

WEDNESDAY, SEPTEMBER 21, 2016 – 1:15 P.M.
SPECIAL MEETING OF THE OXFORD BOARD OF COMMISSIONERS
OXFORD CITY HALL – COMMISSIONERS’ BOARD ROOM

The Board of Commissioners for the City of Oxford met at the above-mentioned time and place. All members of the Board and local news media were notified of the same as well as the purpose of the meeting.

Present: Mayor Jackie Sergent, Commissioners James (Danny) Currin, Patricia Fields, Ron Bullock, and Al Woodlief. Also present was City Clerk Barbara Rote.

Absent: MPT Calvin (C.J.) Harris, Jr., Commissioners Frank Strickland, S. Quon Bridges, City Attorney J. Thomas Burnette and City Manager Elke Doom.

CALL TO ORDER

Mayor Sergent called the meeting to order at approximately 1:15 PM.

TIERED MONTHLY WATER & SEWER USER CHARGES FEE SCHEDULE
EFFECTIVE SEPTEMBER 26, 2016

Mayor Sergent presented for approval the effective date of September 26, 2016 for the previously adopted tiered Monthly Water & Sewer System User Charges fee schedule.

On September 13, 2016, The Board unanimously adopted a tiered Monthly Water & Sewer System User Charges fee schedule. The date of the new schedule needs to become effective following the last September billing cycle to avoid the increase to some water customers, but before the State required date of October 1.

COMMISSIONER FIELDS MADE A MOTION TO ADOPT THE EFFECTIVE DATE OF SEPTEMBER 26, 2016 FOR THE TIERED MONTHLY WATER & SEWER SYSTEM USER CHARGES FEE SCHEDULE. ALL VOTES WERE IN THE AFFIRMATIVE. **THE MOTION CARRIED.**

RESOLUTION REQUEST TO DWSRF FOR WATER PROJECT ADOPTED
34,560 LINEAR FEET

Mayor Sergent presented for adoption a resolution requesting a loan and/or grant from the Drinking Water State Revolving Fund (DWSRF) for construction of a water distribution system rehabilitation and replacement project for 34,050 linear feet of water distribution system mains.

The Board of Commissioners previously approved the Asset Management Plan & Capital Improvement Plan, and the Monthly Water Rate Increase at their September 13, 2016 meeting to put the City in a better position to apply for Connect NC Bonds, and Clean Water & Drinking Water loans/grants. McGill Associates is working with the City of Oxford to make application for State loans/grants to finance the cost of the design and construction for the rehabilitation and replacement of the 16,250 linear feet of wastewater collection system and 34,050 linear feet of water distribution system. The applications will be for approximately \$4 million in wastewater and \$6 million in water improvements. That will allow the City, if awarded, to receive the maximum grant amount of \$3 million each for wastewater and water projects. If grants are not awarded, the Division of Water Infrastructure will allow the City to reduce the scope of the project from \$10 million total to a smaller size, if the City determines it cannot fund the projects through loans only. The resolution is required to begin the application process for receiving a grant and/or loan from the DWSRF.

COMMISSIONER BULLOCK MADE A MOTION TO ADOPT A RESOLUTION REQUESTING A LOAN AND/OR GRANT FROM THE DWSRF FOR CONSTRUCTION OF A WATER DISTRIBUTION SYSTEM REHABILITATION AND REPLACEMENT PROJECT FOR 34,050 LINEAR FEET OF WATER DISTRIBUTION SYSTEM MAINS. ALL VOTES WERE IN THE AFFIRMATIVE. **THE MOTION CARRIED.**

RESOLUTION BY CITY OF OXFORD

WHEREAS, The Federal Clean Water Act Amendments of 1987 and the North Carolina the Water Infrastructure Act of 2005 (NCGS 159G) have authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of water distribution systems, and

WHEREAS, The City of Oxford has need for and intends to construct a water distribution system rehabilitation and replacement project described as 34,050 linear feet of water distribution system mains and

WHEREAS, The City of Oxford intends to request state loan and grant assistance for the project,

NOW THEREFORE BE IT RESOLVED, BY THE BOARD OF COMMISSIONERS OF THE CITY OF OXFORD, NORTH CAROLINA:

That City of Oxford the **Applicant**, will arrange financing for all remaining costs of the project, if approved for a State (loan or grant) award.

That the **Applicant** will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.

That the governing body of the **Applicant** agrees to include in the loan agreement a provision authorizing the State Treasurer, upon failure of the City of Oxford to make scheduled repayment of the loan, to withhold from the City of Oxford any State funds that would otherwise be distributed to the local government unit in an amount sufficient to pay all sums then due and payable to the State as a repayment of the loan.

