE IT ORDAINED that the City Council hereby provides additional funding for the Monroe Wastewater Treatment Plant Flow Equalization Basin Project SR2127 as follows:

Water & Sewer Fund:	
Revenues:	
Appropriation of Fund Balance	$ 50,000
Expenses:	
Transfer to Water & Sewer Capital Project Fund	$ 50,000
Water & Sewer Capital Project Fund:	
Revenues:	
Transfer from Water and Sewer Fund	$ 50,000
Expenditures	
Capital Improvements SR2127	$ 50,000

Adopted this 9th day of April, 2024.

Attest:

Robert A. Burns, Mayor

Bridgette H. Robinson, City Clerk

CITY OF MONROE
NORTH CAROLINA

CHANGE ORDER

CHANGE ORDER NUMBER: 1

DATE: 3/26/2024

PROJECT: WWTP Flow EQ Basin Storage Improvements

PROJECT NUMBER: 21-27

CONTRACT NUMBER: 10591

CONTRACTOR: Dellinger, Inc.

ADDRESS: PO Box 929, Monroe NC 28111-0929

THE CONTRACTOR IS HEREBY AUTHORIZED AND REQUESTED TO MAKE THE FOLLOWING CHANGES TO THE ABOVE DESCRIBED CONTRACT:

ORIGINAL CONTRACT AMOUNT		**$** 5,017,532.00
Contingency Included in Contract	**$** 0.00	
Contingency Deduct	**$** 0.00 *(cumulative)*	
Remaining Contingency	**$** 0.00	
NET CHANGE BY PREVIOUS CHANGE ORDER		**$** 0.00
CONTRACT TOTAL PRIOR TO THIS CHANGE ORDER		**$** 5,017,532.00
AMOUNT OF THIS CHANGE ORDER		**$** 159,388.67
REVISED CONTRACT TOTAL INCLUDING THIS CHANGE ORDER		**$** 5,176,920.67

CHANGE ORDER INCLUDES THE FOLLOWING WORK TO BE PERFORMED:

RFC#1 Erosion Control (ERC) Plan revisions issued after contract was awarded resulted in a change of ERC materials and installation. RFC#1 amount - $54,939.97.

RFC#2 Rejected Concrete. Compensation for the concrete which was rejected due to the inspector's testing equipment failure. RFC#2 amount - $1,906.02.

RFC#3 – Change of forcemain installation requirements due to below grade existing utility conflicts. Pipe was required to be installed more shallow than anticipated which necessitated concrete encasement to protect forcemain. RFC#3 amount – $15,918.20.
RFC#4 – Change of forcemain installation requirments due to below grade existing utility conflicts. Installation of a 42" steel encasement pipe by hand tunneling was necessary to install the forcemain below unforeseen electrical duct bank. RFC #4 amount - $86,624.48.

RECOMMENDED:

BY: ________________________________ **DATE: ______________________________**
Architect/Engineer/Consulting Staff

BY: ________________________________ **DATE: ______________________________**
Contractor

BY: ________________________________ **DATE: ______________________________**
City Project Superintendent

BY: ________________________________ **DATE: ______________________________**
Department Head

APPROVED:

BY: ________________________________ **DATE: ______________________________**
City Manager

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Signature: ____________________________ **Date:______________________________**
Finance Officer

STAFF REPORT

TO:	Public Enterprise Committee
VIA:	Mark Watson, City Manager
DATE:	April 2, 2024
FROM:	Rob Miller, Energy Services Director
PREPARED BY:	Rob Miller, Energy Services Director
SUBJECT:	Adopt Resolution R-2024-17 for Natural Gas Supply Agreement between the City of Monroe and Black Belt Energy Adopt Resolution R-2024-18 for Natural Gas Supply Agreement between the City of Monroe and ATI Specialty Materials Adopt Resolution R-2024-19 for Natural Gas Supply Agreement between the City of Monroe and Tyson Foods Adopt Ordinance O-2024-15 for Large Volume Industrial Rate Schedule

SUMMARY STATEMENT

The Public Enterprise Committee is requested to consider approval of Resolutions R-2024-17, R-2024-18, R-2024-19, and Ordinance O-2024-15 for the natural gas supply Pre-pay transaction between City of Monroe and Black Belt Energy.

Staff has determined that it is in the best interest of the City of Monroe natural gas system and customers, that City of Monroe purchases a portion of its annual natural gas supply from Black Belt Energy for large volume industrial customers. Black Belt Energy is a public corporation organized by actions of its members in the state of Alabama.

