

March 2, 2017
Regular Meeting of the City Council
Council Chambers – City Hall
5:45 p.m.

Present: Mayor Barbara G. Volk, Mayor Pro Tem Steve Caraker and Council Members: Jeff Miller, Jerry Smith, and Ron Stephens

Staff Present: City Manager John F. Connet, City Attorney Sam Fritschner, City Clerk Tammie Drake, Assistant to the Manager Brian Pahle, Engineering Director Brent Detwiler, Development Assistance Director Susan Frady, Stormwater Quality Specialist Michael Huffman, Chief Joseph Vindigni, Pam Ludwig, Public Works Director Tom Wooten

1. Call to Order: Mayor Volk called the regular meeting to order at 5:45 p.m. and welcomed those in attendance. A quorum was established with five members in attendance.

2. Invocation and Pledge of Allegiance: A moment of silence for prayer was followed by the Pledge of Allegiance to the Flag.

3. Public Comment Time: *Up to 15 minutes is reserved for comments from the public for items not listed on the agenda.*

Kristen Meiler and Kortney Clark, Team ECCO, 511 North Main Street, Hendersonville, invited the Council to a celebration of the aquarium and thanked them for their support.

4. Consideration of Agenda:

Addition:

5J. Consideration of Sewer Extension Request for Innovative High School located off College Drive on the Blue Ridge College Campus

Deletion:

6. Recognition of Water and Sewer Customer Service Team – moved to April

Mayor Pro Tem Caraker moved City Council's approval of the agenda as amended. A unanimous vote of the Council followed. Motion carried.

5. Consideration of Consent Agenda: *Consent agenda items are considered routine, non-controversial in nature and are considered and disposed of through a singular motion and vote.*

A. Consideration of Minutes: February 9, 2017 Regular Meeting

B. Consideration of Clerk's Certificates of Sufficiency for Annexation for:

i. Housing Assistance Corporation - a 10-foot strip from unopened right-of-way:

Development Assistance Director Susan Frady reported the City received a petition from The Housing Assistance Corporation for contiguous annexation of a portion of parcels 9569851339, 9569851371, 9569853107, 9569853170 and 9569854043 containing 0.147 acres located off of North Main Street. She explained the City Council adopted an order permanently close a portion of an unopened 20-foot right-of-way as petitioned by The Housing Assistance Corporation at the January meeting. This petition is to annex the western 10 feet of this property, which is now owned by The Housing Assistance Corporation.

The Council accepted the Clerk's Certificate of Sufficiency finding the petition is valid. Mrs. Frady suggested holding the public hearing at the April 6, 2017 Council meeting.

ii. Edney Property at 1102 Old Spartanburg Highway: Development Assistance Director Susan Frady reported the City received a petition from Robert D. Edney for the contiguous annexation of parcel 9578-33-4700 containing 0.39 acres located at 1102 Old Spartanburg Highway. This annexation application is related to a sewer service request.

The Council accepted the Clerk's Certificate of Sufficiency finding the petition is valid. Mrs. Frady suggested holding the public hearing at the April 6, 2017 Council meeting.

iii. Hyder Property off North Main Street: Development Assistance Director Susan Frady reported the City received a petition from Jere and Mary H. Hyder for the contiguous annexation of parcel 9569-74-0150 containing 10.22 acres located off of North Main Street. This annexation application is related to a sewer service request.

The Council accepted the Clerk's Certificate of Sufficiency finding the petition is valid. Mrs. Frady suggested holding the public hearing at the April 6, 2017 Council meeting.