That the **Applicant** will provide for efficient operation and maintenance of the project on completion of construction thereof.

That Jacqueline vdH Sergent, Mayor the **Authorized Official**, and successors so titled, is hereby authorized to execute and file an application on behalf of the **Applicant** with the State of North Carolina for a (loan or grant) to aid in the construction of the project(s) described above.

That the **Authorized Official**, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project: to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the **Applicant** has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted this the 21st of September 2016 at Oxford, North Carolina.

RESOLUTION REQUEST TO CWSRF FOR SEWER PROJECT ADOPTED 16,250 LINEAR FEET

Mayor Sergent presented for adoption a resolution requesting a loan and/or grant from the Clean Water State Revolving Fund (CWSRF) for construction of a wastewater collection system rehabilitation and replacement project for 16,250 linear feet of wastewater collection system

mains. The resolution is required to begin the application process for receiving a grant and/or loan from the CWSRF. See above information from the adopted DWSRF resolution for details.

COMMISSIONER WOODLIEF MADE A MOTION TO ADOPT A RESOLUTION REQUESTING A LOAN AND/OR GRANT FROM THE CWSRF FOR CONSTRUCTION OF A WASTEWATER COLLECTION SYSTEM REHABILITATION AND REPLACEMENT PROJECT FOR 16,250 LINEAR FEET OF WASTEWATER COLLECTION SYSTEM MAINS. ALL VOTES WERE IN THE AFFIRMATIVE. **THE MOTION CARRIED.**

RESOLUTION BY CITY OF OXFORD

WHEREAS, The Federal Clean Water Act Amendments of 1987 and the North Carolina the Water Infrastructure Act of 2005 (NCGS 159G) have authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of wastewater collection systems, and

WHEREAS, The City of Oxford has need for and intends to construct a wastewater collection system rehabilitation and replacement project described as 16,250 linear feet of wastewater collection system mains and

WHEREAS, The City of Oxford intends to request state loan and grant assistance for the project,

NOW THEREFORE BE IT RESOLVED, BY THE BOARD OF COMMISSIONERS OF THE CITY OF OXFORD, NORTH CAROLINA:

That City of Oxford the **Applicant**, will arrange financing for all remaining costs of the project, if approved for a State (loan or grant) award.

That the **Applicant** will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.

That the governing body of the **Applicant** agrees to include in the loan agreement a provision authorizing the State Treasurer, upon failure of the City of Oxford to make scheduled repayment of the loan, to withhold from the City of Oxford any State funds that would otherwise be distributed to the local government unit in an amount sufficient to pay all sums then due and payable to the State as a repayment of the loan.

That the **Applicant** will provide for efficient operation and maintenance of the project on completion of construction thereof.

That Jacqueline vdH Sergent, Mayor the **Authorized Official**, and successors so titled, is hereby authorized to execute and file an application on behalf of the **Applicant** with the State of North Carolina for a (loan or grant) to aid in the construction of the project(s) described above.

That the **Authorized Official**, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project: to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the **Applicant** has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted this the 21st of September 2016 at Oxford, North Carolina.

RESOLUTION SUPPORTING KLRWS REQUEST FOR STATE LOANS ADOPTED WTP REHABILITATION AND 2.5 MGD UPGRADE

Mayor Sergent presented for adoption a resolution supporting Kerr Lake Regional Water System's (KLRWS) request of State loans for Drinking Water (water treatment plant). The KLRWS Advisory Board voted at their September 21, 2016 Meeting to move forward with a

hybrid water treatment plant rehabilitation and upgrade project. CH2M Hill is working with the KLRWS to make application for State loans to finance the cost of the design and construction for the rehabilitation and upgrade that will address Disinfection By Products, increase capacity from 10 MGD to 12.5 MGD, rehabilitate the existing clearwell and better position the system for a capacity upgrade in the future. The applications will be for approximately \$20 million in water treatment plant improvements. The City of Oxford will not assume any debt service for this project based on the current projected costs. The anticipated annual debt service of \$1.2 million will be paid for out of the KLRWS Annual Capital Reserve of \$1.3 million. The City of Oxford would be allocated 0.5 MGD of the 2.5MGD upgrade.

The Board expressed concern about the short notice on the project, and the estimated cost with only a 2.5 MDG expansion.