Through this transaction the City will acquire a portion of its natural gas supply for large volume industrial customers at a discount to index-based market prices. This would help ensure that the city can provide large volume natural gas service at competitive prices on a long-term basis and increase annual revenue.

REVIEW

The natural gas supply agreement between the City of Monroe and Black Belt Energy shall a have a Delivery Period of not greater than 360 months and provide for 4,000 MMbtu/day. The natural gas supply agreement will provide a discount to index-based market prices and have a reset period. The City of Monroe will have a natural gas supply agreement with ATI Specialty Materials for 3,500 MMbtu/day. The City of Monroe will have a natural gas supply agreement with Tyson Foods for 500 MMbtu/day. The City of Monroe will retain 50% of the market discount as revenue and pass 50% of the market discount through the sale of natural gas to ATI Specialty Materials and Tyson Foods.

Ordinance O-2024-15 enables the City of Monroe to provide natural gas supply for the Black Belt Pre-pay transaction to ATI Specialty Materials and Tyson Foods.

The resolutions detail that City Council authorizes City manager to execute the natural gas supply agreements including contract renewals or contract confirmations and the City Clerk is authorized to attest the signature of the executing official.

RECOMMENDATION

Staff recommends that the Public Enterprise Committee approve sending the following Resolutions/Ordinance to City Council for approval:

- Resolution R-2024-17 for Natural Gas Supply Agreement between the City of Monroe and Black Belt Energy
- Resolution R-2024-18 for Natural Gas Supply Agreement between the City of Monroe and ATI Specialty Materials
- Resolution R-2024-19 for Natural Gas Supply Agreement between the City of Monroe and Tyson Foods
- Ordinance O-2024-15 for Large Volume Industrial Rate Schedule

Staff requests that this item is placed on the City Council consent agenda to authorize the City Manager to execute the necessary documents.

Attachment:
Resolution R-2024-17
Resolution R-2024-18
Resolution R-2024-19
Ordinance O-2024-15

RESOLUTION AUTHORIZING THE PURCHASE OF NATURAL GAS FROM THE BLACK BELT ENERGY GAS DISTRICT; APPROVING THE EXECUTION AND DELIVERY OF A NATURAL GAS SUPPLY AGREEMENT AND OTHER DOCUMENTS RELATING TO SAID PURCHASE; CONSENTING TO THE ASSIGNMENT OF CERTAIN OBLIGATIONS UNDER THE GAS SUPPLY AGREEMENT IN CONNECTION WITH THE ISSUANCE OF BONDS BY THE BLACK BELT ENERGY GAS DISTRICT
R-2024-17

WHEREAS, Black Belt Energy is an Alabama gas district, a public corporation organized by actions of its member municipalities pursuant to the provisions of the Alabama Gas Districts Act, § 11-50-390 et seq., Alabama Code (1975), as amended (the "Act"); and

WHEREAS, City of Monroe through its Energy Services Department, City of Monroe, North Carolina owns and operates a municipal utility under authority of the laws of the State of North Carolina for the transmission, distribution, sale, and delivery of natural gas to retail customers within its service area;

WHEREAS, the City of Monroe, North Carolina ("Monroe") has determined that it is in the best interest of its natural gas system (the "System") and the customers thereof to be a Project Participant and thereby purchase a portion of its annual natural gas requirements from Black Belt Energy pursuant to a natural gas supply agreement to be entered into by Black Belt Energy and Monroe (the "Supply Agreement") to be executed by Monroe and incorporated into the Supply Agreement; and

WHEREAS, Black Belt Energy has planned and developed a project to acquire long-term Gas supplies from Aron Energy Prepay [___] LLC ("Prepay LLC"), a Delaware limited liability company and a special purpose entity created by J. Aron & Company LLC ("J. Aron"), a New York limited liability company and a wholly-owned subsidiary of The Goldman Sachs Group, Inc., pursuant to a Prepaid Gas Sales Agreement, dated as of [_____ __], 2024 (the "Prepaid Gas Agreement"), to meet a portion of the Gas supply requirements of Gas Purchaser and the other Municipal Utilities (the "Project Participants") participating in the gas prepayment project (the "Prepaid Project"); and

WHEREAS, Black Belt Energy will finance the prepayment under, and the other costs of, the Prepaid Project by issuing the Bonds; and

