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**CITY OF MONROE**  
**PUBLIC ENTERPRISE COMMITTEE**  
**300 W. CROWELL STREET, MONROE, NC 28112**  
**Tuesday, September 17, 2019 - 3:00 PM**  
**AGENDA**  
**[www.monroenc.org](http://www.monroenc.org)**

1. Minutes of Public Enterprise Committee Meeting of August 20, 2019
2. Budget Ordinance for NCMPA1 Excess Working Capital Credit  
BO-2019-17
3. Edwards Wood Products Natural Gas Extension Bid Recommendation
4. Recycling Contamination
5. LED Lighting Initiative
6. Other

# Public Enterprise Committee Minutes

August 20, 2019

Conference Room

3:00 PM

**Members Present:** Council Member Surluta Anthony, Council Member Marion Holloway, Jr., Council Member Franco McGee and Committee Member Loretta Melancon

**Members Absent:** None

**Staff:** Ashley Britt, Brian Borne, Chris Costner, Jim Loyd, David Lucore, Larry Faison, Mujeeb Shah-Khan, Sandra Slifer, and Sarah McAllister

Council Member Surluta Anthony opened the meeting at 3:00 PM.

## Adoption of Minutes of the Meeting

### Recommendation:

Adopt July 16, 2019 PEC meeting minutes.

**Motion:** Adopt July 16, 2019 PEC meeting minutes

**Motion made by:** Council Member Franco McGee

**Second:** Council Member Marion Holloway, Jr.

**Voting: In Favor** – Council Member Surluta Anthony, Council Member Marion Holloway, Jr., Council Member Franco McGee

**Abstained** – Committee Member Loretta Melancon due to being absent at that meeting

**Action:** Motion adopted

## Staff Report – Natural Gas Expansion - Edwards Wood Products, Marshville, NC

### Recommendation:

The Public Enterprise Committee is requested to approve the Energy Services Director providing the recommendation for awarding the contract for construction directly to City Council.

### Presentation:

David Lucore, Interim Energy Services Director, introduced this item by saying we are expanding the natural gas pipeline into the Marshville area to serve two of the Edwards Wood Products facilities and that will also set us up to expand into the Marshville area as additional customers along those routes want to be connected.

The proposal has been sent out to 23 contractors and we are expecting to receive bids back on the 30<sup>th</sup> of August. What we are asking for is that you would allow us to bring this directly to Council on September 17<sup>th</sup> rather than have to wait another month to bring it back to Committee. The budgeted funds are \$1.25 million and we will take the bids and see where they fall within those budget guidelines and we would like permission to take it straight to Council.

**Discussion:**

Council Member Surluta Anthony said is it time-sensitive. Mr. Lucore said it is. We have a directive, since we have accepted money from Union County, that we have construction started by the first of December I believe it is. We had meant to get this out for bids last month, but due to circumstances beyond our control it got pushed back a month.

**Motion:** Approve the Energy Services Director to provide the recommendation for awarding the contract for construction directly to City Council.

**Motion made by:** Council Member Franco McGee

**Second:** Council Member Marion Holloway, Jr.

**Voting:** In Favor – Council Member Marion Holloway, Jr., Council Member Franco McGee, Council Member Surluta Anthony and Committee Member Loretta Melancon

**Opposed - None**

**Action:** Motion approved

**Additional Discussion after the motion was approved:**

City Manager Larry Faison said if I could interject, Dave and Rob, who works with Dave, have engaged in a meeting with the members of the Marshville community to provide an overview of the project and negotiating of easements, etc. We would anticipate more of those types of meetings. The first one that I was aware of was with the business groups that came through invitation from a member of our Economic Development Commission a couple months ago and he asked if we could offer the business community some insights. From that their new Town Manager reached out to our staff to get more insights, you may have seen they had a turnover in managers roughly within the last month. Ms. Anthony said does it appear that there is a lot of interest down there. Mr. Lucore said there is. The town of Marshville has been interested in getting natural gas there for quite some time. Economics just did not make it possible until now with a large industrial customer like Edwards Wood Products. That supplied the incentive with economics to make it possible for us to do this. There is a demand for gas there. Ms. Anthony said wonderful.

Mr. Holloway, Jr. said was there a lot of pushback from the big propane companies down there. Mr. Lucore said we have not heard any. We thought there might be some pushback at the meeting that Larry referred to but nobody spoke in opposition and everything was positive and looking forward to getting it in there.

