

THE THREE HUNDRED-NINETY FOURTH SESSION OF THE BOARD OF ALDERMAN
VILLAGE OF ALAMANCE
MARCH 28, 2011 – 7:00 PM

Present: Mayor Bundren, Mayor Pro-Tem Sharpe, Alderman Crouse, Alderman Tichy, Alderman Clemmons, Alderman Slaughter, Alderman Jones, Clerk York.

Alderman Clemmons gave the invocation.

Alderman Clemmons moved to approve the February 28, 2011 meeting minutes and Alderman Tichy seconded. The Motion carried unanimously.

OLD BUSINESS

CDBG PROJECT

Mark Reich updated the Board on the CDBG project. The contractor has made good progress. All the sanitary sewer lines are now installed. Sanitary sewer services are all installed, from the main over to the right of way line. They are now waiting for testing to finish. The inspector has reminded us that there is a wait of 30 days for PVC pipe, to allow for settlement. This is a state requirement. The last leg of this will be done after April 2, 2011. The contractor is planning to start on the northern side which has already been tested, as soon as the weather allows. He plans to start hooking the houses on, once the line is up there, then the system will be "live." The contractor thinks it will take two weeks to get all the services in.

1. Change Order #1: Mark Reich noted that part of the Change Order is related to the services. There are 5 houses that need water service, so that they can account for the sewer billing, rather than just having a flat fee. The grant administrator has been consulted and he said that the grant could pay for those houses to be hooked onto the system. There is money in the contract to do this and the project is in good shape budget-wise. Mr. Reich recommended that the Board of Aldermen approve the change order. The other part of the change order relates to the patchwork; plans are to come back and do an overlay which also is fine with the grant administrator. All of this will be funded by the CDBG. Mr. Reich recommended approval of the change order as presented, noting it is a net increase of zero. Funds have been taken out of the contingency line item. All of the erosion control stone has not been used as scheduled in the contract, so this is actually a net change order amount of zero. This relates to the way the funds are allocated for the project. Alderman Tichy inquired about the contingency funds. Mr. Reich replied that there is still about \$20,000 - \$25,000 in contingency, within the contract. Mayor Bundren asked if those outside of the Loop, who were not already connected to sewer, would be able to connect. Mr. Reich responded affirmatively, observing that the Church is wants to connect. The Church will pay the contractor separately, as this cannot be done as part of the contract. The Church has contracted separately with the contractor, put in a sewer service and will be able to tie on at a later date. Mark Reich said he thought everyone else on the Loop is being served already. Mayor Bundren asked if the grant would pay for connecting homes not on Alamance Baptist Church Road. Mark Reich answered that he did not know whether the grant would cover this or if this would be outside the scope of the grant. He said that he would be glad to inquire into this question with the grant administrator. Clerk York mentioned that there are other grants that would pay for a hookup. Alderman Jones asked how many houses would be connected to water service under the change order. Mr. Reich replied that 5 houses would be connected to water service. Alderman Jones asked if well service at those homes would be split. Mark Reich said

they are planning on a separate system from the potable water supply and the well. Homeowners will continue to have access to their well. Anything inside the house will be metered and will be the basis for the sewer bill. Mayor Bundren asked if the grant was paying an impact fee to the Village. Mark Reich responded that this was not allowed. Because it is a low income area, the grant is paying for all the improvements. Mayor Bundren asked if the impact fee was waived because of this project. Mark Reich replied affirmatively; an impact fee could not be charged because it was a federal grant. Attorney Charles Bateman addressed future subdivisions of lots, relating to the impact fee. If an area is not part of the grant project, the regular impact fees and procedures would apply. Alderman Crouse moved to approve the Change Order. Alderman Tichy seconded. The motion passed unanimously.

Report on Cabin Pump Station Project

Mark Reich also reported on the Cabin Pump Station Project. He said progress is being made on the Preliminary Engineering Report. He has still not heard back from all the state agencies.

ORC Report

Arnold Allred presented the ORC Report. Regarding the Collection System and Distribution, everything is normal. Mayor Bundren asked if the Village was still maintaining lower water usage. Arnold Allred noted this was correct, citing 1.3 million gallons used, which is much less than last year at this time.

The pad has been poured for the Birch Station generator. Water and sewer lines have been marked there. He is waiting on the gas company now. Clerk York observed that when the gas company receives the check they will begin their work. Mayor Bundren asked about the fence. Clerk York addressed the need to extend the fence to where the generator will sit. Arnold Allred said 6 feet of fencing would be needed. He suggested that the gas line needed to be run before the fencing began. Clerk York said that he would get estimates for the cost of the fencing. Alderman Crouse moved to go ahead and acquire the fencing needed. Mayor Pro Tem Sharpe seconded. The motion passed unanimously.

