

# **MINUTES**

## **City Council Public Works & Utilities Committee**

**Wednesday, May 5, 2021 – 5:30 PM**  
City Council Chambers

Members Present: Maurice Jones, Chair, Council Member  
Geraldine Dinkins, Vice-Chair, Council Member  
Jim Fatland, City Manager  
Emory Owen, WWTP Director  
Dennis Richardson, WTP Director  
David Lutz, Public Works Director

Staff Present: Denise Hodsdon, Executive Assistant

### **A. Welcome and Call to Order**

Committee Chair Maurice Jones called the meeting to order at 5:33 pm.

### **B. Certification of Quorum**

Executive Assistant Denise Hodsdon certified that a quorum was present.

### **C. Approval of Minutes from October 13, 2020 Meeting**

Motion by Mr. Fatland, seconded by Mr. Owen to approve the minutes of the October 13, 2020 meeting as presented. Motion carried unanimously.

### **D. American Rescue Plan Funds – Proposed Allocation**

Mr. Fatland reported that the City of Brevard has been allocated \$2,319,450 in American Rescue Plan funds. He explained that local governments can use these funds to replace lost revenue due to the COVID-19 Pandemic, and to make necessary investments in water and sewer infrastructure. Due to COVID, the adopted FY20-21 Budget did not include the General Fund Revenue from the Water & Sewer Fund Reimbursement of \$600,000, or the annual 4% rate increase for the Water and Sewer Fund, which would have generated \$165,453. This revenue loss impacted the General Fund Balance for the fiscal year ended June 30, 2020.

Mr. Fatland recommends a General Fund Reimbursement from the Water & Sewer Fund for \$600,000, and a Water & Sewer Fund appropriation for \$165,453, funds that

would have been generated from a 4% rate increase last fiscal year. That would leave remaining funds of \$1,553,997 to be applied to water and sewer infrastructure projects. He said Mr. Lutz has worked with Summit Engineering and they have developed a wish list of potential projects that would qualify for ARP funding. The Committee scheduled a separate meeting for May 27<sup>th</sup> to discuss the list of potential projects.

#### **E. Sewer System Overflows**

Mr. Lutz provided information relative to SSO violations from September, 2017 to January, 2021 and the estimated savings acquired from the gallons of sewage stored by the EQ tank. A copy of his memo dated April 7, 2021 is attached as Exhibit A. Mr. Fatland noted that the City has received a \$500,000 grant and \$1.7M 20-year no-interest loan for the Gallimore Road Sewer Basin Rehab project. Mr. Lutz and Alvin Fuller of Summit Engineering will give an update on that project to City Council at its meeting on May 17<sup>th</sup>.

#### **F. Capital Projects**

The total of all proposed Water and Sewer Capital Projects is \$7,733,810. Mr. Fatland noted that \$3,458,727 or 45% is covered through grants, \$2,721,086 are 20-year no interest loans, and \$1,553,997 is American Rescue Plan funds.

##### **1. Water Plant**

We have received a proposal from McGill Associates for engineering services for a potential future raw water intake and pump station at the confluence of Catheys Creek and the French Broad River. The proposal is for \$28,700. Following discussion, it was decided that this proposal would be discussed further, together with other potential projects that qualify for American Rescue Plan funds, at the May 27<sup>th</sup> meeting.

##### **2. Wastewater Treatment Plant**

The proposed FY 2021-2022 budget includes \$147,000 for a 70-foot drying bed with a roof.

##### **3. Water Distribution**

The King Street Waterline upgrade project is currently in design. The total cost of

the project is \$1,086,918 and we received a grant for 75% or \$815,189 and a 20-year no interest loan for the remaining 25% or \$271,729.

The Burrell Mountain Finished Water Tank has a total cost of \$2,858,050 and we received a grant for \$2,143,538 (75%) and a 20-year no interest loan for \$714,512 (25%).

#### **4. Sewer System Collection System**

The Gallimore Road Sewer Basin Rehab project is ready to start construction. It is a \$2,234,845 project with a \$500,000 grant and \$1,734,845 20-year no interest loan.

#### **G. Water & Sewer Rate Increase**

Mr. Fatland explained that in FY19 the City Council approved a long-term budget plan to address future debt for infrastructure projects. The plan recommends a 4% rate increase in water and sewer rates each year. He reiterated that we did not institute the 4% increase in FY21 due to COVID. The recommendation for FY22 is to:

- 1) Use \$165,453 of ARP funds to fund the revenue shortfall;
- 2) Approve a 4% rate increase for FY22; and
- 3) Appropriate \$154,279 of Utility Fund Balance to fund a portion of annual debt service for State Revolving Water & Sewer Loan Program.

#### **H. Sanitation Enterprise Fund**

Mr. Whitlock explained that he has analyzed sanitation revenues and expenditures, which are currently budgeted as a Departmental Budget within the General Fund. He said we are currently not generating enough revenue to cover expenditures. Mr. Whitlock has looked at establishing a Sanitation Enterprise Fund and has calculated that it will take a \$3.00 increase in the monthly rate for residential and commercial garbage collection.

Mr. Fatland noted that the last increase for garbage rates was in FY 2010-2011. The recommendation is to establish a Sanitation Enterprise Fund and increase the residential and commercial garbage rates from \$17 to \$20 per month. The recycling fees would remain unchanged. Motion by Ms. Dinkins, seconded by Mr. Lutz to establish a Sanitation Enterprise Fund and recommend to City Council to increase the monthly fee by \$3.00. The motion carried unanimously.

Mr. Fatland said the Downtown Master Plan Committee wanted to consider putting subgrade dumpsters on Jordan Street. The cost to put in two dumpsters is \$30,000

and our trucks can't service subgrade dumpsters so we would have to hire Republic Services at a cost of \$5400 per year. These expenses would require raising the rates an additional \$1.00 for all customers in the entire city to pay for Jordan Street trash pickup. Mr. Lutz has suggested that a lower cost option would be to expand the screened dumpster area with regular dumpsters that the City could service. There was consensus to not include the cost of the subgrade dumpsters in the Sanitation Enterprise Fund Budget, but if the Downtown Master Plan Committee wants to use funds from its budget to pay for the dumpsters, then the Sanitation Fund would absorb the \$5400 cost to service them.

**I. Set Date for Next Meeting**

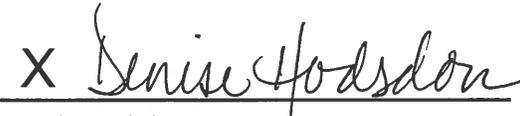
The next meeting of the Public Works & Utilities is scheduled for Thursday, May 27, 2021 at 5:30 PM in the Council Chambers at City Hall.

**J. Adjourn**

There being no further business, the meeting was adjourned at 7:27 pm.

X   
Maurice Jones  
Chair, Council Member

Minutes Approved: May 27, 2021

X   
Denise Hodsdon  
Executive Assistant