**Staff Report – Solar Panel Request Update**

**Recommendation:**

This is presented for information only and to make members aware of potential contact by citizens. Energy Services would like to update the PEC on recent activity involving customer requests to install solar panels.

**Presentation:**

David Lucore, Interim Energy Services Director, introduced this item by saying we have recently been contacted by several customers with the interest of installing solar panels on their homes and businesses. I have created a summary on our position on this.

In 2009, City Council passed a policy that we have a “Buy-All/Sell-All” policy on renewables, which basically means that every bit of energy that a solar panel produces they sell to us at our solar rate and we buy it and pay them a credit back. Recently customers have been trying to circumvent that policy and trying to go with a “Net Metering” configuration. The difference between the “Net Metering” and “Buy-All/Sell-All” is their solar panel would actually offset a portion of their electric bill. The “Buy-All/Sell-All” is not a one-to-one relationship. We do not pay them back the same price that we charge for electricity. It is actually a rate equal to the avoided cost of what it would cost us to buy that electricity from their normal sources. That is important to know because it is through our energy rates that we recoup our investment in the infrastructure providing electric service to every customer, and if we allow customers to begin “Net Metering” we’d have to allow all customers to do that and that would mean a significant cut into our revenue and our method in recovering operating and maintenance expenses. This was to make you aware that we have had several people come and ask about this when they heard our policy and didn’t like it and just wanted to bring you up to speed and let you know that there are some people that are complaining. I believe you may have gotten an email or two from different people on this same issue. That is our current policy and what we have told these customers is that this is our policy and this is what we have to enforce.

### **Discussion:**

Ms. Anthony said so as long as we are in that Electric Co-op we probably will never be changing that policy will we. Mr. Lucore said it is doubtful. A lot of the pushback comes from the difference in philosophy between Duke Energy and the City of Monroe. Duke Energy has millions of customers and they are required to have a larger percentage of their energy produced by renewal sources than the City is and they can spread those costs over millions of customers where we have around 11,000 customers. In addition to that, we get 90% of our energy from a nuclear source, and although it is not considered a renewable source, it is a zero-carbon-emitting source. So there is a different philosophy there and that’s typically the complaint we hear is that Duke will allow this or Duke will allow that and we’re not Duke and we don’t allow the same things that Duke does. Ms. Anthony said do you know what Union Electric’s philosophy is. Mr. Lucore said I am not 100% sure, but I think as best as I can recall, they are somewhere in the “Buy-All/Sell-All” range. I do not think that they allow “Net Metering” but I will have to double check on that.

Ms. Melancon said I just wanted to say that I really was upset several years ago when I spoke with your predecessor. I guess the biggest thing that upset me is that he did not explain. I am so grateful for this information. I mean I had to read it about 3 times to understand it, but I can understand now that you cannot pass any expense on to other customers. I mean I had people in my home and was ready to install solar panels and then I called and found out that it is going to be of no advantage to me, in fact it is probably going to cost me. Mr. Faison said like David was saying part of the confusion is that the folks selling solar panels are not generally familiar with Electricity communities. They are more familiar with the Duke environment, and so they come in with a pitch of how it will pay for itself and you get tax breaks, and then they knock on our door and there is a different story that is to their ears and told to them can create contention and confusion. In our opinion the vendor’s kind of play into that, knowingly or perhaps unknowingly, that confusion and they sell the product and then they are gone. Mr. Lucore said many times they do not understand. Ms. Melancon said yes, the salesperson was absolutely in the dark about Monroe’s policy until I called and then we were all in shock. This really explains the situation and I really appreciate that.

Ms. Anthony said if we continue to get a lot of requests, it might be a good idea to put something in the electric bill when it goes out explaining our policy and that we are with Electricity’s because I’m sure that people don’t understand it. Ms. Melancon said this is not easy to explain. I cannot imagine me doing justice with this telling a neighbor so yeah. Ms. Anthony said that at least some explanation is better than no explanation. Ms. Melancon said I guess so, that is true. The other thing that bothered me was that I

thought I would just decide that I want Duke to supply my energy and then I was told I cannot do that either. When I felt like I had nowhere else to go, I took on a new project.