WHEREAS, Monroe desires to enter into an agreement with Black Belt Energy for the purchase of Gas supplies that Black Belt Energy acquires under the Prepaid Project for sale to a retail industrial customer in its service area, ATI Specialty Materials ("Downstream Customer #1"), at a plant owned and operated by ATI Specialty Materials in Monroe, North Carolina (the "Monroe Plant"), to meet a portion of ATI Specialty Materials' Gas requirements for operations at the Monroe Plant, or with consent from Black Belt Energy and J. Aron, to any successor entity operating the Monroe Plant, or, if ATI Specialty Materials ceases to purchase Gas supplies from Gas Purchaser, to any other industrial customer whose facilities are located in Gas Purchaser's service area (for the purposes of this Agreement, the Monroe Plant and any other such facilities shall be referred to as the “Plant”) that Monroe contracts to serve under the terms of its Rate Schedule for service to large volume industrial users established through Ordinance No. O-2024-15 (the “Ordinance”), to meet a portion of ATI Specialty Materials’ Gas requirements for operations at the Plant, under the terms and conditions set forth in this Agreement (for purposes of this Agreement, all such entities and customers shall be referred to as “Downstream Customer #1”); and

WHEREAS, Monroe desires to enter into an agreement with Black Belt Energy for the purchase of Gas supplies that Black Belt Energy acquires under the Prepaid Project for sale to a retail industrial customer in its service area, Tyson Foods (“Downstream Customer #2”), at a plant owned and operated by Tyson Foods in Monroe, North Carolina (the “Monroe Plant”), to meet a portion of Tyson Foods’ Gas requirements for operations at the Monroe Plant, or with consent from Black Belt Energy and J. Aron, to any successor entity operating the Monroe Plant, or, if Tyson Foods ceases to purchase Gas supplies from Gas Purchaser, to any other industrial customer whose facilities are located in Gas Purchaser’s service area (for the purposes of this Agreement, the Monroe Plant and any other such facilities shall be referred to as the “Plant”) that Monroe contracts to serve under the terms of its Rate Schedule for service to large volume industrial users established through Ordinance No. O-2024-15 (the “Ordinance”), to meet a portion of Tyson Foods’ Gas requirements for operations at the Plant, under the terms and conditions set forth in this Agreement (for purposes of this Agreement, all such entities and customers shall be referred to as “Downstream Customer #2”); and

WHEREAS, for the purpose of providing funds to purchase gas supplies for resale to the Customers, it will be necessary for Black Belt Energy to issue and sell bonds (the “Bonds” and pledge to the payment of the Bonds certain assets of Black Belt Energy, including the Supply Agreement between Black Belt Energy and Monroe; and

WHEREAS, Monroe shall have no obligation or financial liability with respect to the Bonds, and Monroe's only obligations relating to the Prepaid Project shall be set forth in the Gas Supply Agreement; and

WHEREAS, in order to authorize the purchase of natural gas from Black Belt Energy and the execution of the Gas Supply Contract, to consent to the assignment of the Gas Supply Contract to secure the Bonds, to authorize the sale of the gas purchased from Black Belt Energy, and to authorize and take such other necessary and appropriate action in furtherance of its participation in the Prepaid Project, the City of Monroe adopts this Resolution.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Governing Body of the City of Monroe, as follows:

1. Monroe is authorized to enter into a Supply Agreement and Confirmation or Confirmations with Black Belt Energy, pursuant to which Monroe will purchase natural gas from Black Belt Energy as provided in the Supply Agreement and the Confirmations. The Supply Agreement and Confirmations shall (a) have a term of not greater than 372 months, (b) provide for the purchase by Monroe of total gas volumes of not more than 43,800,000 MMBtu (the "Maximum Volume Amount") over the term of the Supply Agreement and (c) provide for a

Minimum Savings Threshold (as defined in the Supply Agreement) of not less than $0.30 per MMBtu.

2. The Supply Agreement and Confirmations shall be in substantially the form submitted and attached hereto as Exhibit A, which such form is hereby approved, with such completions, omissions, insertions, and changes as may be approved by the officers executing said the same, their execution to constitute conclusive evidence of their approval of any such omissions, insertions and changes.

3. The City Manager (the "Executive Officer") of Monroe is hereby authorized to execute and the City Clerk (the "Attesting Officer") of the Purchaser to attest the Supply Agreement.