Several additional points were made. City Engineer Ratliff stated that the short notice was due to the September 30 deadline for submitting applications with the next window September 2017. The project would take about 2 years to complete. Most of the money will be spent on improving water quality because the plant has been experiencing water quality problems, especially in the summer. Also, the State looks more favorably for awarding rehabilitation and replacement rather than expansion. The original cost for the larger water treatment plant expansion project was estimated at \$45 million. The KLRWS Board would still like to pursue a larger expansion down the road, but decided to approach the project in phases with this phase being the first. The recently adopted City of Oxford Capital Improvement Plan (CIP) included full expansion and the increased water rates were based on the CIP. With less financial commitment from the City of Oxford for the KLRWS project, Engineer Ratliff noted that other projects could be pursued. Until the water treatment plant is expanded as originally proposed (20 MGD), Granville County will continue to receive a discount on their water payment to Oxford.

Having a Memorandum of Understanding between the partners was mentioned during the KLRWS meeting. It would provide for available water if a potential large water user needed a guarantee of allocation in any particular jurisdiction. Engineer Ratliff and Commissioner Bullock would pursue this avenue.

COMMISSIONER BULLOCK MADE A MOTION TO ADOPT THE RESOLUTION SUPPORTING KLRWS'S REQUEST OF STATE LOANS FOR DRINKING WATER (WATER TREATMENT PLANT). ALL VOTES WERE IN THE AFFIRMATIVE. **THE MOTION CARRIED.**

RESOLUTION BY CITY OF OXFORD

- WHEREAS, The Federal Clean Water Act Amendments of 1987 and the North Carolina the Water Infrastructure Act of 2005 (NCGS 159G) have authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of drinking water treatment works, and
- WHEREAS, The Kerr Lake Regional Water System has need for and intends to construct an expansion of its drinking water treatment plant and implement treatment improvements, and
- WHEREAS, The Kerr Lake Regional Water System is a partnership between the City of Henderson, the City of Oxford, and Warren County, and
- WHEREAS, The Kerr Lake Regional Water System has received an interbasin transfer certificate in support of providing a reliable water supply to its customers, and
- WHEREAS, The Kerr Lake Regional Water System has previously obtained an allocation of storage in Kerr Lake from the US Army Corps of Engineers, and
- WHEREAS, The City of Henderson as the majority partner in the Kerr Lake Regional Water System intends to request state assistance for the project, and

NOW THEREFORE BE IT RESOLVED, BY THE CITY OF OXFORD:

That the City of Oxford supports the City of Henderson in its application of funding for the expansion and treatment improvements of its water treatment plant under the Federal Clean Water Act Amendments of 1987 and the North Carolina Water Infrastructure Act of 2005 (NCGS 159G).

That the Kerr Lake Regional Water System will provide continued efficient operation and maintenance of the water treatment plant included on completion of the construction of the expansion and treatment improvements.

That The City of Oxford will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.

That the Kerr Lake Regional Water System and each Partner has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted this the 21st Day of September 2016 at the City of Oxford, North Carolina.

SEPTEMBER 13, 2016 MEETING MINUTES APPROVED

Mayor Sergent presented for approval the Regular Session minutes of September 13, 2016. Approval is needed for the CDBG, the DWSRF, and the CWSRF infrastructure project application deadlines.

COMMISSIONER CURRIN MADE A MOTION TO ADOPT THE REGULAR SESSION MINUTES OF SEPTEMBER 13, 2016. ALL VOTES WERE IN THE AFFIRMATIVE. **THE MOTION CARRIED.**

ADDITIONAL DISCUSSION ABOUT UTILITY ACCOUNT COLLECTIONS

There was a brief discussion about giving water customers an extension to the late fee deadline, assessing late fees, and grace on water cut-off due to the short notice about the rate increase. It was mentioned that Finance Director Ung and City Manager Doom had briefly discussed this subject. Finance Director Ung would pursue once City Manager Doom returned.

There was also discussion about reviewing our collection policy. Among the comments were customers who always pay their bill but for some reason they miss a payment (death in family, bank issue, checks in box at City Hall after 5 PM on due date but before then next morning, etc.). The other was the requirement for customers to pay in person by bank check or by cash for an unlimited amount of time because they made two late payments. There is no policy for lifting this restriction, and therefore the requirement goes on forever. It was suggested that the policy be reviewed. Finance Director Ung mentioned that he would work with City Manager Doom for some policy revisions.

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS OR DISCUSSION, AT APPROXIMATELY 2:15 PM., COMMISSIONER FIELDS MADE A MOTION TO ADJOURN THE MEETING. ALL VOTES WERE IN THE AFFIRMATIVE. **THE MOTION CARRIED**

Barbara J. Rote, CMC, City Clerk

ATTEST:

Jacqueline vdH Sergent, Mayor