Mr. Holloway, Jr. said did we get everything worked out with the carwash people. Mr. Lucore said we did. We found a good solution that will be a minimal expense, we have relayed that to the customer, and they are on board with it. We are just waiting now until they can bring their electrician down and make the changes required and they did not want to bring him in until they had a good punch list of work so he would not have an extra trip down here. I asked them to have that wrapped up by the end of August and they assured that they will have it done.

### **Staff Report – Windsor Street Sidewalk Improvement Project**

#### **Recommendation:**

The Public Enterprise Committee is requested to consider information related to the Windsor Street Sidewalk Improvements Project.

#### **Presentation:**

Sarah McAllister, Infrastructure Engineer, introduced this item by saying we previously brought this to the Committee in June of this year and asked that Staff be able to move straight to City Council provided the bid was within budget. We only received two and they were both over budget so we want to give additional information to you. This is for Windsor between Church and Maurice. The low bidder had some major errors in both multiplication and summation. It was an error in the amount of almost \$87,000, so once they discovered that they advised they could not perform the work based on the unit prices they had submitted and they formally withdrew their bid. So we ended up having one bidder, Armen Construction. They were over and their bid was \$391,239. They are prequalified with NCDOT and in all relevant work codes for this project. There is a 150-day contract period for this work.

Approximately \$264,000 remains in the Sidewalk Construction project account. There is some storm water work associated with this project and some storm water pipes are going to be replaced. That is going to be \$27,175 over bid and we are recommending \$134,488 be appropriated from Powell Bill Reserve Funds to cover the shortage and a contingency fund of \$35,000. There is a budget amendment to cover the storm water transfer and the Powell Bill Reserve Fund transfer and there are sufficient Powell Bill Reserve Funds even with the many project commitments.

There are four parts to what we are recommending for approval:

- 1) Approve award of the Windsor Street Sidewalk Improvement Project to Armen Construction in the amount of \$391,239.
- 2) Approve a contingency amount of \$35,000 to cover possible change orders during the course of the work.
- 3) Authorize the City Manager to sign the Contract and any future Change Orders within the contingency funds related to the project.
- 4) Approve the attached Budget Amendment (BO-2019-15) to cover the costs associated with the project.

The Budget Amendment and award of the Contract will go to Council tonight pending your approval.

**Discussion:**

Mr. Holloway, Jr. said were you surprised that there were only two bidders on this Sarah. Ms. McAllister said no. Mr. Holloway, Jr. said how many would you usually have if the economy was not so hot. Ms. McAllister said we have struggled to get more in the past bit. Since the economy has taken off, not only do we not get some of the previous vendors, but they are so busy and our timeframe is very tight, that a lot of them will not bid. If we were to put like a year timeframe on it then we would get more bids. Ms. Anthony said is there a danger that if they take the bid and go over that they will be penalized. Ms. McAllister said if they take the bid and agree to the timeframe; yes, they must meet that timeframe.

**Motion:** Approve that we put on the Consent Agenda for approval by Council tonight

**Motion made by:** Council Member Marion Holloway, Jr.

**Second:** Council Member Franco McGee

**Voting:** In Favor – Council Member Marion Holloway, Jr., Council Member Franco McGee, Council Member Surluta Anthony and Committee Member Loretta Melancon

**Opposed - None**

**Action:** Approved

**Other:**

None

**Recommendation:** Adjourn meeting at 3:22 PM

**Motion:** Adjourn meeting

**Motion made by:** Council Member Franco McGee

**Second:** Council Member Marion Holloway, Jr.

**Voting:** In Favor – Council Member Marion Holloway, Jr., Council Member Franco McGee, Council Member Surluta Anthony and Committee Member Loretta Melancon

**Opposed - None**

**Action:** Approved

**Next Meeting** – September 17, 2019 3:30 PM

Respectfully submitted by:

Amanda Horne

Water Resources Administrative Assistant II



**STAFF REPORT**

**TO:** Public Enterprise Committee  
**VIA:** E.L. Faison, City Manager  
**DATE:** September 17, 2019  
**FROM:** David E. Lucore, Interim Director of Energy Services  
**PREPARED BY:** David E. Lucore, Interim Director of Energy Services  
**SUBJECT:** Budget Ordinance for NCMPA1 Excess Working Capital Credit

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**SUMMARY STATEMENT**

The Public Enterprise Committee is requested to approve BO-2019-17 designating where to deposit the funds refunded to the City by the North Carolina Municipal Power Agency 1 (NCMPA1).