4. The officers, employees and agents of Monroe are hereby authorized and directed to take such actions and do all things necessary to cause the purchase of said gas to take place, including the payment of all amounts required to be paid in order to purchase the gas in accordance with the Supply Agreement and the Confirmations.

5. The Governing Body hereby consents to the assignment and pledge of all Black Belt Energy's right, title and interest under the Supply Agreement and each Confirmation, including the right to receive performance by Monroe of its obligations thereunder, to secure the payment of principal of and interest on the Black Belt Energy Bonds.

6. The officers and employees of Monroe and any other agent or representative of Monroe are hereby authorized and directed to cooperate with and provide Black Belt Energy, the Underwriters and their agents and representatives with such information relating to the Purchaser's System as is necessary for use in the preparation and distribution of a preliminary official statement used in connection with the sale of the Black Belt Energy Bonds. After the Black Belt Energy Bonds have been sold, any officer or employee of Monroe, or any agent or representative designated by Monroe, shall make such completions, omissions, insertions and changes in the preliminary official statement relating to the Monroe's System not inconsistent with this resolution as are necessary or desirable to complete it as a final official statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). The Governing Body hereby covenants and agrees that Monroe will cooperate with Black Belt Energy in the discharge of Black Belt's obligations to provide annual financial and operating information and notification as to material events with respect to the Monroe's System as may be required by the Rule. Any officer or employee of the Governing Body, or such other agent or representative of Monroe as shall be appropriate are hereby authorized and directed to provide such information as shall be required for such compliance, and such officer or employee may execute a continuing disclosure agreement with respect to the provision of such information if requested to do so by the Underwriters.

7. The Black Belt Energy Bonds are not obligations of Monroe but are limited obligations of Black Belt Energy payable solely from the revenues and receipts pledged by Black Belt Energy under the Trust Agreement, including the revenues and receipts arising from the sale of gas to Project Participants. By consenting to the assignment of the Supply Agreement and

agreeing to provide information for inclusion in the official statement, Monroe is not incurring any financial liability with respect to the Black Belt Energy Bonds.

8. All acts and doings of the officers or employees of Monroe or any other agent or representative of Monroe which are in conformity with the purposes and intent of this resolution and in furtherance of the execution, delivery and performance under the Supply Agreement and each Confirmation, and in furtherance of the issuance and sale of the Black Belt Energy Bonds, shall be and the same hereby are in all respects, approved and confirmed including, without limitation, the execution and delivery by the officers of Monroe all certificates and documents as they shall deem necessary in connection with the Supply Agreement, the Confirmations and the Black Belt Energy Bonds.

9. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

10. All other resolutions or orders, or parts thereof, in conflict with the provisions of this resolution, are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.

Adopted and approved this ____ day of _____________, 2024.

____
Robert A. Burns, Mayor

Attest:

____
Bridgette H. Robinson, City Clerk

Exhibit A

Form of Natural Gas Supply Agreement and Confirmation

4,000 MMbtu/day = 1,460,000 MMbtu/year

RESOLUTION AUTHORIZING AN AGREEMENT FOR THE SALE OF NATURAL GAS TO ATI SPECIALTY MATERIALS; APPROVING THE EXECUTION AND DELIVERY OF A NATURAL GAS SUPPLY AGREEMENT AND OTHER DOCUMENTS RELATING TO SAID AGREEMENT
R-2024-18

WHEREAS, City of Monroe through its Energy Services Department, City of Monroe, North Carolina owns and operates a municipal utility under authority of the laws of the State of North Carolina for the transmission, distribution, sale, and delivery of natural gas to retail customers within its service area; and

WHEREAS, the City of Monroe, North Carolina ("Monroe") has determined that it is in the best interest of its natural gas system (the "System") and the customers thereof to be a Project Participant and thereby purchase a portion of its annual natural gas requirements from Black Belt Energy pursuant to a natural gas supply agreement to be entered into by Black Belt Energy and the Purchaser (the "Supply Agreement") to be executed by the Purchaser and incorporated into the Supply Agreement; and

WHEREAS, ATI Specialty Materials owns and operates multiple plants on the City of Monroe natural gas system; and

WHEREAS, ATI Specialty Materials ("ATI") is interested in purchasing the natural gas from the City of Monroe; and

WHEREAS, Monroe has planned and developed a project to acquire long-term Gas supplies from Black Belt Energy, an Alabama gas district, pursuant to a Prepaid Gas Sales Agreement, dated as of [_____ __], 2024 (the "Prepaid Gas Agreement"), to meet a portion of the Gas supply requirements of Gas Purchaser and the other Municipal Utilities (the "Project Participants") participating in the gas prepayment project (the "Prepaid Project"); and

