

## SUMMARY OF MINUTES

### PUBLIC WORKS COMMITTEE

5:30 P.M., TUESDAY, MARCH 9, 2010

COMMITTEE ROOM

ROOM 239, CITY HALL

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*MEMBERS PRESENT:* Mayor Allen Joines (out at 6:41 p.m.)  
Council Member Robert C. Clark, Chair  
Council Member Derwin L. Montgomery, Vice Chair  
Council Member Denise D. Adams  
Council Member Dan Besse

*OTHERS PRESENT:* Council Member Molly Leight  
Council Member James Taylor, Jr.

Chair Clark called the meeting to order and stated that without objection, the Committee would first consider the Consent Agenda. No items were removed for discussion.

Council Member Besse made a motion to approve the Consent Agenda. The motion was duly seconded by Council Member Adams and carried unanimously.

#### CONSENT AGENDA

- C-1. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION FOR THE REPLACEMENT OF BRIDGE #86 AND BRIDGE #87 ON REYNOLDS PARK ROAD.
- C-2. CONSIDERATION OF ITEMS RELATING TO REQUEST TO ENTER INTO A MUNICIPAL AGREEMENT WITH THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION FOR INTERSECTION IMPROVEMENTS:
  - a. REQUEST FOR AUTHORIZATION TO ENTER INTO A MUNICIPAL AGREEMENT WITH THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION FOR INTERSECTION IMPROVEMENTS.
  - b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2009-2010.

- C-3. CONSIDERATION OF ITEMS RELATING TO A MUNICIPAL AGREEMENT WITH THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION FOR CONGESTION MITIGATION AND AIR QUALITY FUNDED PROJECTS:
- a. RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A MUNICIPAL AGREEMENT WITH THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION FOR CONGESTION MITIGATION AND AIR QUALITY FUNDED PROJECTS.
  - b. ORDINANCE AMENDING THE PROJECT BUDGET ORDINANCE FOR THE CITY OF WINSTON-SALEM, NORTH CAROLINA FOR THE FISCAL YEAR 2009-2010.
- C-4. CITIZENS' BASEBALL STADIUM REVIEW COMMITTEE MONTHLY REPORT TO THE CITY COUNCIL.
- C-5. MONTHLY REPORT ON ECONOMIC STIMULUS PROJECTS UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT.
- C-6. CITY/COUNTY UTILITY COMMISSION EXECUTIVE SUMMARY.
- C-7. APPROVAL OF PUBLIC WORKS COMMITTEE SUMMARY OF MINUTES - *February 9, 2010.*

#### GENERAL AGENDA

- G-1. LONG RANGE FINANCIAL PROJECTIONS FOR THE MASS TRANSIT TAX FUND.  
*[Item continued from the February meeting of the Public Works Committee.]*

Mr. Ben Rowe, Deputy Budget/Evaluation Director, gave the report. In response to Council Member Besse's question, he stated that operating expenses for fixed route service in comparison to Trans Aid service had not been broken down, but he would provide information showing that differentiation. He also stated that Trans Aid does request a voluntary fare if a citizen's ride is not subsidized by Medicaid or another contract, but otherwise, very little is paid by riders.

In response to Council Member Besse's question, Mr. Rowe stated that staff's projection for ridership drop is based on the current Fiscal Year's figures.

Mr. Steve Hastings, 1181 Foxhall Drive, noted that he is interested in the City's recycling program and that he has created a website to outline funding, technology and educational aspects of recycling. Within the website there is a questionnaire containing various questions regarding single stream recycling, which will help him to gain a sense of what people's intentions and interests are. The website for citizens to visit is [www.citizens4recycling.com](http://www.citizens4recycling.com).

Chair Clark requested that Mr. Hastings contact Mr. David Saunders, City/County Utilities Director,

to further discuss this matter. At this time, he noted that since no one was yet present from Triad Christian Fellowship Church, the Committee would move on to Item G-3.

### G-3. PRESENTATION ON PLASMA GASIFICATION FOR SOLID WASTE DISPOSAL.

Mr. Cedric Russell, 1616 Eagle Crest Drive, Pfafftown, introduced a newly formed green energy company called World Construction Energy Group (WCEG) and its president, Tyrone Homes. He noted that Mr. Homes and his representatives would make a presentation on a possible solution to waste and landfill concerns in the area.

Mr. Tyrone Homes, 3170 Shaftsbury Lane, currently residing in Doha, Qatar, stated that WCEG is a minority-owned construction and energy company specializing in financing, building and operating clean technology bio-mass refineries. WCEG would like to initiate a state-wide plan to install three refineries in North Carolina, with capital costs of \$1.2 billion. They would like to enter into joint venture agreements and licensing agreements to utilize the technology and Mr. Homes showed a video outlining the process.

Mr. Milan Sevic, Chief Financial Officer for WCEG, noted that his company completed an analysis of solid waste disposal activities in Winston-Salem and all assumptions are based on reports issued by the City/County Utilities Commission (CCUC). He presented further information from WCEG and noted that with this refinery, the City could see significant savings in solid waste disposal as well as the use of solid waste to produce gas and fuel, reduce dependency on foreign oil and possibly eliminate landfills.