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**REVIEW**

The NCMPA1 has retained a working capital fund to be used to pay for the operation, maintenance and construction costs for the Catawba Nuclear Power Generating Facility. Each member city has contributed a percentage of the total fund.

Due to lower than expected costs for several years, there was an excess of \$150M in this fund. In their April, 2019 meeting, the NCMPA1 Board voted to retire \$75M of the debt owed on the Catawba Nuclear Generating Facility and refund \$75M of this excess capital to the member cities according to the percentage each contributed.

The City of Monroe’s refund totaled \$8,866,032. Staff recommends that \$4,361,428 of this refund be deposited into a Rate Stabilization account to be used to offset future wholesale power cost increases and maintain our electric rates without increase. The balance of the credit, \$4,504,604, is recommended to be deposited into a Capital Project account to be used for future capital projects.

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**RECOMMENDATION**

Staff recommends adoption of Budget Ordinance BO-2019-17 to designate the NCMPA1 distribution to Rate Stabilization Fund and for future capital projects.

Attachment: Budget Ordinance BO-2019-17

**CITY OF MONROE, NORTH CAROLINA  
CAPITAL PROJECT BUDGET ORDINANCE  
ELECTRIC STABILIZATION FUND AND  
DESIGNATED FUTURE CAPITAL PROJECT FUND  
BO-2019-17**

**WHEREAS**, City of Monroe, North Carolina (the “City”) is a member of ElectriCities;  
and

**WHEREAS**, it has been approved by the NC Municipal Power Agency (NCMPA1) Board of Commissioners and ElectriCities Board of Directors back in April 2019 that a one-time credit of NCMPA1 excess working capital be distributed proportionately to ElectiCities members; and

**WHEREAS**, this distribution in the amount of \$8,866,032 was received on August 25 and the City of Monroe would like to designate that \$4,361,428 be credited to the City’s Rate Stabilization Fund and \$4,504,604 be credited to a project fund that is designated for future capital projects; and

**NOW, THEREFORE, BE IT ORDAINED** that the City Council of the City of Monroe designates the following:

Electric Capital Project Fund:

Revenue:

Miscellaneous Revenue	\$8,866,032
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Expense:

Designated for Rate Stabilization (EL9902)	\$4,361,428
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Designated for Future Capital Projects (EL9900)	\$4,504,604
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Adopted this 17<sup>th</sup> day of September, 2019.

\_\_\_\_\_  
Bobby G. Kilgore, Mayor

Attest:

\_\_\_\_\_  
Bridgette H. Robinson, City Clerk



## **STAFF REPORT**

**TO:** Public Enterprise Committee

**VIA:** E.L. Faison, City Manager

**DATE:** September 17, 2019

**FROM:** David Lucore, Interim Director of Energy Services

**SUBJECT:** Natural Gas Expansion Edwards Wood Products Marshville, NC

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### **SUMMARY STATEMENT**

The Public Enterprise Committee is requested to consider bids for the labor and equipment to construct the pipeline to Edwards Wood Products (EWP) to award the contract for construction.

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### **REVIEW**

Edwards Wood Products, Inc., the City of Monroe, and Union County have agreed to a memorandum of understanding (MOU) for the construction of pipeline facilities to serve two (2) Edwards Wood Products, Inc. properties.

The City of Monroe Energy Services Department has completed the design plans and specifications for the construction of 9,600 feet of 6 inch polyethylene pipe and 33,000 feet of 4 inch polyethylene pipe. The project was publically advertised on August 5, 2019 and bids were received on August 30, 2019. The City staff contacted twenty-three (23) contractors, six (6) contractors obtained bid packages through public advertisement, and four (4) construction advertising networks obtained bid packages for advertisement.

The bids include all labor and equipment to install the pipelines facilities and the contractor must be qualified to meet all permitting and regulatory compliance requirements. The bids include the requirements for retainage, bid deposit, payment bond, and performance bond. Bids were received from six (6) qualified contractors. Ertel Construction is the low bid at \$1,426,722.00.