In other Old Business, Alderman Jones asked about the status of the sewer assessments. Clerk York reported that Mr. Walters has paid his assessment in full. Ms. Welch has been set up on an amortization schedule and the first payment has been received. They will pay \$66.34 per month.

Alderman Jones asked what had been done regarding the family with the large water bill in Heritage Glen. Clerk York replied the family is no longer living there. This matter has been submitted to NC Debt Set-Off. The balance is approximately \$400.00. The Village did keep the deposit, but about \$400 is still owed on this rental. Clerk York also noted the Village has received some refunds from NC Debt Set-Off, a total of almost \$500.00 this year.

Mayor Pro Tem Sharpe asked about the Community Pride Award, noting that the award has been given to a home in the Main Village and not in Heritage Glen. Clerk York said he didn't realize it was the Board's policy to alternate the award between the Village and Heritage Glen. He reported that Elizabeth Ford wouldn't continue to work on the Community Pride Award if there was a requirement to alternate between the Main Village and Heritage Glen. Mayor Bundren said that she thought it would be better if there was a Committee to work on the Community Pride Award. Clerk York will notify Ms. Ford of the Board's policy and ask if she would like to continue working on a committee. Clerk York said that he would also send out a notice with the

next water bill, to see if anyone is interested in working on the Community Pride Award Committee.

NEW BUSINESS

Stormwater Grant

Mark Reich passed out a handout containing information on the Stormwater Grant. Josh Johnson, from Alley, Williams, Carmen and King, has attended a seminar and Mr. Reich had updated information to present. Previously, the Board has approved the existing program to comply with the Jordan Lake Rules. This consisted of the public education, illicit discharge detection elimination, mapping, and retrofit, as well as the buffer program and ordinance, already in place. If the Village is interested in applying for a grant, an application is required to be submitted to the Division of Water Quality by April 28, 2011. Prior to that, they will make recommendations to the communities prior to April 14, 2011. If a draft copy of the application is submitted to them, they will work with the Board to help you obtain a grant. The understanding Mark has from Josh Johnson is that because Big Alamance Creek is impaired and the Village is not a Phase 2 Community, the Village should rank high in being able to get a grant to help pay for part of the costs for work the Village would have to do anyway. Mr. Reich recommended a sub-committee, perhaps the Mayor and 2 or 3 other members, to put together the 15 page application. Mark would work with the sub-committee on the application. This should be submitted prior to April 14, 2011 to get the DWQ recommendations. This would hopefully help the Village to obtain a grant to pay up to approximately 60% of the cost.

As with any other grant, there will be additional requirements. However, the cost of those requirements would be covered by the grant. This includes time that Clerk York will need for training, public education, or illicit discharge could be reimbursed. Or, if the Mayor attended a public education event, between now and 2014, she could be reimbursed for \$10 per hour. There are some additional benefits as well. Keep in mind that the grant would pay up to 60% of the cost. Regarding stormwater fees, most municipalities in the area are charging \$1.00 or \$2.00 per household to help generate fees to help pay for all the program costs that will be coming in the future. Some construction activity will be needed in the future, but this is not slated until 2017. Some funds will need to be built up to help pay for future improvements that will be identified in the next 3-4 years. Mark noted some out-of-pocket expenses, with or without the grant. Costs may be delayed if the grant is obtained. Mark Reich stated that he thought it would be worthwhile to pursue the grant. Alderman Clemmons asked about how future construction activity would relate to the Jordan Lake Rules. Mark Reich said this was correct. At some point water that falls on the streets, buildings, and pump stations will have to be treated. This is several years down the road, but water treatment on rainfall that falls on impervious areas the Village owns will be required. Alderman Jones observed that costs could be paid from the general fund. Mr. Reich said this would be the decision of the Board of Aldermen, whether to charge a fee or pay costs from the General Fund. Clerk York confirmed that the likely expenses would be \$7000 per year, with the grant. Mr. Reich said that costs for the first year are higher. He does not have all the details about the inspection requirements. Mark suggested it would be a good idea to have someone from DWQ available by telephone, or come to talk to the group when the sub-committee meets about the application. Alderman Clemmons made the moved to pursue the Stormwater Grant application. Alderman Slaughter seconded the motion. The motion passed unanimously. The Mayor asked about Committee participation. She will serve on the Committee, along with Alderman Clemmons.