WHEREAS, ATI desires to enter into an agreement with the City of Monroe for the purchase of Gas supplies that the City of Monroe acquires under the Prepaid Project for sale to a retail industrial customer in its service area, ATI, at a plant or plants owned and operated by ATI Specialty Materials in Monroe, North Carolina (the "Monroe Plant"), to meet a portion of ATI Specialty Materials' Gas requirements for operations at the Monroe Plant, or with consent from Black Belt Energy and J. Aron, to any successor entity operating the Monroe Plant, or, if ATI Specialty Materials ceases to purchase Gas supplies from Monroe, to any other industrial customer whose facilities are located in Monroe's service area (for the purposes of this Agreement, the Monroe Plant and any other such facilities shall be referred to as the "Plant") that ATI contracts to serve under the terms of its Rate Schedule for service to large volume industrial users established through Ordinance O-2024-15 (the "Ordinance"), to meet a portion of ATI Specialty Materials' Gas requirements for operations at the Plant, under the terms and conditions set forth in this Agreement; and

WHEREAS, in order to authorize the sale of natural gas to ATI Specialty Materials and the execution of the Gas Supply Contract, and to authorize and take such other necessary and appropriate action in furtherance of its participation in the Prepaid Project, the City of Monroe adopts this Resolution.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Governing Body of the City of Monroe, as follows:

1. Monroe is authorized to enter into a Supply Agreement and Confirmation or Confirmations with ATI Specialty Materials, pursuant to which ATI will purchase natural gas from the City of Monroe as provided in the Supply Agreement and the Confirmations. The Supply Agreement and Confirmations shall (a) have a term of not greater than 120 months and no less than 12 months, (b) provide for natural gas sales by Monroe of total gas volumes of not more than 12,775,000 MMBtu (the "Maximum Volume Amount") over the term of the Supply Agreement and (c) provide for a Minimum Savings Threshold (as defined in the Supply Agreement) of not less than $0.15 per MMBtu.

2. The Supply Agreement and Confirmations shall be in substantially the form submitted and attached hereto as Exhibit A, which such form is hereby approved, with such completions, omissions, insertions, and changes as may be approved by the officers executing said the same, their execution to constitute conclusive evidence of their approval of any such omissions, insertions and changes.

3. The City Manager (the "Executive Officer") of Monroe is hereby authorized to execute and the City Clerk (the "Attesting Officer") of the Seller to attest the Supply Agreement.

4. The officers, employees and agents of Monroe are hereby authorized and directed to take such actions and do all things necessary to cause the purchase of said gas to take place, including the payment of all amounts required to be paid in order to purchase the gas in accordance with the Supply Agreement and the Confirmations.

5. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

6. All other resolutions or orders, or parts thereof, in conflict with the provisions of this resolution, are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.

Adopted and approved this ____ day of _____________, 2024.

____
Robert A. Burns, Mayor

Attest:

____
Bridgette H. Robinson, City Clerk

Exhibit A

Form of Natural Gas Supply Agreement and Confirmation

3,500 MMbtu/day = 1,277,500 MMbtu/year

RESOLUTION AUTHORIZING AN AGREEMENT FOR THE SALE OF NATURAL GAS TO TYSON FOODS; APPROVING THE EXECUTION AND DELIVERY OF A NATURAL GAS SUPPLY AGREEMENT AND OTHER DOCUMENTS RELATING TO SAID AGREEMENT
R-2024-19

WHEREAS, City of Monroe through its Energy Services Department, City of Monroe, North Carolina owns and operates a municipal utility under authority of the laws of the State of North Carolina for the transmission, distribution, sale, and delivery of natural gas to retail customers within its service area; and

WHEREAS, the City of Monroe, North Carolina ("Monroe") has determined that it is in the best interest of its natural gas system (the "System") and the customers thereof to be a Project Participant and thereby purchase a portion of its annual natural gas requirements from Black Belt Energy pursuant to a natural gas supply agreement to be entered into by Black Belt Energy and the Purchaser (the "Supply Agreement") to be executed by Monroe and incorporated into the Supply Agreement; and

WHEREAS, Tyson Foods owns and operates multiple plants on the City of Monroe natural gas system; and