The bid amount by Ertel Construction amount plus the estimated budget for materials is \$1,628,898.33. The total budget for Project NG1903 Line Ext. to EWP is \$1,255,909.71. The

City included system improvements in the pipeline design to allow for greater service capability in the Town of Marshville, these total \$177,838.67. The system improvements total will be contracted out of the Natural Gas Capital Improvements account, Project NG1503 System Reinforcements. The remainder of the deficit is recommended to be added to Project NG1903 Line Ext to EWP from fund balance with a Budget Ordinance. These funds will be recovered by the revenue of gas sales of additional customers that request service along the pipeline route. The Budget Ordinance is for \$249,149.95.

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### **RECOMMENDATION**

Staff recommends that the Public Enterprise Committee recommend the bid of \$1,426,722.00 by Ertel Construction for consideration and approval by the City Council.

Staff also recommends that the Public Enterprise Committee approve a Budget Ordinance in the amount of \$249,149.95 is added to Project NG1903. Funds are available in the Natural Gas Fund Balance to allow the establishment of this capital project.

Attachments:

EWP Bid Summary

Budget Ordinance BO-2019-18



BID PROPOSAL FOR PRICE PER BID ITEM

1 Steel main tie-in fittings		
Item	QTY	Description
1.1	1	6" Spherical 3-WAY Tee

2 PE Main Installation		
Item	QTY	Description
2.1	9600	6" HDPE Pipe
2.2	33000	4" HDPE Pipe

3 PE Service Line Installation		
Item	QTY	Description
3.1	1080	4" HDPE Pipe

4 PE Service tie-over		
Item	QTY	Description
4.1	1	4" HDPE

5 PE main tie-in fittings and methods		
Item	QTY	Description
5.1	2	4" squeeze off and tie-in (fusion)

6 PE Main Abandonment		
Item	QTY	Description
6.10	1	4" HDPE Main (Approximately 1900 FT)

7 Valve Installation		
Item	QTY	Description
7.1	7	6" HDPE Valve
7.2	14	4" HDPE Valve

8 Test Stations and Markers		
Item	QTY	Description
8.1	29	Test Station on HDPE Main

9 Pavement and Concrete Cut, Removal, and Replacement		
Item	QTY	Description
9.1	350	Removal of asphalt, backfill with crusher run gravel, re-asphalt

10 Padding Dirt / Crusher Run Gravel		
Item	QTY	Description
10.1	5230	Screened backfill material
10.2	120	Crusher run gravel

11 Erosion Control		
Item	QTY	Description
11.1	30500	4" PE Main Seed & Straw
11.2	7250	6" PE Main Seed & Straw
11.3	1700	Erosion Control Blanket - SC 150
11.4	1923	Silt Fence Install and Remove
11.5	48	Straw Wattles

12 Dry Bore		
Item	QTY	Description
12.1	650	6" HDPE
12.2	750	4" HDPE

13 Horizontal Directional Drilling (HDD)		
Item	QTY	Description
13.1	1300	6" HDPE Main
13.2	1600	4" HDPE Main or Service

14 Casing		
Item	QTY	Description
14.1	285	10" Casing

BIDDERS

	ERTEL	SEC	CLASSIC CITY	DAWN	MEARS	PRIDE UTILITIES
TOTAL	\$ 1,426,722.00	\$ 1,643,284.69	\$ 2,237,058.50	\$ 2,751,952.00	\$ 2,989,802.95	\$ 3,488,294.00

TOTAL COSTS

	ERTEL	SEC	CLASSIC CITY	DAWN	MEARS	PRIDE UTILITIES
	\$ 2,790.00	\$ 15,509.42	\$ 9,200.00	\$ 12,000.00	\$ 2,468.22	\$ 30,000.00

\$ 326,400.00	\$ 304,800.00	\$ 576,000.00	\$ 508,800.00	\$ 496,128.00	\$ 768,000.00
\$ 528,000.00	\$ 625,680.00	\$ 965,250.00	\$ 1,551,000.00	\$ 1,355,640.00	\$ 1,320,000.00