Alamance County Hazard Mitigation Plan

David Leonard, Alamance County Fire Marshall, was present to speak about the Hazard Mitigation Plan. He thanked the Mayor and the Board for the opportunity to speak about the Plan. He provided copies of the plan, along with the CD, and offered to answer any questions the Board might have. Mr. Leonard said Alamance County was required to have a Hazard Mitigation Plan in place. In order to submit any emergency management or federal money after a disaster, you have to show that a Hazard Mitigation Plan is in place. This was a key element five years ago when the first Hazard Mitigation Plan was brought before the Board. Within five years, it was required that the Plan be updated by September 2010. With the state and federal government, everyone had to review the document on several levels. Around December 2010, the final approvals were met. This was the FEMA mandated format that had to be followed. All municipalities were urged to participate with the county as one unit. The key to the plan is to have safeguards in place to mitigate any natural disaster. The majority of natural disasters tend to be weather-related. The plan addresses tornado activities, strong wind activities, ice storms, and flooding. Municipalities can have zoning ordinances in place to prevent building in potential trouble areas, such as flooding. In essence, this saves taxpayers money because property or business is not lost. David Leonard said that he had several copies of the plan and a document that needed to be signed. Before FEMA can officially accept the document, it must be taken to every municipality. Once the document is signed, it will go back before the Alamance County Board of Commissioners. Then the entire package is presented to the State, and then to the Federal government. Dave Leonard said that Alamance County is ahead of the scheduled year given. He offered to answer any questions the Board might have pertaining to the plan. Mayor Bundren noted that the Board of Aldermen had already approved this once, that this would just be a formality to approve it a second time. Mayor Pro Tem Sharpe made the motion to approve the Hazard Mitigation Plan again. Alderman Clemmons seconded. The motion passed unanimously. While the Board members signed the document, Dave Leonard introduced himself to the Board. He has been the Emergency Management Coordinator for three years. He is a native of Alamance County, born and was raised in Burlington. He worked for the Greensboro Fire Department for 23 years. In the event of any emergency management situation, Alamance County has renovated a building and put together a very nice emergency operations center. The center is located at 1950 Martin Street, in the old DSS building. This is the county's emergency operations center, having been located there for a year this August. The center is able to bring in any type of emergency agencies needed for any type of event. There is also a large overflow area for media, and for counseling people. Dave Leonard said he was very proud to have this facility. He works closely with agencies such as Fire, Law, and Emergency Medical. He said that he wants to make sure they are providing the Village of Alamance with whatever might be needed in any type of emergency event. He again offered to be of assistance with any questions and thanked the Board of Aldermen for their time.

Waste Industries Contract Renewal

Richard Johnson, the General Manager of Waste Industries in Alamance County, addressed the Board. He thanked the Board for being placed in the middle of the agenda instead of last. Waste Industries has done business with the Village of Alamance for a long time. The last time the contract was renewed was in 2008. Then, there was an extension clause attached for the additional term. Richard Johnson said that was why he was present was to talk about that. He provided information about Waste Industries which started about 40 years ago in eastern North Carolina. One man decided to take a chance on the garbage business and it built into what is now a business in 9 states, employing about 1600 people. The corporate office for Waste Industries is

in Raleigh. The story of Waste Industries is really an American Dream type scenario. It is a North Carolina company and the only hauler that has an operation in Alamance County. Richard Johnson noted that he is also an Alamance County resident, living close to Swepsonville. He said that he is close by, if needed. Richard Johnson provided the Board with a list of towns nearby and the status of their contracts. The contract for Swepsonville has been renewed for about \$12.50 per home, per month, garbage only. Ossipee is listed at \$13.64 per home. In the county at large, with the franchise rate, trash only service is listed at \$16.50 per home. He provided this information just for reference. Swepsonville and Ossipee are the two towns closely relative to the Village of Alamance. Mayor Bundren asked when the contract would be up for renewal for the Village of Alamance. Richard Johnson said that the contract ends April 30th. Mayor Bundren said that it had been discussed to extend the contract through June 30th at the current rate, to align it with the fiscal year. She said she would like to align the contract with the fiscal year. Richard Johnson pointed out information about rising diesel costs, tire costs going over 20%, and oils and lubricants up 16%. If it weren't for these increases, he might be able to offer a better deal. He said he would like to reduce the rate to \$12.52 per home, if the Town is amenable to this. This rate would start as soon as the new contract starts, whether April, June 30th, or July 1st. The Mayor said if this was approved, the rate should be retroactive to April 30th. Alderman Tichy suggested a 13 month contract. Richard Johnson said Waste Industries tries to do a good job for the Village of Alamance. Their drivers are folks who live in the area and have a vested interest in making sure they do a good job to keep the business. Richard Johnson said he would be thrilled to have the Village sign the extension and allow Waste Industries to do the work for another three years. He thanked the Board for their time. Mayor Bundren stated that Clerk York has contacted a couple of other companies just to get the fair bidding process underway. She said this would be tabled until other information came in. Richard Johnson asked if this was an informal bid type process. Attorney Charles Bateman pointed out that Richard Johnson has already exposed his bid. Clerk York said that he has not gotten a bid from anyone. He has met with one other company and has talked with another. He has talked with Republic Waste and with Waste Beneficial. Clerk York said he met with someone from Waste Beneficial. Richard Johnson said that Waste Beneficial was not in the residential business. Clerk York said that Elon's recycling is \$2.39 compared to \$2.22 for the Village of Alamance. Richard Johnson pointed out that this should be qualified to \$2.39 plus the fuel surcharges, for a total of \$2.53 currently. Clerk York said the long and short of the situation is that the Village is already getting the best deal it can get. Richard Johnson said he has bid against Republic and Waste Management, noting he spent 14 years with Waste Management. He said one of the things that is a disadvantage for the Village is that there is not much truck time to do the work. It's as much time to get the trucks to the Village as it is to do the work. Seeing what the rates are for similar towns, to bring in someone who doesn't have the experience in this kind of business is risky. He said if the Board wanted their telephones to ring, they could follow that path. Richard Johnson said the only reason he could offer this deal is because his trucks are routed to come here. Mayor Bundren said that she thought they should move forward with this, citing the good rate. Alderman Clemmons commented on the good job that Waste Industries does. He said that a Waste Industries worker, whose name he did not know, was respectful and helpful. Richard Johnson again thanked the Board. Alderman Jones asked if the contract included yard waste. Richard Jones said that was an hourly rate. Clerk York raised the question about the term. Alderman Tichy suggested 38 months. Alderman Jones made the motion to approve a 38 month extension starting May 1st. Alderman Tichy seconded. The motion passed unanimously.

Before the next item of New Business, Alderman Jones asked how to avoid situations like this one in the future. Charles Bateman addressed this matter. Mayor Bundren said she did not realize that Richard Johnson would be quoting a price, as he had just asked for an opportunity to talk. Alderman Jones said he likes Waste Industries and the workers, but this seemed a tactical

strategy. Clerk York said that in the future, they would have formal bids. Charles Bateman said it could be an informal bid process, but it should be a process. The Mayor thanked Alderman Jones for raising the question.

Purchase of a Diffuser

Arnold Allred said that the fire department needs a diffuser to test hydrants in the Village. There had been a conversation about two, but one will be fine. The Mayor asked about the cost. Clerk York said the cost was \$762.00. Arnold Allred said that the diffuser basically turns water into the street, instead of shooting it out elsewhere. Alderman Crouse said this would keep water from shooting into traffic flow. Alderman Jones asked who the diffuser would be for. Arnold said it was for the fire department to do testing on the Village hydrants, which the Village was required to do yearly. It benefits the insurance carrier, who requires that this testing be done at least twice a year. Mayor Bundren asked if rates would go down because of the diffuser. Arnold Allred replied negatively, but said it was a requirement of the fire department's district. It does help the water quality by keeping it flushed. The Fire Department is doing the Village a favor by flushing the hydrants. Charles Bateman noted the benefit is to the property owners. Mayor Bundren asked Clerk York about funding for the diffuser. He said funds were available in the budget under Miscellaneous. Mayor Pro Tem Sharpe made the motion to purchase the diffuser. Alderman Clemmons seconded. The motion passed unanimously.

Resolution Agreeing to Merger of PTCOG and NPCOG

Clerk York provided copies of the two resolutions in the packets. Mayor Bundren asked if everyone else has approved the resolutions. Clerk York did not have information at hand about which entities had already approved the resolutions. Mayor Bundren read from the resolution. Alderman Clemmons made the motion to approve the resolutions. Mayor Pro Tem Sharpe seconded. The motion passed unanimously.

Budget Amendment

Clerk York presented information relating to the budget amendment. There have been some high electric bills the last couple of months. The Utilities line item has been totally expended. This budget amendment will ensure enough funding for the remainder of the year. All three—Utilities, Miscellaneous, and Yard Waste funds will come out of Capital Expenses. Under Miscellaneous, there are no new expenditures, but this will allow funds to be available for the end of the year. For Yard Waste, \$7700 was budgeted for the year. Clerk York said he was adding \$6000 for the rest of the year. The big difference relates to twice a month pickups, from March to October. Yard waste costs vary from \$800 to \$1500 per month, depending on how much is picked up and the time spent doing the work. These budget matters are on the General Fund side. Then, Clerk York reviewed the Water Fund side. He is adding funds to Water and Sewer Maintenance to make sure there is sufficient funding for the rest of the year. There is enough funding currently to pay Arnold Allred for the rest of the year, but if something else were to come up, such as another water leak, there would not be enough funds. Clerk York said he is adding funding of \$6000 to cover, for example three leaks; under sewer maintenance he is adding \$3000 to cover a pump that would go out, or another big issue. He is moving a total of \$9000 for this from the Capital Expense line since this would not be spent by the end of the year. Clerk York asked if the Board members had any questions. Mayor Bundren asked if the Yard Waste just covered individuals, not contractors. Clerk York said Yard Waste pickup was only done for people in the Village. The Mayor commented on the high Yard Waste cost. Clerk York said it was a lot more expensive than originally thought, in terms of per month charges. Alderman Jones questioned

whether the trash collection rates had gone down because the yard waste costs had increased. He asked if the Village needed to shop for yard waste pickup. Mayor Bundren asked Clerk York about trash pick up costs. He replied that \$50,000 is budgeted for trash pickup. Mayor Pro Temp Sharpe made the motion to amend the budget. Alderman Tichy seconded. The motion passed unanimously. Clerk York said the Village spent \$5300 last year for yard waste pickup, with only one pickup per month, except July and August. Now, the Village is doing two yard waste pickups per month, March through October. Alderman Jones said that he thought a once a month yard waste pickup would be sufficient. He suggested this could be tried, to see if there were complaints. Clerk York said he would get complaints, because he did when people missed the once a month currently. Mayor Bundren asked how many pickups per year the Village was currently doing. Clerk York replied that there are 18 yard waste pickups. If the Village drops back to 12 pickups per year, it would cost about \$8700, at the current rate. This is assuming that each time there is a pickup, it will be the most expensive pickup. The most expensive bill for two pickups per month has been \$1500. Some yard waste bills have been as low as \$450 or \$500 per month; they do vary. The bills are based on an hourly rate and a fuel charge. The hourly rate is \$22.11/hour. There was some discussion by the Board members on the use of the yard waste pickup. Alderman Tichy said if pickups were cut back, they needed to be at least once a month. Mayor Bundren suggested the Village could try this for one year. Alderman Jones made the motion that yard waste pickups be once a month, beginning in April. Alderman seconded. The motion passed unanimously.

Finance Report

Clerk York said that this time a 6-month CD was purchased, at a rate of .35%. The offer was .25% for 90 days, .35% for 6 months and .5% for the year. The current earning from Wachovia is .05%. Wachovia is taking off the fees which are about \$75 per month. So though the Village is not incurring any fees, there are no earnings. The most recent number from North Carolina Capital Management Trust was .11%.

Other Business

The question was raised from the audience about adding the \$1 or \$2 stormwater fee and how this would be assessed. Clerk York responded that another service would be added to a bill for recycling or water, for example: Recycling \$2.62, Jordan Lake \$1.00. That would be only if the Village of Alamance chose to do this, in this way.

Public Comment

There was no other public comment.

Mayor Bundren asked Clerk York about plans to work on the budget. He said he has a budget worked out. Alderman Clemmons asked if they could plan to work on the budget Friday afternoon. This was agreed.

Alderman Jones asked if anyone knew about the Economic Development Foundation. Charles Bateman said it was run by the Chamber of Commerce. Alderman Jones asked if the Village of Alamance should have any involvement with it, or not. Charles Bateman said the Foundation was in the midst of a campaign, asking for funding. The Mayor asked how the Village would benefit. Charles Bateman said the foundation primarily helped economic growth. Alderman Jones said he had been asked to participate in a survey about how the foundation was doing, but he had never heard of them.

Alderman Clemmons moved to adjourn. Alderman Jones seconded. The motion to adjourn passed unanimously.

_____Cathera R. Bundren, Mayor

_____Ben York, Village Clerk