C. Consideration of Environmental Engineering Firms to Provide On-Call Services for Streambank Restoration, Environmental/Floodplain Permitting and Review Projects:

Engineering Director Brent Detwiler stated staff requires the use of environmental engineering consultants to complete streambank restoration design and environmental and floodplain permitting and review projects. This is especially necessary due to the recently-approved state-funded Streambank Restoration project. In accordance with North Carolina General Statutes, the Engineering Department advertised a Request for Qualifications for these services, received six qualification statements, and determined the most qualified firms to provide these services. The selected firms are:

Wildlands Engineering, Inc. of Asheville, NC
Mattern & Craig of Asheville, NC
Michael Baker Engineering, Inc. Asheville, NC
Robinson Design Engineers, Hendersonville, NC

Mr. Detwiler explained staff plans to engage the services of these firms for a period of five years. The selected firms will provide work on an as-needed basis. He requested Council approve the list of on-call environmental engineering firms and authorize the City Manager to execute agreements with each of the firms.

D. Consideration of a Proposal from Hart & Hickman, PC for completion of the Mud Creek Dump - Waste Boundary Delineation, Landfill Gas Evaluation and Soil Cover Evaluation: Mr.

Detwiler explained portions of the Mud Creek Dump were discovered during the Jackson Park Sewer Interceptor project. The discovery led to a first phase study performed by Hart & Hickman, PC, an environmental consulting firm, and coordinated through the NC Department of Environmental Quality's (DEQ) Inactive Hazardous Sites Program. The study was completed in 2015, approved and reimbursed by DEQ.

Mr. Detwiler reported results of the first phase study led to another investigation, which indicated that there were three discrete areas of waste disposal. Last year DEQ funded a further investigation of the Mud Creek Dump. This was a Waste Disposal Boundary Delineation and Surface Vapor Survey and involved soil borings and vapor monitoring on City property. This investigation was recently completed and accepted by DEQ. It led to additional questions regarding the limits of the waste area. He stated additional work must be completed to define the western limits of buried waste associated with the Mud Creek Dump. He stated a landfill gas evaluation will be completed as well as an assessment of soil cover thickness overlying buried waste material in areas routinely accessed by the public including William H. King Memorial Park and baseball diamond and portions of the Oklawaha Greenway easement near William H. King Memorial Park. He reported this scope of work was approved by DEQ and will be reimbursed. Hart & Hickman have submitted a proposal for the Waste Boundary Delineation, Landfill Gas Evaluation and Soil Cover Evaluation as described.

Mr. Detwiler requested Council approve the proposal from Hart & Hickman, PC for completion of the Mud Creek Dump - Waste Boundary Delineation, Landfill Gas Evaluation and Soil Cover Evaluation and to authorize the City Manager to execute a contract for said work; as presented and recommended by staff. [The proposal is on file in the office of the Engineering Director.]

E. Consideration of a Proposal from Hazen and Sawyer to Perform On-Call Hydraulic Modeling Work:

Mr. Detwiler reported the City retained the services of Hazen and Sawyer for completion of a water system modeling project as well as the recently completed Water System Master Plan. Staff has requested a proposal from Hazen and Sawyer to perform on-call hydraulic modeling for identified and future work. He requested Council approve the proposal for this on-call work and authorize the City Manager to execute an amendment to our current agreement with Hazen and Sawyer for this work.

F. Consideration of Pre-Qualified Architects for City Capital Improvement Program

Projects: Mr. Connet reported as staff has been preparing the Capital Improvement Program for the next five years, it was determined that several projects will require assistance of an architect. In order to comply with mini-Brooks Act for the selection of professional services, staff requested interested architectural firms submit a Statement of Qualifications. He reported qualification statements were received from eight firms including two local firms, Prudhomme and Peacock, four regional firms, Samsel, Clark-Nexsen, McMillan, Pazdan and Smith and Novus, and two statewide firms, ADW and Moseley Architects.

After review of the qualifications, staff recommends pre-qualifying the following firms:

ADW Architects - Charlotte
Samsel Architects - Asheville
Peacock Architects - Hendersonville
Prudhomme Design and Interiors – Hendersonville.

Mr. Detwiler explained the firms will be engaged as projects move up in the CIP. The firms will be selected to oversee the design and construction of projects that best fit their qualifications and expertise. This pre-qualification list will be used for the next five years. He requested the City reserve the right to hire other architecture firms if it is in the best interest of the City.

G. Consideration of Property Purchase: Mr. Connet recommended purchasing these properties from Dr. James Pilgrim for \$325,000: Parcel ID - 0110360, 0103157, 0110357, and 0103872.

H. Consideration of an Agreement with Black and Veatch to Identify Solutions for the Sludge Handling Program: Utilities Director Lee Smith reported on October 4, 2016 staff accepted statements of qualification (SOQ) from qualified engineering firms to aid the City in the development and implementation of a more efficient and sustainable sludge handling and disposal program. This includes evaluation of dewatering technologies and disposal options. Staff has reviewed the SOQ's and has selected Black and Veatch International Company to perform this study.

Mr. Lee Smith explained the need for the project. He stated the City's previous disposal site was a landfill located in Haywood County, NC. On multiple occasions, this landfill became overwhelmed by sludge deliveries from other sources which prompted the landfill to halt all sludge deliveries. The City's alternative disposal site, at the time, was located in Columbia, SC., and is a much more expensive option. City staff has since secured a new disposal site located in Haywood County, SC called Twin Chimneys Landfill. He stated staff would like hire Black and Veatch in order to identify a more efficient and economical solution for dewatering and disposing of sludge generated by the water treatment and wastewater treatment plants. The proposed contract will be executed in 2 phases: The budget impact of \$103,000 represents compensation for professional services provided in Phase 1 only. The scope and compensation of Phase 2 will be determined by the solutions identified In Phase 1.

Mr. Lee Smith requested Council authorize the City Manager to execute an agreement with Black and Veatch International Company to complete an evaluation of the City's water and sewer sludge handling and disposal program; as presented and recommended by staff.

I. Consideration of Budget Amendments:

- 1) Fund 80, Wellness Big Change Program, Increase of \$7,370: This amendment will provide funding for the Wellness program "big change" initiative. This initiative will provide ten individuals the opportunity to work through a professional program to achieve their wellness goal.
- 2) Fund 10, Land Purchase, Increase of \$325,000: This amendment provides funds for the purchase of the Pilgrim property.
- 3) Fund 360, Mud Creek Dump Project, Increase of \$78,473: This amendment is to increase the budget for additional work and reimbursements from NCDENR in association with the Mud Creek Dump Project.
- 4) Fund 80, Wellness Grant Clinic, Increase of \$5,000: This amendment establishes the budget for the grant revenue received from the NCLM for wellness expenses.

J. Consideration of Sewer Extension Request for Innovative High School located off College Drive on the Blue Ridge College Campus: Utilities Director Lee Smith presented a sewer extension request for the Innovative High School located off College Drive on the Blue Ridge College Campus. This project requires an extension of the City's sewer system to provide service to a new 55,470+ square foot, 500-student school building on the property adjacent to their existing Spearman building off College Drive at Blue Ridge Community College. Water service will be provided by a tap onto existing waterlines and does not require extension.

This project is within the Zoning and Planning Jurisdiction of Henderson County. It was approved by them on February 24, 2017.

Based on the above information, Mr. Lee Smith sated the Water and Sewer Department has the capacity to support this additional infrastructure and associated connections and recommended approval of the project contingent upon final approval of construction plans and specifications by the Water and Sewer Department.

Mayor Pro Tem Caraker moved approval of the items listed on the consent agenda. A unanimous vote of the Council followed. Motion carried.

~~6. Recognition of Water and Sewer Customer Service Team~~ – moved to the April meeting.

7. Presentation on Hotel Project Proposals and Discussion of Next Steps: Mr. Rory Dowling provided a presentation to the Council on the solicitation for a hotel in the Grey Hosiery Mill Building. The City endorsed a hotel and event space redevelopment program on the property with a five-story facility, 130-135 rooms, 115-119 parking spaces, event capacity and retail space. Guiding public interests include: maximize public benefit and minimizing public investment, spur other private development, contribute to vitality, culture and economy of City, respect existing City fabric, connection to Historic Seventh Avenue District and integrate with Main Street.

Timeline Overview: Mr. Dowling stated developer proposals were due March 1, developer/proposal due diligence will be in March 2017, Council could possibly select a development partner in April 2017, the Memorandum of Understanding could be executed May 2017, and a possible development agreement executed July 2017.

Mr. Dowling reported 34 developers/architects were contacted, nine of which expressed serious interest, seven visited the Grey Hosiery Mill, and four proposals were submitted. He then reviewed the responses received. Three proposals include a hotel and retail space, and one proposes another commercial use.

Hotel Proposals:

- Belmont Sayre, from Carrboro, NC, partnering with Charlestowne Hotels who specialize in adaptive reuse and boutique products, proposes adaptive reuse of the mill with 57 rooms, 72 parking spaces, 2,000 square feet of event capacity, no retail space, using historic tax credits for the preservation of the mill. Charlestowne Hotels manages and develops a diverse portfolio of more than 41 hotels in 12 states. They specialize in adaptive reuse and boutique products
- Professional Development Associates, Inc. (PDA), from Erie, Pennsylvania, proposed three floors, 54-60 rooms, parking spaces, event capacity and retail space is unknown, and no preservation of the mill is proposed. Develops upper-midscale hotels under the Cobblestone Hotels brand. 20+ years experience with adaptive reuse.
- SpringBridge Development, from Florence SC, submitted a letter of interest. Their program specifics are vague; more information is needed. They have 50 years of experience developing, building and operating hotels across the Marriott and Choice brands. Raines Hospitality, the group leading the team, recently completed a 49-room historic boutique hotel in Florence, SC.

Commercial Proposal:

- Leder Properties: Brevard, NC, proposal includes 35,000 square feet adaptive reuse of the mill into select retail, restaurant and event space replicating the Lumberyard model in Brevard. Experience includes 40 years of real estate investment experience in Western NC.

Mr. Dowling then reviewed the criteria for evaluating the proposals.

Questions/discussion from the Council included whether a project has gotten to this stage without a recommendation. Mr. Dowling stated no, but will go through due diligence and would not hesitate to make a recommendation not to proceed. Discussion also included the proposed number of rooms, etc. Mr. Dowling stated four proposals represent confidence in the City.

Next steps include: proposal review/due diligence, recommendations to the Council to inform selection of development partner, and Council selects a partner and drafts a Memorandum of Understanding (MOU). **No action was taken by the Council.**

8. Presentation of Water System Master Plan by Hazen & Sawyer Engineers: Mr. Detwiler introduced Jeff Cruickshank, Vice President and Crystal Broadbent, Project Manager, with Hazen & Sawyer. He stated they have worked on the Water System Master Plan for approximately a year.

Mr. Jeff Cruickshank explained the object of the Master Plan is to identify capital improvements projects to assist in determining how the system will grow in the future which is done with a hydraulic model. This computer program predicts flows and pressures in water mains. The model is used to identify existing problems and then test improvements to determine what is necessary to provide adequate pressure to customers. He stated the model was built in a previous project so the Master Plan put the model to use.

Mr. Cruickshank said the hydraulic model was built from information the City had in GIS and customer billing records. Digital topo maps provided elevations. This information is used to calculate flows and pressures and predict how pumps and storage tanks will operate.

Mr. Cruickshank stated the information was tested by simulating the existing water system with the model. Its predictions are checked against measurements to ensure it is getting the right answers. The model matched the data that was reported in the City's SCADA system which means the predictions can be trusted if demands change, system is expanded, etc.

Mr. Cruickshank reviewed where the model shows pressure problems in the existing system. He stated the model was used to calculate the amount of water available at each fire hydrant in the system. This saves field testing by the Fire Department and may be shared for the rating inspections.

Mr. Cruickshank provided another map showing water age: the travel time from the water plant to customer's taps. The model can identify where the City should flush system to improve water age. As a rule, the water age should be under a week but it depends on the quality of the source water.

Mr. Cruickshank stated the model was set up to show future conditions as well. They worked with City staff and Henderson County planning department to come up with a future service area for the water system and it is important to build the system to supply the entire area. They also predicted future water demands based on population projections for Traffic Analysis Zones (TAZ), provided by the French Broad River MPO, out to year 2040 and where growth may occur. There may be 74,000 additional people that need service by that time and the

model shows how much water will be needed: annual average demand from population projections, the maximum day demand and peak hour use. Those numbers are put into the model and it is used to see where the problems are and test improvements.

Ms. Broadbent explained the treatment plant has to be able to pump out the maximum day demand. The model predicts 15 million gallons per day (mgd) by 2020, 18 mgd by 2030, 21 mgd by 2040. Mr. Connet stated staff is planning construction to meet the 2040 demand. She provided examples of what may be needed in the different zones.

Ms. Broadbent reviewed the ratings of existing pump station capacity are checked against the projected water demand in each zone. Another pump station may be proposed in the Balfour area. Storage tank requirements are also checked against existing tank sizes in each pressure zone. The model predicts major pressure problems with existing pipes supplying future demands. This led to proposed improvements and new pressure zones that supply future demand at adequate pressure.

Ms. Broadbent reviewed current peak hour pressures and proposed improvements. In summary, the Master Plan calls for 20 new pump stations, nine new storage tanks, 26 new pressure zones, abandoning 15 pump stations and three storage tanks, and 242 miles of new pipe.

Questions and discussion from the Council included building pump stations systematically or phased, working with developers to install lines, withdrawing water from the French Broad River, whether Laurel Park was included in the demands, what happens to old tanks, etc.

Mr. Detwiler commented that Master Plans are living documents. The Master Plan can be adjusted as demands call for.

Mayor Volk expressed appreciation for their work. Mr. Connet commented the Master Plan has already been used in working with potential economic development projects. **No action was taken by the Council.**

9. Presentation of Rain Barrel Program as Part of City's NPDES Phase II MS4 Permit: Mr. Detwiler introduced Mr. Michael Huffman, Stormwater Quality Specialist. Mr. Huffman explained the City's National Pollution Discharge ES Phase I, MS4 Permit issued by the NC Department of Environmental Quality, requires six minimum control measures as part of our comprehensive stormwater management program. The goal of two of these measures, Public Education and Outreach and Public Participation/Involvement, are to foster an active, involved, informed, and knowledgeable community, which is crucial to a successful stormwater management program. He explained rain barrel programs provide a cost effective opportunity to offer public education and outreach as well as generate public involvement.

Mr. Huffman explained City staff, in partnership with the Environmental Sustainability Board (ESB), would like to offer a rain barrel program for the City residents. The purpose of the rain barrel program is to generate public involvement in the stormwater program by providing rain barrels at a discounted price to citizens. He reviewed the benefits of rain barrels including reducing stormwater runoff pollution from residential lots, allowing residents to store and use rainwater for irrigation and gardening during times of drought, lowering water bills, and reducing the demand on municipal water treatment and supply.

Mr. Huffman stated staff and the ESB believe Garden Jubilee would be an excellent opportunity to host such an event. Residents will be able to order barrels directly from Rain Water Solutions at a reduced cost. Garden Jubilee would serve as the event/location for pick up. City staff and ESB members will provide the volunteers necessary, promote the event, and coordinate all matters pertaining to the delivery and pick-up of rain barrels. There was discussion on installing rain barrels. Council Member Smith noted installing rain barrels could be a project for Key Club members. Mayor Volk expressed appreciation to staff and the Environmental Sustainability Board members. **The rain barrel program will proceed without objection from the Council.**

10. Comments from Mayor and City Council Members: There was none.

11. Reports from Staff

A. Reminder of Town Hall Day, Wednesday, March 29, 2017

B. Contingencies Report: In accordance with NCGS 159-13(b)(3), Mr. Pahle reported on the contingency appropriations made:

- 1) Funds 10 and 60, \$18,269 for Insurance Premiums
- 2) Fund 10, \$3,133 for Grey Hosiery Mill Roof Stabilization
- 3) Fund 60, \$2,500 for the Leak Repair Assistance Program through Interfaith Assistance Ministries.

No action was required.

C. Special Meeting Announcement: A special meeting of the Council was scheduled for Monday, March 27, 2017 at 6:30 p.m. to review the Pay & Classification Plan.

D. Fee Schedule Amendment for Free Mulch: Mr. Connet announced selling mulch was not as successful as hoped. He requested the Council to amend the Fee Schedule to allow the mulch be given free of charge versus selling it. **Council Member Smith moved City Council approve the Fee Schedule**

amendment to allow giving away the mulch at no cost. A unanimous vote of the Council followed. Motion carried.

15. Boards and Commissions: Consideration of (Re)Appointments, Announcement of Upcoming Vacancies:

a) Consideration of Appointments: City Clerk Tammie Drake announced the (re)appointments and presented the applications on file.

1. Business Advisory Committee: Mrs. Drake announced four vacancies on this Committee. Some members declined reappointment citing meeting time conflicts, busy schedules with their businesses, etc. She reported the City Manager is working diligently to offer alternative meeting dates and time. She provided the applications of those willing to serve. Council Member Stephens suggested delaying the appointments until the regular meeting date is set. Mr. Connet explained staff is waiting on replies from board members. **Mayor Pro Tem Caraker nominated Mike Summey to serve a two-year term on the Business Advisory Committee. This term will expire 03.01.19. A unanimous vote of the Council followed. Motion carried.**

2. Environmental Sustainability Board: Mrs. Drake reported Mr. David Rhode resigned from the Environmental Sustainability Board. She provided the application of Ann Green. **Council Member Miller nominated Ann Green to serve on the Environmental Sustainability Board. This term will expire 09.01.19. A unanimous vote of the Council followed. Motion carried.**

3. ABC Board: Mrs. Drake reported Mr. Will Penny resigned from the ABC Board because he has moved out of the City. She presented the application from Sherri Metzger who is interested in serving. **Council Member Stephens nominated Sherri Metzger to serve on the ABC Board. This term will expire 06.30.20. A unanimous vote of the Council followed. Motion carried.**

4. Seventh Avenue Advisory Committee: Mrs. Drake reported the terms of Carson Calton, Dennis Dunlap, John Ryan and Chris Cormier will expire 04-01-17. Mr. Calton declined reappointment. Mr. Dunlap, Mr. Cormier and Mr. Ryan would like to continue serving. **Mayor Pro Tem Caraker nominated Dennis Dunlap, John Ryan and Chris Cormier to serve on the Seventh Avenue Advisory Committee. This term will expire 04.01.19. A unanimous vote of the Council followed. Motion carried.**

5. Western Carolina Community Action, Inc. (WCCA): Mrs. Drake reported Mr. Wollinger has represented the City on the Board of Directors since 2012. He has moved out of the area. She provided the application from Yallana McGee. **Mayor Pro Tem Caraker nominated Yallana Boston McGee to serve on the WCCA Board of Directors. This term will expire 03.01.23. A unanimous vote of the Council followed. Motion carried.**

b. Announcement of Vacancies and Up-Coming Vacancies: Mrs. Drake announced the following:

1. Board of Adjustment - The alternate position is vacant.
2. Henderson County Tourism Development Authority: Selena Einwechter's appointment will expire in June 2017.

16. New Business: There was none.

17. Closed Session: At 7:04 p.m., Mayor Pro Tem Caraker moved City Council enter Closed Session in accordance with NCGS 143-318.11 (a) (5) to instruct staff concerning the position to be taken on behalf of the City Council in negotiating the price for acquisition of real property by purchase or option and to preserve the attorney-client privilege between the attorney and the City Council as provided under NCGS §143-318.11(a)(3). A unanimous vote of the Council followed. Motion carried.

The Council gave direction to staff regarding the possible purchase/exchange of property. **No action was taken.**

18. Adjournment: The meeting adjourned at 7:15 p.m. upon unanimous assent of the Council.

Barbara G. Volk, Mayor

Tammie K. Drake, City Clerk