\$ 17,280.00	\$ 34,333.20	\$ 21,600.00	\$ 50,760.00	\$ 30,229.20	\$ 10,800.00
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\$ 1,160.00	\$ 3,961.90	\$ 1,500.00	\$ 5,000.00	\$ 1,773.40	\$ 1,500.00
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\$ 3,800.00	\$ 6,603.16	\$ 3,000.00	\$ 8,000.00	\$ 2,364.54	\$ 1,400.00
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\$ 1,700.00	\$ 9,422.77	\$ 3,800.00	\$ 4,000.00	\$ 2,026.95	\$ 5,000.00
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\$ 11,970.00	\$ 15,407.35	\$ 5,250.00	\$ 7,000.00	\$ 3,103.45	\$ 70,000.00
\$ 15,400.00	\$ 25,678.94	\$ 7,000.00	\$ 5,600.00	\$ 4,317.88	\$ 112,000.00

\$ 1,740.00	\$ 16,507.96	\$ 1,450.00	\$ 5,800.00	\$ 10,285.72	\$ 5,800.00
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\$ 10,500.00	\$ 7,507.50	\$ 10,500.00	\$ 30,800.00	\$ 32,627.00	\$ 70,000.00
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\$ 230,120.00	\$ 135,980.00	\$ 313,800.00	\$ 313,800.00	\$ 339,950.00	\$ 235,350.00
\$ 5,280.00	\$ 7,179.60	\$ 5,400.00	\$ 7,200.00	\$ 4,200.00	\$ 7,200.00

\$ 27,450.00	\$ 51,240.00	\$ 30,500.00	\$ 30,500.00	\$ 23,485.00	\$ 30,500.00
\$ 6,525.00	\$ 12,180.00	\$ 725.00	\$ 7,250.00	\$ 5,582.50	\$ 14,500.00
\$ 11,900.00	\$ 10,064.00	\$ 3,400.00	\$ 10,200.00	\$ 3,689.00	\$ 6,800.00
\$ 17,307.00	\$ 11,518.77	\$ 3,846.00	\$ 7,692.00	\$ 14,768.64	\$ 15,384.00
\$ 7,200.00	\$ 3,383.52	\$ 3,600.00	\$ 2,400.00	\$ 14,400.00	\$ 5,760.00

\$ 24,050.00	\$ 68,328.00	\$ 39,000.00	\$ 22,750.00	\$ 107,568.50	\$ 325,000.00
\$ 21,750.00	\$ 73,207.50	\$ 21,937.50	\$ 14,250.00	\$ 70,477.50	\$ 300,000.00

\$ 62,400.00	\$ 51,597.00	\$ 78,000.00	\$ 45,500.00	\$ 215,137.00	\$ 58,500.00
\$ 46,400.00	\$ 49,152.00	\$ 46,800.00	\$ 30,400.00	\$ 150,352.00	\$ 72,000.00

\$ 45,600.00	\$ 104,042.10	\$ 85,500.00	\$ 71,250.00	\$ 99,228.45	\$ 22,800.00
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TOTAL	\$ 1,426,722.00	\$ 1,643,284.69	\$ 2,237,058.50	\$ 2,751,952.00	\$ 2,989,802.95	\$ 3,488,294.00
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**CITY OF MONROE, NORTH CAROLINA  
CAPITAL PROJECT BUDGET ORDINANCE  
Natural Gas Line Extension to Edwards Wood Projects Project  
BO-2019-18**

**WHEREAS**, City of Monroe, North Carolina (the “City”) has been approached by Edwards Wood Products, Inc. of Marshville, NC ( the “Customer” ) concerning extending natural gas service to customers facilities in Marshville and Eastern Union County; and,

**WHEREAS**, it has been determined that net revenues from sale of natural gas to the Customer’s facilities and the contribution-in-aid along with future growth in the Town of Marshville will recover the construction cost for the line extensions within eight years; and,

**NOW, THEREFORE, BE IT ORDAINED** that the City Council of the City of Monroe transfers the following to capital project NG1903 for construction of natural gas lines to serve the Customer’s facilities in Marshville and Eastern Union County.

Natural Gas Fund:

Revenue:

Appropriation of Fund Balance \$249,149.95

Expense:

Transfer to Capital Project Fund \$249,149.95

Natural Gas Capital Project Fund:

Revenue:

Transfer from Natural Gas Fund \$249,149.95

Expense:

Project Costs \$249,149.95

Adopted this \_\_ day of October, 2019.