WHEREAS, Tyson Foods ("Tyson") is interested in purchasing the natural gas from the City of Monroe; and

WHEREAS, Monroe has planned and developed a project to acquire long-term Gas supplies from Black Belt Energy, an Alabama gas district, pursuant to a Prepaid Gas Sales Agreement, dated as of [_____ __], 2024 (the "Prepaid Gas Agreement"), to meet a portion of the Gas supply requirements of Gas Purchaser and the other Municipal Utilities (the "Project Participants") participating in the gas prepayment project (the "Prepaid Project"); and

WHEREAS, Tyson desires to enter into an agreement with the City of Monroe for the purchase of Gas supplies that the City of Monroe acquires under the Prepaid Project for sale to a retail industrial customer in its service area, Tyson, at a plant or plants owned and operated by Tyson Foods in Monroe, North Carolina (the "Monroe Plant"), to meet a portion of Tyson Foods' Gas requirements for operations at the Monroe Plant, or with consent from Black Belt Energy and J. Aron, to any successor entity operating the Monroe Plant, or, if Tyson Foods ceases to purchase Gas supplies from Monroe, to any other industrial customer whose facilities are located in Monroe's service area (for the purposes of this Agreement, the Monroe Plant and any other such facilities shall be referred to as the "Plant") that Tyson contracts to serve under the terms of its Rate Schedule for service to large volume industrial users established through Ordinance O-2024-15 (the "Ordinance"), to meet a portion of Tyson Foods' Gas requirements for operations at the Plant, under the terms and conditions set forth in this Agreement; and

WHEREAS, in order to authorize the sale of natural gas to Tyson Foods and the execution of the Gas Supply Contract, and to authorize and take such other necessary and appropriate action in furtherance of its participation in the Prepaid Project, the City of Monroe adopts this Resolution.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Governing Body of the City of Monroe, as follows:

1. Monroe is authorized to enter into a Supply Agreement and Confirmation or Confirmations with Tyson Foods, pursuant to which Monroe will purchase natural gas from the City of Monroe as provided in the Supply Agreement and the Confirmations. The Supply Agreement and Confirmations shall (a) have a term of not greater than 120 months and no less than 12 months, (b) provide for natural gas sales by Monroe of total gas volumes of not more than 1,825,000 MMBtu (the "Maximum Volume Amount") over the term of the Supply Agreement and (c) provide for a Minimum Savings Threshold (as defined in the Supply Agreement) of not less than $0.15 per MMBtu.

2. The Supply Agreement and Confirmations shall be in substantially the form submitted and attached hereto as Exhibit A, which such form is hereby approved, with such completions, omissions, insertions, and changes as may be approved by the officers executing said the same, their execution to constitute conclusive evidence of their approval of any such omissions, insertions and changes.

3. The City Manager (the “Executive Officer”) of Monroe is hereby authorized to execute and the City Clerk (the “Attesting Officer”) of Monroe to attest the Supply Agreement.

4. The officers, employees and agents of Monroe are hereby authorized and directed to take such actions and do all things necessary to cause the purchase of said gas to take place, including the payment of all amounts required to be paid in order to purchase the gas in accordance with the Supply Agreement and the Confirmations.

5. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

6. All other resolutions or orders, or parts thereof, in conflict with the provisions of this resolution, are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.

Adopted and approved this ____ day of _____________, 2024.

____
Robert A. Burns, Mayor

Attest:

____
Bridgette H. Robinson, City Clerk

Exhibit A

<u>Form of Natural Gas Supply Agreement and Confirmation</u>

500 MMbtu/day = 182,500 MMbtu/year

AN ORDINANCE OF THE CITY OF MONROE, NORTH CAROLINA ESTABLISHING A RATE SCHEDULE FOR SALES TO LARGE VOLUME INDUSTRIAL CUSTOMERS

O-2024-15

WHEREAS, the City of Monroe, North Carolina ("Monroe" or the "City") is undertaking a marketing program for sales to large volume industrial users of natural gas located in its service area;

NOW THEREFORE, be it hereby ordained by the City Council of the City of Monroe, North Carolina (the "Council") that a new rate schedule, entitled the Large Volume Industrial User Rate Schedule (the "Rate Schedule"), shall be adopted, to be effective the following month after approval by the City as follows:

1. The City may enter into natural gas sales contracts with large volume industrial users, as defined in this Ordinance, on the following terms:

   - The term shall not be less than one year nor more than ten years, including renewal options.
   - The contracts shall be requirements contracts, providing for the sale of gas to serve an eligible customer's requirements for gas up to stated maximum quantities.
   - The facilities of the industrial customer must be located in the City's service area or in an area contiguous to such area where gas distribution service is not otherwise being provided.