In response to Chair Clark's question, Mr. Sevic stated that a commercial sized plant needs 550,000 tons of waste per year or 1,700 tons per day to operate.

Mr. Saunders noted that the Hanes Mill Road landfill processes about 600 tons of waste per day, but generates less than 500,000 tons of waste per year.

Mr. Homes noted that WCEG wants to determine if the City would be interested in entering into a public-private partnership or some type of contractual alliance for waste. Some private haulers have been indentified who are not dumping their waste at the landfill, so whatever the City cannot commit to, WCEG can make up the difference.

In response to Chair Clark's question, Mr. Sevic stated that the cost of a 550,000 ton plant, excluding the cost of land, would be \$400 million.

In response to Chair Clark's inquiry, Mr. Homes stated that plasma gasification is a unique model and a proven technology so WCEG would expect a commitment of landfill tipping fees, flow control and 25 acres of dedicated land at Hanes Mill Road landfill. In return, it will pay the City a host fee of \$1.50 per ton of waste for the next 30 years. He also stated that WCEG is at the memorandum of understanding phase in Iowa for three sites and permitting is scheduled to take 90-120 days. In North Carolina, permitting is expected to take six to 12 months.

Mr. Sevic noted that the CCUC has done a great job classifying and identifying the nature of waste, so that will have a positive impact on the length of time to permit the facility. In response to Council

Member Leight's question, he stated that syngas is a type of natural gas that can be converted to electricity, or converted into biofuels and ethanol.

Mr. Homes stated that the refinery can produce green fuels and synthetic gas, and New York City, New York and Los Angeles, California are reviewing the installation of these refineries. WCEG partners just closed on a refinery in Tonson, Massachusetts and are erecting a 1,700 ton per day facility which will produce ethanol as was requested by the municipality. In response to Chair Clark's question, Mr. Homes stated that plasma arc energy is utilized to heat the waste within the refinery.

Mr. Sevic noted that those plasma arcs are a combination of electricity and natural gas.

In response to Council Member Besse's inquiry, Mr. Homes stated that the facility does power itself and any energy processed or created at the refinery can be sold.

Council Member Besse requested that Mr. Homes provide documentation from the seven facilities in Japan that have been operating since 1999, a detailed economic analysis documenting the operations of the facilities, any financing information, the degree to which the facilities are subsidized by a governmental agreement, environmental records and whether or not the facility has operated on a continual basis from the energy produced by the plant itself. He also questioned if any other facilities were in operation besides those in Japan.

In response to Council Member Besse's questions, Mr. Homes stated that Waste Management is currently operating 16 facilities across the world and constructing 300 additional facilities in China. He also stated that three facilities in Iowa are under negotiations for waste sponsor contracts in Des Moines, Davenport and Council Bluffs. WCEG is also working with the Biofuels Center and local farmers to produce various types of fuels. They would also like for an established delegation to visit a refinery site.

Council Member Besse requested documentation outside of the information provided during the presentation to demonstrate that this is a proven technology.

Council Member Adams noted that the Hanes Mill Road landfill currently presents challenges to the community and WCEG wants additional space there. She requested data outlining the refinery's effects on the community, the quality of life for surrounding residents, noise levels, any increased traffic, the size of trucks transporting the waste, and noted additional infrastructure issues, such as the narrow road leading to the landfill and the poor condition of a nearby bridge.

Council Member Montgomery requested that staff ensure this facility is feasible and will contribute to the local quality of life. He questioned if after 30 years, would the City receive any funds for WCEG's facility and that if the City chooses to invest in this program, it needs an assured return.

Mr. Homes noted that everything is negotiable and the facility will create jobs and add to the tax base.

Chair Clark requested that staff further research plasma gasification to determine if there is any third party research, independent review information and any alternative methods for landfills and incineration.

Mayor Joines noted that North Carolina does have a biofuel center, of which Steven Burke is the president and he would see if Mr. Burke would be willing to speak to the Committee.

Mr. Lee Garrity, City Manager, noted that the CCUC entered into a joint study last year and had a consultant review emerging technologies, and perhaps that consultant could speak to the Committee as well.

**G-2. REQUEST FROM TRIAD CHRISTIAN FELLOWSHIP CHURCH TO BE EXEMPTED FROM BONDING REQUIREMENTS OF THE STORMWATER ORDINANCE.**

*Mayor Joines out at 6:41 p.m.*

Mr. George Byrum, 1170 Country Lane, Triad Christian Fellowship Church (TCF), noted that the church owns seven acres of land on Darwick Road on which they are planning to build a 12,000 square foot facility, and the building permit will require a bond or letter of credit. The church is requesting a waiver of the bonding requirement for faith-based ministries in Winston-Salem. To secure the bond, it would cost \$1,500 per year, which would be paid to a bank or bond assurity company, rather than the City. The City of Durham has an option that a bond can be secured long-term or an entity can provide a one time pmt of 25% of the construction cost of the retention pond and Rocky Mount, Asheville and Cary have similar options.

Chair Clark noted that when the stormwater ordinance was adopted, the City stipulated to capture water from a large development into some type of retaining pond and control its outflow gradually, so the underlying question is who is responsible for the upkeep of the pond. He also noted that he has received phone calls from groups having difficulty obtaining a bond.

In response to Council Member Besse's questions, Mr. Byrum stated that the bond will provide insurance to cover a cost of \$67,000, which is 20 times the annual maintenance cost for a small pond. The \$1,500 yearly fee paid to the bonding entity will cover the cost of \$67,000 should the City call on the bond. He also stated that the annual maintenance cost for the facility and grounds would be between \$300 and \$500, the projected cost for the retention pond would be \$8,000 and the estimated cost for the entire building project would be approximately \$650,000.

Council Member Besse noted that if the church is being told it would cost \$67,000 to repair the retention pond that only cost \$8,000 to construct, it may be excessive in comparison to the cost of the project.

Mr. Gregory M. Turner, Assistant City Manager/Public Works, stated that as currently written, stormwater rules require a construction bond to assure the device is constructed and once in place, that there is a maintenance bond to cover catastrophic problems as a result of non-maintenance. There is an obligation to maintain the pond on yearly basis, and if unable to maintain the pond, the

intent is for the bond to cover the cost of repair. He suggested that TCF verify the actual repair cost in comparison to a sweat equity supported repair cost.

In response to Council Member Leight's question, Mr. Turner stated that the City of Durham provides for 25% as a payment into a revolving loan program for catastrophic failures, in lieu of alternative bonding. The City would then use those funds for catastrophic failure of a system but the intent is still for a private development to be responsible for that maintenance.

Ms. Nancy Gould, Government Affairs Director for Home Builders and Realtors, 195 Executive Park Boulevard, stated that the private for-profit business sector is having the same issue as churches and would like to work with staff to determine a better alternative. The stormwater committee reviewed other municipalities' plans and 10 to 20 years from now, some communities may have to take over the maintenance of these ponds and local governments may need to charge a fee to cover these costs. Homeowners' associations in particular may see a problem because of multiple property owners. She also stated that she hopes staff will take the time to investigate alternatives or may need to proceed with assuming the maintenance of these ponds.

Mr. John Beeson, 503 High Street, noted that the bonding assurity should have been written in to the stormwater ordinance, with the inclusion of "in perpetuity". He also noted that he was told some projects have been approved without the required bonding and would like for staff to review the construction costs of ponds, because the cost for TCF seems quite low. He further noted that one of the more costly aspects of pond maintenance is in regards to the wetland plantings and the need to go in on a regular basis to remove invasive species so others can be maintained or replaced. Mr. Beeson noted that if an owner of a pond for a four acre site can provide labor and maintenance, his costs may be greatly reduced but most owners do not have that capability. He requested that staff consider the overall effect of cost and maintenance on development.

Mr. Byrum noted that TCF is reviewing a partially pervious or pervious material parking lot and it may not be necessary for the church to construct a post-construction stormwater retention pond. The leadership of TCF felt that on behalf of other faith-based groups, it should come forward and make a case. The construction study should be completed within the next two weeks with a building plan going through the review phase and TCF hopes to break ground in April or May.

Chair Clark noted that no one can foresee the future and he is concerned that like cemeteries, if no one consistently maintains stormwater ponds, they will become overrun with weeds and without bonds, no one will be held responsible. He expressed his support for a fund in which developments or entities deposit money into, it can earn interest while being monitored by the City and if a company were to go out of business, there would be funds to cover the maintenance costs. He also noted that he would favor this type of fund over yearly bonding. He requested that staff review a possible deposit amount for pond maintenance.

Council Member Leight requested that in addition to Chair Clark's suggestion, that staff review the possibility of yearly payments into a maintenance fund and a possible maintenance crew.

Mr. Turner noted that there are major costs associated with the cleanout of stormwater ponds. In response to Council Member Montgomery's question, he noted that in developing the stormwater

ordinance and consulting with experts on an appropriate manner to handle private property ponds, a bond was the most effective mechanism in the existing financial environment.

Council Member Besse stated that staff may need to review the ongoing maintenance of stormwater projects, acknowledging the expense that communities are already facing, rather than adding an additional expense. He requested that staff review alternative methods to address these concerns and to provide a chart of options used in cities around the state.

In response to Council Member Besse's questions, Mrs. Angela I. Carmon, City Attorney, stated that the City does not have authority within the current ordinance to exempt a project in any category of business. She also stated that to specifically exempt faith-based non-profit entities would be a legal issue, but it could reference non-profit organizations.

Council Member Besse requested that staff review some type of assistance that could be offered or made available across the board to address these concerns.

Council Member Leight stated that she would be opposed to exempting all non-profits from the post-construction stormwater pond requirement as many of them have large impervious surfaces.

Mr. Turner stated that staff will provide information on what other cities are doing and what options the City may have, which will include the possibility of taking over stormwater devices on private property.

Chair Clark noted that the City does have a fund set aside for the perpetual care of cemeteries.

Mr. Turner noted that staff would provide further information at the May Committee meeting.

ADJOURNMENT: 7:20 p.m.