Attest:

\_\_\_\_\_  
Bobby G. Kilgore, Mayor

\_\_\_\_\_  
Bridgette H. Robinson, City Clerk



**STAFF REPORT**

**TO:** Public Enterprise Committee  
**VIA:** E. L. Faison, City Manager  
**DATE:** September 17, 2019  
**FROM:** James N. Loyd, Jr. P.E., Engineering Director  
**PREPARED BY:** James N. Loyd, Jr. P.E., Engineering Director  
**SUBJECT:** Recycling Contamination

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**SUMMARY STATEMENT**

The Public Enterprise Committee is requested to provide guidance and direction on several possible actions to address recycling contamination. (1) Consider a plan of action for addressing recycling cart contamination that includes cancelling the recycling program or completing an audit to educate customers with ultimate removal of carts for noncompliant customers; (2) the elimination of glass from the approved recycling list for Monroe and (3) amending Chapter 55.07 Collection of Recycling to provide recycling collection to customers on a request basis.

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**REVIEW**

On August 21, 2018, City Council approved an amendment to the contract with the City vendor, Waste Pro, Inc. to allow contaminated recycling loads to be diverted to the landfill instead of transporting to the Recycling Materials Recovery facility (MRF). This action was taken due to the potential of fines and fear of being rejected from the MRF permanently. Solid Waste Staff met with Waste Pro on August 27, 2019 to discuss the rejection of a load on August 22, 2019 by the Mecklenburg County MRF. Pictures are attached. Upon review with Jennifer Herring of Waste Pro, staff was advised that the lowest estimated percentage of contamination on a route was 25 % with a number of routes at 75% contamination. The majority of the City appeared to be over 50%. This is not an uncommon problem across the State. *RecycleRightNC* was launched on September 9<sup>th</sup> by the Recycling and Materials Management Section of the NC Department of Environmental Quality. Due to the report by Ms. Herring, the Director authorized the diversion of contaminated

loads to avoid fines as well as the possibility of being banned from the Mecklenburg County MRF for a minimum of 6 months or completely.

Staff desires to obtain input and direction by the Committee on several possible actions that can be used to address recycling cart contamination.

**1) Plan of action**

**a. Cancelling Recycling Program**

By this approach, the City of Monroe would stop recycling altogether. So far, only Landis, NC has abandoned their recycling programs with all material going to the landfill. Craven County discussed cancelling their program but with much feedback from their citizens, their Commissioners decided to keep the program in place. Bessemer City went through the same and has decided to try the tagging and education before cancelling all together.

**b. Audit of the Recycling Carts**

This approach provides for all recycling carts within the City to be audited for contamination. Staff recommends a minimum of two recycling cycles. The first cycle, customers found with contamination in their cart will receive the attached mailer outlining that their cart was determined to be contaminated and that future violations can result in penalties and the removal of the recycling cart. Staff proposes to assess a \$25 fine as allowed by the Solid Waste Ordinance and removal of the recycling cart. Two options, using Waste Pro personnel are available to consider in completing the audit.

**Best Option**

This option uses 2 rear-load trucks with a 2-member crew at a cost of \$175 per hour to complete an audit of the recycling routes. Since recycling is provided every other week using blue/green routes, it takes two weeks to cover the entire City. The proposed costs include pictures taken to document every contaminated cart and the addresses documented. As part of this option, each cart can be tagged and left for the customer to remove the trash from the cart before it is serviced. This is viewed as a way to obtain compliance by rejecting service completely at the location and avoids contaminated loads going to the landfill. Total additional costs for each month of this option is \$26,500 after considering credit for not using the automated truck for two weeks of the month. Audits in this matter – tagging/education/removal have been completed by Greensboro, Cary and Bessemer City and Greenville, SC. Each of these municipalities provide their own solid waste services in lieu of outsourcing to a vendor.

**Fair Option**

This option provides for one employee to ride with the automated truck documenting contamination as the carts are serviced. Since addresses are not always visible (i.e. – Alley service), City staff would need to review locations where addresses were not readily available. Depending on the level of contamination, this option leads to the possibility of more loads going to the landfill.

Staff desires to obtain input and direction on the two approaches to address recycling cart contamination by the Committee.

**2) Removal of Glass from the approved City Recycling List**

As part of the audit, each customer is to receive information related to acceptable items. From discussions with Ms. Herring, glass will most likely be eliminated from the approved recycling stream at some point in the future. Some communities, such as Indian Trail, Gastonia, Greensboro and Fort Mill have already taken this approach. Staff recommends eliminating glass as an approved item to avoid confusion in the future.

**3) Amend Chapter 55.07 Collection of Recycling**

*Chapter 55, Solid Waste. Section 55.07 Collection of Recycling* of the Monroe City Code needs to address the return of recycling carts upon removal due to contamination. Staff also recommends consideration of distribution of recycling carts for new customers on a request basis. In both instances, the customer would need to sign a statement provided by the City outlining their responsibilities and acknowledging that civil penalties can be issued and the recycling cart removed due to contamination. The effort in amending the Ordinance is to maintain the recycling service for our customers that desire to be responsible recyclers. Some customers apparently do not have the wherewithal or desire to police their recycling bins based on some of the items currently being placed.

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**RECOMMENDATION**

Staff will be prepared to discuss the above, obtain input and direction from the Public Enterprise Committee at their meeting on September 17, 2019.

Attachment:  
Sample Mailer  
Pictures of Load Contamination-  
August 22, 2019



# CONTAMINATION NOTICE

## *Notificación De Contaminación*

**Account Address** \_\_\_\_\_

**Date** \_\_\_\_\_

Your recycling container is determined to be contaminated with materials that are not accepted in the recycling program:

*Se ha determinado que su contenedor de reciclaje esta contaminado con materiales que no son aceptados en el programa de reciclaje:*

- Plastic bags  
*bolsas de plástico*
- Foods or Liquids  
*Alimentos o líquidos*
- Clothing & Textiles  
*Ropa y textiles*
- Yard Waste  
*Residuos de jardín*
- Other  
*Otro*



As a courtesy, we picked up your recycling. Please keep garbage out to avoid service interruptions or penalties. For questions call 704-282-4565.

*Como cortesía, recolectamos su reciclaje. Por favor mantenga la basura fuera para prevenir interrupciones de servicio o penalizaciones en el futuro. Para preguntas llamar 704-282-4565*

**See back for acceptable items.**



Pictures of Contamination- August 22, 2019.  
Load Rejected by the Mecklenburg County Recycling Materials Recovery Facility





## **STAFF REPORT**

**TO:** Public Enterprise Committee  
**VIA:** E.L. Faison, City Manager  
**DATE:** September 17, 2019  
**FROM:** David E. Lucore, Energy Services Director  
**PREPARED BY:** David E. Lucore, Energy Services Director  
**SUBJECT:** LED Lighting Initiative

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### **SUMMARY STATEMENT**

The Energy Services Department would like to present an update on the initiative to investigate the implementation of LED Street Lighting to the Public Enterprise Committee.

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### **REVIEW**

On August 29, 2019, Brian Borne, Jim Loyd, Rob Miller, Mark Coan, Peter Chryst and David Lucore met to discuss the potential initiative of LED street lighting.

Funds have not been budgeted for this initiative, nor a pilot project or implementation of LED replacement strategy this fiscal year, Energy Services proposes that the City employ the services of a consultant to perform a study with the following scope:

- Determine the cost/benefit of LED street lights with these elements or metrics:
- Changes in crime and vehicle accident statistics and include data from other communities before and after LED implementation.
- Changes in community appearance and interest in new technology.
- Cost of implementation versus energy savings (ROI).
- Evaluate the financial impact of stranded costs from our current lighting fixtures that would be removed/discarded.
- Standards for LED lighting for lighting standards- how many LED's does it take to replace our current lights.

- Best LED lights to use for each roadway type. Main thoroughfares require more lumen output than secondary roadways due to increased traffic.
- Evaluate the cost of service for LED lighting versus our current HPS (High Pressure Sodium) lighting.
- Standards for LED lighting for lighting standards- how many LED's does it take to replace our current lights.
- Recommend LED light configurations for each roadway type. For example; Main thoroughfares require more lumen output than secondary roadways due to increased traffic.

Other considerations:

The City would need to determine how to handle rental lights if the street lights are changed to LED's. For example; A change to rental lighting would involve Fee Schedule changes to include the increased cost of LED fixtures. This would have an impact on every customer who currently pays for an area light.

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### **RECOMMENDATION**

Employ the services of a consultant to perform this study. Energy Services has \$5,000 available this fiscal year that could be used for this purpose, however, if the cost of the study exceeds \$5,000, a line item to fund the study in next year's budget would be required to move forward.