



MINUTES OF THE CITY OF BURLINGTON CITY COUNCIL WORK SESSION

August 20, 2018

The City Council of the City of Burlington held a regularly scheduled work session in the Municipal Conference Room, 425 South Lexington Avenue, Burlington, N.C., on August 20, 2018, at 5:00 p.m.

Councilmembers Present: Mayor Ian Baltutis and Mayor Pro Tem Kathy Hykes
Councilmembers Robert Ward, James Butler and Harold Owen

Councilmembers Absent: *None*

City Manager: Hardin Watkins, *present*

City Attorney: David Huffman, *present*

City Clerk: Renee Ward, *present*

A. Moorefield Building Renovations

Tony Laws
Director of Recreation and Parks

Presentation by Clearscapes' Principal, Steven Schuster and Project Architect, Mon Peng Yueh, on the proposed design for the Moorefield Building:



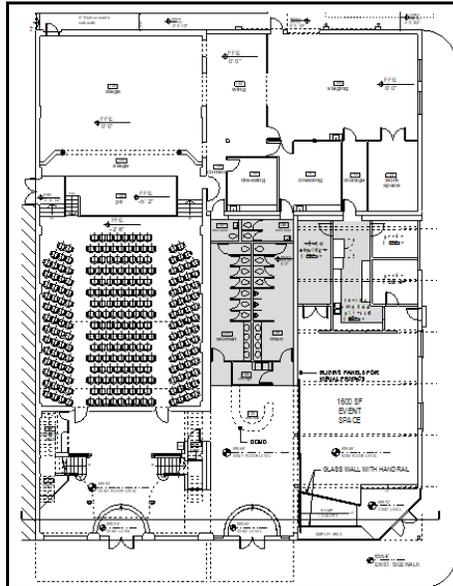
(Original Paramount Theater in the 1990's
before renovations)



(After Renovations)

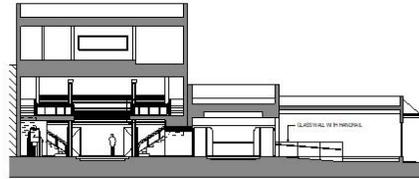
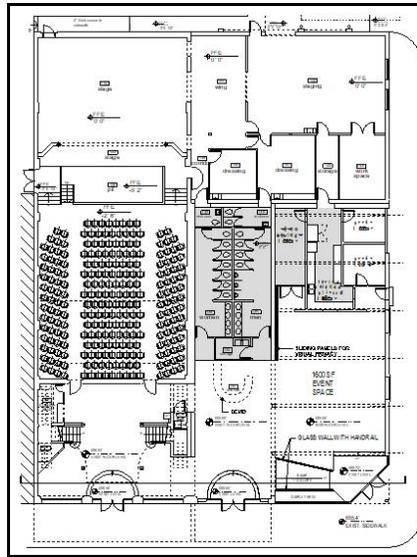


The roof and mechanical unit will need to be replaced.



MOOREFIELD BUILDING RENOVATION SCOPE

- Existing building is around 2,400 SF
- Structure is sound
- Existing PME systems will be replaced
- New entry ramp to connect to existing lobby
- New concrete slab flush with existing lobby
- Expand lobby area with 1,600 SF event space
- New decorative sliding wall panels
- New catering staging area, offices & storage
- New access to staging area
- New mechanical system
- New electrical panel
- New lighting and power distribution
- New storefront windows and doors
- Replace exterior concrete panels with brick



Quick rendering of what the building will look like after renovations.