2. Large volume industrial users eligible for service under this Rate Schedule shall be those that will purchase a monthly average of not less than 500 MMBtu per day from the City and that elect to enter into a contract with the City for purchases of gas under this Rate Schedule.

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3. Any contract between the City and a customer pursuant to this Rate Schedule shall be in the form of a North American Energy Standards Board ("NAESB") Base Contract for the Sale and Purchase of Natural Gas, with such Special Conditions and commercial terms set forth in a Transaction Confirmation as shall be established by the City Manager.

4. The commodity price per MMBtu for service under this Rate Schedule shall be either (a) the daily Midpoint price published by Gas Daily, a publication of S&P Global Platts, in the chart entitled "Final Daily Price Survey- Platts Locations ($/MMBtu)", as such Index price may be adjusted for any applicable transportation cost, index premium, or other basis differential, for the applicable pricing and delivery points and for the applicable flow date of deliveries, or (b) the first-of-the-month Index price published by Inside FERC's Gas Market Report, a publication of S&P Global Platts, in the chart entitled "Monthly Bidweek Spot Gas Prices - Platts Locations ($/MMBtu)", as such Index price may be adjusted for any applicable transportation cost, index premium, or other basis differential, for the applicable pricing and delivery points, as specified in the contract between the City and the customer, and, in each case, less a discount of not greater than 50% of the net discount below the Index price to the City of the gas acquired by the City for sale to the customer. The City through its City Manager may negotiate lesser discounts with any eligible customer.

5. The City may combine sales service of commodity gas supply under this Rate Schedule with transportation service to the City's gate station and then across the City's system so as to provide a delivered service at the industrial customer's premises. In such circumstances, the delivered price to the customer shall include a transportation service component or components in addition to the price, as described in paragraph 4 above, for the commodity gas supply under this Rate Schedule. The City may sell gas to the eligible purchaser under this Rate Schedule at the plant gate or into a transportation contract held by the eligible customer.

6. The City shall serve customers under this Rate Schedule from prepaid gas supplies acquired by the City for this purpose. The City shall not be obligated to supply any new eligible customer under this Rate Schedule, or supply any portion of such quantity requested by such customer, if it does not have sufficient long-term, firm prepaid gas supplies available to it for sale and delivery to such new customer.

7. This Rate Schedule shall be effective upon its adoption for sales service to eligible customers when passed by the City Council of the City of Monroe, North Carolina.

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Robert A. Burns, Mayor City of Monroe

ATTEST:

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Bridgette H. Robinson, City Clerk

CERTIFICATE

I, Bridgette H. Robinson, City Clerk for the City of Monroe, North Carolina, hereby certify that the above and foregoing is a true and correct copy of a resolution adopted by the City Council at a meeting thereof duly called and held as the same appears in the minutes of said meeting in my custody and control.

IN WITNESS WHEREOF, I have hereunto set my hand as Secretary of the City of Monroe, North Carolina on this _____ day of _________________, 2024.

____

Bridgette H. Robinson
City Clerk

City of Monroe
Where Heartland Meets High Tech

STAFF REPORT

TO: Public Enterprise Committee

VIA: Mark Watson, City Manager

DATE: April 2, 2024

FROM: Rob Miller, Energy Services Director

PREPARED BY: Rob Miller, Energy Services Director

SUBJECT: Closed Session pursuant to North Carolina General Statute (N.C.G.S.) Section 143-318.11(a)(5).

SUMMARY STATEMENT

The Public Enterprise Committee is requested to approve a motion to go into Closed Session to prevent the disclosure of information that is privileged or confidential pursuant to the laws of the State of North Carolina and to preserve the attorney-client privilege between the Public Enterprise Committee and the City's attorneys.

REVIEW

In accordance with North Carolina General Statute (N.C.G.S.) Section 143-318.11(a)(5) the Public Enterprise Committee is permitted to hold a Closed Session to prevent the disclosure of privileged or confidential information and to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege.

RECOMMENDATION

Staff requests that the Public Enterprise Committee approves a motion to go into Closed Session pursuant to N.C.G.S. Section 143-318.11(a)(5) to prevent the disclosure of privileged or confidential information and to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege.