

Dunn City Council
Special Meeting
Tuesday, January 17, 2023
3:30 p.m., Dunn Municipal Building

Minutes

PRESENT: Mayor William P. Elmore Jr., Mayor Pro Tem Dr. David L. Bradham, Council Members J. Wesley Sills, April Gaulden, Frank McLean, Billy N. Tart, and Chuck Turnage.

Also present: City Manager Steven Neuschafer, Assistant City Manager Mathew Boone, Finance Director Cary McNallan, Public Utilities Director Heather Adams, Chief of Police Cary Jackson, Public Works Director Dwayne Williams, Administrative Support Specialist II Debra Creighton, City Attorney Tilghman Pope, and City Clerk Tammy Williams.

CALL TO ORDER AND INVOCATION

Mayor Elmore opened the meeting at 3:30 p.m., gave the invocation and afterwards led in the Pledge of Allegiance.

AGENDA ADJUSTMENT AND APPROVAL

Motion by Council Member Turnage and second by Mayor Pro Tem Bradham to adopt the January 17, 2023 meeting agenda as presented. **Motion unanimously approved.**

ITEMS FOR DISCUSSION AND/OR DECISION

Consider Awarding Contract for Black River WWTP Improvements

Public Utilities Director Adams reminded council about executing the legal binding agreement, Special Order by Consent (SOC), with the State. The SOC spelled out seven different projects that we will need to complete by December 31, 2026. One of the projects is the WWTP Improvements Project, which includes adding a clarifier, rehabbing a clarifier, constructing a new chlorine contact basin, constructing a new chemical feed system for pH adjustment, and to upsize the aeration basin yard piping. The city receives flow allocation for each project it completes. She reminded Council all these projects are needed and required due to the SOC, and doing part of the projects and not all, would not meet the requirements of the SOC, which expires March of 2027. If the city is not able to complete the projects to handle excess peak flow, then we would not be in compliance and would be put back under a moratorium. Our focus is on decreasing inflow in the plant to eliminate outflow issues. Total cost for the project is \$12,482,100. TA Loving and DMP have completed the design and have submitted permits to the State in order to receive authorization to construct. TA Loving has provided a guaranteed maximum construction price of \$12,048,100. Funding of the project is through SFR Loan \$3,626,000 (30-year loan at 0.13% Interest Rate) with Closing Fee \$72,520 and ARPA Grant Funds \$8,856,100.

Adams added that in today's market, projects are showing increases of 40 to 50%. She also added that the contract has been reviewed by City Attorney Pope.

Council Member Sills arrived in the meeting.

Council Member Turnage asked about using the \$30M for this project. Adams confirmed that this has been approved by the state so then we will seek additional funding when working on final project.

City Manager Neuschafer explained all the projects, which are in addition to the treatment plant and pipe work; The WWTP will be the first project, then the pipeline projects, then we will start the Machine and Welding outfall and then the effluent forcemain project that sends water back to the Cape Fear River. Finally, the Eastside forcemain project, which will complete the projects required by the SOC.

Mayor Elmore added that the City has been given a \$33M grant to fund all these projects with a commitment to borrow \$3.6M, which has changed with this first project. All grant money has to be spent by 2026. We either spend or lose the grant funding and the SOC is tied to this as well. So without getting these projects completed, we will not be in compliance with the SOC. He restated that the \$30M will fund the first three projects and then with the final project, we will seek additional funding.

Adams confirmed that staff feels confident that these projects can be completed in the required timeline.

Turnage asked about additional increases for residents. Neuschafer said that it is all based on water and sewer rates. There is no way to get around that there will be additional increases on rates. Turnage stated that he would like everyone on the council to be on the same page in understanding how to deal with this elephant.

Adams added that if the System Development Fees are implemented they also would help in funding these projects and relieve some pressure off the existing customers. Neuschafer added that new growth is also going to help spread the cost with future rates.

Chris Meyers with TA Loving told Council that he did not expect delays that were not already factored in. Material availability would probably be the only thing that might cause a delay. He said that they are looking at cutting cost as much as possible but that has already been looked at quite a bit to get to this point. Mayor Elmore asked DMP did they consider concessions and Mike Slusher with DMP replied "would like to address at a later time. Insurance company has been contacted hoping to be able to discuss soon with the City." Adams added that staff would prefer moving forward so we can begin ordering materials and hopefully they can work on savings with DMP on future projects.

Motion by Council Member Sills and second by Council Member Turnage to enter into a contract with TA Loving Company for the construction of the Black River WWTP Improvements contingent upon the Division of Water Infrastructure approving the City to use ARPA funds to cover the remaining portion of the project budget as presented and upon approval of the City Manager on the final contract document. **Motion approved with Council Member Tart opposed due to no concessions being made on the contract due to the errors on the estimate.**

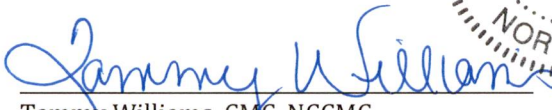
Project Amendments – Black River WWTP Improvements Project and Eastside Pump Station and Forcemain Project

Finance Director McNallan presented request for Council to approve capital project ordinance and budget amendments in order to fund the revised construction budget for the Black River WWTP improvements by transferring American Rescue Plan Act (ARPA) funding from the State Fiscal Revolving Fund (SRFR) from the Eastside Pump Station & Forcemain Project.

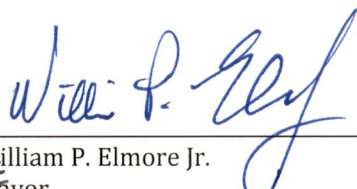
Motion by Council Member Turnage and second by Council Member Sills to approve the attached capital project ordinance amendments and budget amendment for the Black River WWTP Improvements project and the Eastside Pump Station and Forcemain project. **Motion unanimously approved.** *A copy of the Budget Amendment (BA2023-04), Ordinance (O2023-01) and Ordinance (O2023-02) are incorporated into these minutes as Attachment #1.*

With no further business to discuss, motion by Mayor Pro Tem Bradham and second by Council Member Gaulden to adjourn the meeting at 4:26 p.m. **Motion unanimously approved.**

Attest:


 Tammy Williams, CMC, NCCMC
 City Clerk




 William P. Elmore Jr.
 Mayor