CLEARSCAPES ARCHITECTURE + ART	
Moorefield's Building Renovation	
Burlington, North Carolina	
Budget Estimate - 15 August 2018	
DEMOLITION	\$ 30,000.00
<ul style="list-style-type: none"> • Interior fit-up • Building systems • Precast veneer • Storefront • Dividing wall 	
STRUCTURAL IMPROVEMENTS	\$ 40,000.00
<ul style="list-style-type: none"> • Roof • Floor • Ramp • Large opening between buildings • Filling in of existing ramp 	
BUILDING SHELL	\$265,000.00
<ul style="list-style-type: none"> • New roofing • Brick veneer • Storefront/windows/doors • Canopy 	
BUILDING SYSTEMS	\$210,000.00
<ul style="list-style-type: none"> • Plumbing • HVAC • Electrical • Fire detection • Voice data 	
INTERIOR FIT-UP	\$ 105,000.00
<ul style="list-style-type: none"> • Floors • Walls • Ceilings • Railings • Catering staging and equipment • Sliding door/partition • Improvements to existing building (ramp, fill-in, curved concession stand removal, etc.) 	
Sub-Total:	\$650,000.00
Soft Costs (10%) (Fees, testing, etc.)	\$ 65,000.00
Sub-Total:	\$715,000.00
Project Contingency (20%)	\$143,000.00
GRAND TOTAL:	\$858,000.00
RANGE: \$840,000.00 - \$880,000.00	

Proposed cost estimate - \$800,000 - \$270 per square foot

Mayor Pro Tem Hykes asked if this building had any historic significance.

Mr. Steven Schuster said that they had contacted the Historic Preservation Commission and found there were no historic designations and that the building was built in the 1960's.

Councilman Butler expressed concern over the financials and since they had just received this information he asked for more time to review and possibly bring this item back to the September 4, 2018, meeting.

Consensus of Council was to review the item further and consider it at a future meeting.

B. Burlington Housing Authority

Presentation on Rental Assistance Demonstration (RAD) Program

Veronica Revels
Burlington Housing Authority, Executive Director

Ms. Veronica Revels shared information on Rental Assistance Demonstration Program (RAD).

Burlington Housing Authority Snapshot of RAD

What is RAD?

RAD, Rental Assistance Demonstration is a voluntary program of HUD that allows a public housing authority the ability to convert a portion or all of its portfolio from public housing and their original sources of HUD financing (Operating Subsidy) to project-based Section 8 contracts. The purpose of

RAD is to preserve **public housing** by providing **Public Housing** Agencies (PHAs) with access to more stable funding to make needed improvements to properties. The primary benefit of RAD is that properties that convert under this process are no longer restricted from securing private sources of capital financing.

Visit: <https://www.hud.gov/rad/>

Where are BHA properties located?

The Authority's portfolio consists of 6 scattered public housing sites divided into 2 groups called AMPs (Asset Management Project)

- AMP 1 consists of 177 units in Maplebrook and Woodrail Acres both located off Maple Avenue and Willow Creek (designated elderly) on Ireland St adjacent to the Administrative Office.
- AMP 2 consists of 191 units in Crump Village, Pate Homes and Earl Gerow Homes

The first public housing units were constructed and leased up in 1971 (250 units) then Pate Homes (70 units) was built and leased up in 1981 and Earl Gerow Homes (50 units) leased up in 1984 totaling 370 units but 2 were taken offline and used for resource centers. All dwelling and non-dwelling units, community centers and administrative office will be converted.

Why is BHA considering RAD?

- While our housing stock is in too good of condition to demolish, it requires significant rehab to address functional obsolescence by today's standards. Our objective is to rehab our 34-47 year old units that not only updates:
 - a) the interior of the units i.e. new flooring, doors, windows, kitchen and bath upgrades, paint, washer/dryer connections and appliances,
 - b) energy efficiency of the properties' mechanical systems (HVAC), electrical and infrastructure upgrades (cast iron pipes), failing sewer lines,
 - c) create communities aesthetically comparable to market rate housing within financial constraints by changing the facades, landscaping and signage, (See one example using RAD) https://www.hud.gov/sites/dfiles/Housing/documents/Albany_CurbAppeal_F.pdf
 - d) and will sustain affordable housing for the next 30-40 years.
- Section 8 funding is more stable than public housing. You know how much you will receive annually and have automatic increases whereas under public housing the operating fund level is a moving target and undetermined until midway or at the end of your fiscal year.
- Section 8 has less burdensome regulatory and administrative requirements

What currently are BHA funding sources and its stability?

For the past 5 years revenue averages:

Operating subsidy & FSS grant from HUD averages \$1.5 million

Tenant rents average \$550K

Bad debt - tenant write offs average \$36K

These revenue sources cover operations (salaries and benefits, maintenance, supplies, insurance, etc.) Our operating subsidy (a formula calculation) averages an annual eligibility of \$1.5 million over the past 5 years but HUD's funding pro-ration annually has been as low as 84% to 92.81% in 2017 of eligibility. PHAs are subjected to uncertainty of our funding as we operate under continuing resolutions and settle up at the end of the fiscal year.

Rents cannot exceed 30% of the tenant's income and rent fluctuates constantly as they report income changes, i.e. loss or gain employment.

For capital needs, we receive an annual allocation of Capital Funds. Capital Funds have averaged over the past 4 years averaged \$546,979 to spread over 6 complexes with needs. We spent \$647,536 of the CFP 14-15 year's allocation replacing the roofs in 4 complexes. There are 2 remaining complexes that need replacement. For 2018 the CFP allocation is \$935,565. Now this was a shock as all Housing Authorities received significant increases.

How does BHA plan to finance the RAD rehab?

As mentioned above, we have to complete the scope of work to include all of the needs identified in our 20-year needs assessment (CNA). A preliminary "Cadillac version wish list" was initially proposed estimated repairs not including façade upgrades or addressing underground sewer line replacement hard cost at \$47K per unit translating to \$17 million construction cost into the City of Burlington. Later numbers thrown around to include both items have escalated. Based on assumption of higher costs we feel the only way to achieve the level of rehab we desire and have the ability to repay the debt is to pursue 4% LIHTC (tax credits). Financing tools available are FHA financing, 4% LIHTC, AHP loans, unobligated Capital Funds and Operating Reserves and Subsidy. For any gap financing we may seek the City's HOME and/or CDBG funds but premature to know just yet. After closing we would have brand new properties that mirror market rate thus removing the stigma of "projects" and a debt service requirement to fund a Replacement reserve account (in lieu of future Capital Funds) and pay a monthly mortgage. RAD contract rents must be able to support "after rehab" operations including debt service.

What is the timeline for the RAD conversion/rehab?

- 1) In order to pursue tax credits we must have a co-developer on board with LIHTC experience. We have interviewed potential developers, selected one and currently negotiating the contract. Once that is complete, the co-developer will proceed with an approved architect and general contractor to have the scope of work completed and priced.
- 2) Financing sources were determined based upon scope. Once the final rents are determined, we will know how much debt we can incur and that will determine what comes off the scope of work. A financing plan is due to HUD by the end of December 2018 but we can request extension should we run into barriers. Next step will be determined based on HUD's approval.
- 3) The LIHTC applications are due in Jan 2019 and between May-Oct 2019.
- 4) Following all steps to get thru the paperwork and assuming favorable approvals at NCHFA, HUD, Equity Investors, etc. we plan to break ground on construction in 2020.
- 5) RAD is ever evolving as HUD tries to make the conversion process easier for housing authorities, therefore, we may change as the rules change.

How will a RAD Conversion/Rehab affect Residents?

All of this is for the residents and sustaining affordable housing opportunities in the City of Burlington. BHA will relocate as necessary at no expense to the residents, while units are being rehabbed, they have

the right to return after rehab without rescreening, they will be kept in the loop as the process progresses. All considerations of how residents will be impacted must be taken into consideration first as the structure of the financing is developed because various program compliance differs and dictate who can live in a unit. For example, an existing resident with the right to return to a tax credit unit could be over-income for that unit. We will determine this before completing the financial plan and plan how to navigate without violating the resident’s rights.

Rent will be calculated the same for existing tenants and as per the specific program guidelines for new residents.

https://www.hud.gov/sites/dfiles/Housing/documents/10_Key_Takeaways_Resident_Rights.pdf
<https://www.hud.gov/sites/documents/TOOLKIT1WHYRAD.PDF>

**C. Burlington Arboretum at Willowbrook Park
 Streambank Restoration Project Update**

Nolan Kirkman
 Assistant City Manager/Development Services
Bob Patterson
 Water Resources Director

Assistant City Manager Nolan Kirkman and Water Resources Bob Patterson gave the following update on the Arboretum and streambank restoration project at Willowbrook Park:

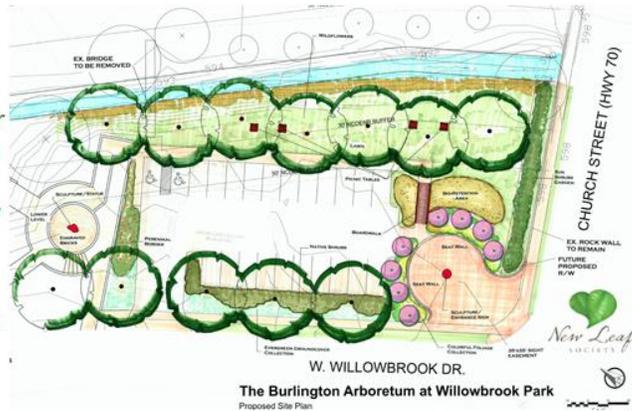
 <p>The Burlington Arboretum AT WILLOWBROOK PARK</p> <p>Project Update – August 20, 2018 Council Work Session</p>	<p style="text-align: center;">OVERVIEW</p> <ul style="list-style-type: none"> • New Leaf / COB Partnership • Arboretum Project <ul style="list-style-type: none"> • Recap of Efforts to Date • Design Changes • Gearing Up for Construction • Schedule • Streambank Restoration Project 
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<p style="text-align: center;">RECAP</p> <ul style="list-style-type: none"> • 1/17/17 Council approved design for arboretum <ul style="list-style-type: none"> • Significant public input prior to that action • Included programming standards • Also established that minor adjustments be approved administratively by Dir of Rec & Parks and major revisions be approved by Council • 2/15/18 Council approved NLS/COB partnership agreement <ul style="list-style-type: none"> • Also approved \$2.3M budget amendment (City \$250k, PARTF Grant \$296k, NLS balance + arch/design fees) • Completion by 10/31/20 to comply with PARTF Grant • Agreement included design revision to legion lot area 

DESIGN CHANGES

- **Major Changes**

- Only one to date – Legion Lot
- Lot purchased after original design was approved by Council in Jan 2017
- The Feb 2018 Agreement added Legion lot layout to the arboretum design



DESIGN CHANGES

- **Minor (Administrative Adjustments)**

- Existing Playground – originally planned to be relocated to Front St end; will not be in park (resident concerns, context); moved to another park; Children's Activity Garden will be main play area
- Existing Picnic Shelter – originally planned to be relocated inside Children's Activity Garden as part of small amphitheater; was demolished (condition, logistics); will work with NLS on a replacement solution
- Asphalt Paths – originally walking paths were planned to be asphalt; changed to concrete (New Leaf request, durability in floodplain, maintenance)



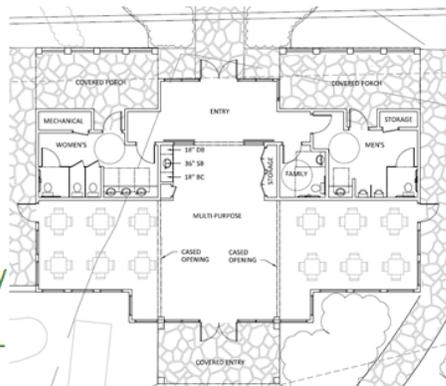
GEARING UP FOR CONSTRUCTION

- **Design Work**

- Arboretum Building – design complete
- Bridges – design underway
- Walking Paths – design underway

- **Bidding Work**

- Most hardscape elements part of PARTF funding and administered by City so requires bidding process
- Bids going out soon building soon – other elements to follow



SCHEDULE

2018

- Streambank Restoration

2019

- Arboretum Building / Terraces
- Legion Parking Lot
- Walking Paths
- Bridges
- Veteran's Memorial Plaza
- Great Lawn

2020

- Children's Activity Garden
- Gardens / Sculpture Areas
- Tree House / Swings / Climbing Boulders
- Benches, Bike Racks, etc.

Streambank Restoration Project:

FROM EROSION & IMPAIRMENT TO RESTORATION



The
Burlington
Arboretum
AT WILLOWBROOK PARK

- Brown Branch – eroded banks, invasive vegetation
- Aquatic health
 - 2001 – Little Alamance Creek – impaired - 303(d) list – benthic organisms
 - 2010 – Draft TMDL – Make 30% impervious cover basin act like 10% !
 - 2015 – Little Alamance Creek Category 4b restoration plan

Streambank Restoration
Project – 9/2016

Bring in the Experts

- 9/6/16 Council approved design contract with Ecosystem Planning & Restoration (EPR) \$115,000
 - Streambank restoration & environmental permitting
 - Reduce sediment transport
 - Improve stream health
 - Coordinate with New Leaf Society Arboretum Project
 - Goal of “No Impact” to FEMA mapping
- 10/3/18 Council approved EPR contract addition \$50,000
 - CLOMR - Integrating Arboretum and floodway impacts
 - Design of Stormwater Control Measure (BMP)

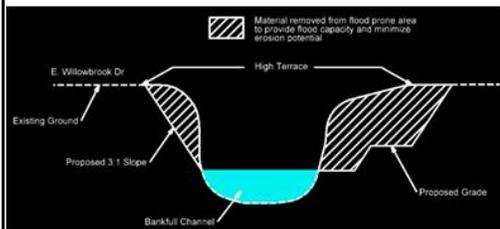
The
Burlington
Arboretum
AT WILLOWBROOK PARK

STREAMBANK RESTORATION CONSTRUCTION

- Bids -February 2018
- Contract – awarded 3/6/18 to Carolina Environmental Contracting \$396,638.24
- Construction start – May 2, 2018
- 120 day contract period
- Completion August 29, 2018*
 - Rain dates
 - Tree/Shrub planting late 2018



STREAMBANK RESTORATION DESIGN & CONSTRUCTION



STREAMBANK RESTORATION CONSTRUCTION



STREAMBANK RESTORATION COMMUNICATIONS

- Aerial Photoshoots – 3/2018 , 7/2018
- Mailer sent to all homes in the Willowbrook mailing list provided by GIS –
- Email updates
 - 134 subscribers with 71.1% open rate
 - Highest open rate for all Public Information email campaigns
 - 4 email updates to date
 - Produced a video with New Leaf to explain the project
 - Print and on-air media coverage
 - Website updates



D. Proposed Mountain Valley Pipeline Project

*Todd Lambert
City Engineer*

City Engineer Todd Lambert shared that it was decided that a representative from the Haw River Assembly and from MVP (Mountain Valley Pipe Line) would make presentations to Council at the August 20, 2018, work session meeting. Mr. Lambert highlighted some of the items that were presented and discussed at the County Commissioners meeting last week.

Key points to remember:

- The route has not been determined. MVP is performing ground surveys now to determine the route and alternatives. They have met some resistance by property owners denying access for surveying. In my opinion this is not going to prevent the project from happening or even prevent it from crossing a particular parcel, only that the design and route would be designed with existing public data (aerial survey data, satellite images, etc) and may not be the best route for the project or property owner.
- The route is not proposed to be within the City of Burlington, even if it was, the City of Burlington does not have permitting control over the pipeline (that is Federal and State Utility Commissions).
- The City had requested of MVP that the route cross the main branch of Stoney Creek north of NC62, as south on NC62 would cross the regulated City-owned property of the Stoney Creek Reservoir.
- They are a private venture that is through the Federal government since gas is deemed a public utility but the Federal or State government does not produce gas (or power) and delegates that to private companies which it regulates (the same as Duke Energy).
- Neither group (Haw River Assembly, MVP, or Commissioners) seemed to have an in depth understanding of condemnation or eminent domain. They must offer just compensation, if the offer was not accepted after negotiation, they are given condemnation authority. For the City, the offered funds would be placed in escrow, the property condemned, and a court would determine final

compensation which could be more than the offer. The City would not offer compensation for speculation of future use (ie, I was going to build a house there eventually and now I can't or I could have subdivided off lots but now I can't, compensation is only made on current uses or approved plans).

- The complaint from property owners were this provided no benefit to them and did not think a private company should have the right to take their land.

Haw River Assembly Report:

- Stated they are against any pipeline project including this one. They support renewable energy investment.
- Stated MVP has 150 water quality violations and the County would be responsible for mitigation cost associated with the violations. When asked by the Commissioners how the County would incur cost, it was vaguely stated that it would be the County's responsibility to make sure the violations were corrected (manhour). These appeared to be erosion control notifications during construction. The City, at times, issues a Notice of Violation (NOV) for erosion control measures requiring corrective measures; the item is corrected and the project moves forward.
- Explained that should the pipeline take farmland, then the potential may exist that the property owner could lose tax credits that would be retroactive causing the property owner to pay taxes going back three years. – This should be evaluated during the easement negotiation process and could be included as compensation to the property owner.
- Stated the impacts of a compressor station and siting issues (size, noise, etc). There are no compressor stations proposed in Alamance County.
- Made repeated reference to Fracked Gas Pipelines; it would transport Natural Gas, it is not producing fracking anywhere along the pipeline, the gas it is transporting is being produced using fracking methods in West Virginia.
- Stated the pipeline would deter development along the pipeline. When asked by County Commissioners, stated they only evaluated residential development on a tract that had the pipeline running through it and had no information in regards to overall economic development or industrial development. Also had no facts or knowledge to industry claims that they needed addition supply.

MVP Report:

- North Carolina only has one trans-state pipeline (TransCo which runs from Louisiana extend up the eastern seaboard installed in 1952).
- This would provide additional supply even if end user cannot connect to it. – Similar to Burlington providing additional capacity to Greensboro water by our supply line, even though Greensboro users do not tap our line. It still provides pressure and capacity benefits to Greensboro's system).
- Cleaner than coal and Duke Energy (and others) are moving away from coal burning power generation plants.
- Safest way to transmit gas (truck or rail are other options). – From a City perspective there is a higher risk of damage to distribution lines in the streets than a cross-country pipeline.
- At the Commissioner's meeting, it was not known if safety valves were above or below ground, although they were remotely monitored and controlled.
- 1400 psi is the max operating pressure; the working pressure is normally 2/3rds of that (933 psi).
- FERC (Federal Energy Regulation Commission) has requested alternate routes, which include crossing the Haw River twice.

- MVP offered pre and post testing of wells along the route.

Presentation by MVP, Shawn Day



MVP Southgate

Burlington City Council
August 20, 2018

Who is Mountain Valley Pipeline, LLC?



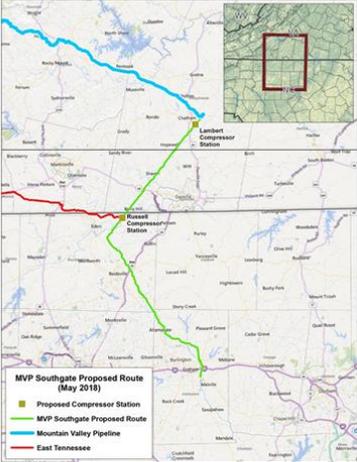
Project Overview

The project route is preliminary and subject to revision based on feedback with landowners and other stakeholders, constructability and other considerations

- Length: approximately 72 miles
- Pipeline diameter: 24"
- Compressor stations: 2
- Begins in Pittsylvania County, VA
- Terminates in Alamance County, NC
- 100' of construction right-of-way (ROW), including 50' of permanent ROW
- Approximately half of the route is co-located along existing ROWs

Commercial details

- 20-year firm capacity commitment from PSNC



This project connects the supply of natural gas from the Mountain Valley Pipeline to the growing demand of PSNC in North Carolina

Proposed Project Schedule

- The Federal Energy Regulatory Commission (FERC) has primary jurisdiction over U.S. interstate natural gas pipeline projects
- The project will be reviewed by other state & federal agencies, including the U.S. Army Corps of Engineers, U.S. Fish & Wildlife Service, and the Virginia and North Carolina state departments of environmental quality
- Community engagement is important and encouraged during all phases of the project

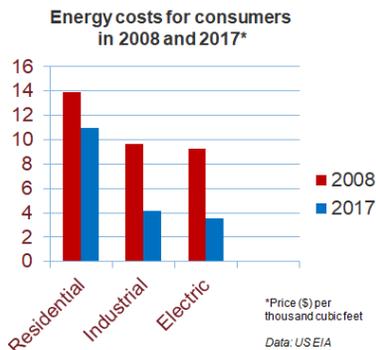
Activity	Schedule
MVP Southgate is announced	April 2018
Project enters FERC pre-filing	May 2018
MVP Southgate Community Open Houses	June 2018
Formal FERC application filing	Fourth quarter 2018 (target)
Construction begins (target)	First Quarter 2020 (target)
Full in-service (target)	Fourth Quarter 2020 (target)

MVP Southgate anticipates a robust permitting process, which includes multiple opportunities for public input and environmental review

Why Do We Need MVP Southgate?

- **Coal's decline:** Stricter federal air pollution rules and a changing market have led to the closure of coal plants across the country.
- **Domestic supply:** The Utica and Marcellus shale formations provide an abundant supply of natural gas.
- **Inadequate infrastructure:** Existing infrastructure is unable to match supply with growing demand in the Mid- and South-Atlantic regions of the U.S.
- **Lower prices:** Incorporating affordable natural gas has helped reduce prices for consumers.

As natural gas has become more widely used, consumer energy prices have dropped.



Demand For Natural Gas and MVP Southgate In This Region

- Transco and East Tennessee pipelines are the region's only sources for natural gas.
- North Carolina's population is projected to increase by nearly 2 million people between 2020 and 2035 (*North Carolina Office of State Budget and Management*).
- In 2013, the North Carolina Utilities Commission recognized the need for additional interstate natural gas pipeline capacity (*Docket No. G-100, Sub 91, Investigation Regarding Competitive Alternatives for Additional Natural Gas Service Agreements*).
- "U.S. natural gas consumption and production increase in all cases" of projections between 2017 and 2050, according to the U.S. Energy Information Administration (*U.S. EIA's 2018 Annual Energy Outlook*).
- Average daily demand for natural gas is projected to grow by 4.2 billion cubic feet per day through 2030 in the Southeast (*Wood Mackenzie*).

Natural Gas and the Environment

As the cleanest-burning fossil fuel, natural gas plays an important role in reducing U.S. air pollution and greenhouse gas emissions. Electric utilities are switching from coal to natural gas to improve air quality and combat climate change.

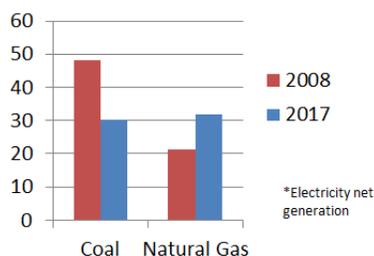
Natural gas is a cleaner alternative to coal

- 44% less CO₂
- 80% less NO_x
- 99.9% less SO₂

Between 2008 and 2017, greater use of natural gas helped reduce CO₂ emissions in the U.S. by 11.6%.

In recent years, natural gas has been the No. 1 fuel source in the U.S. for electricity generation.

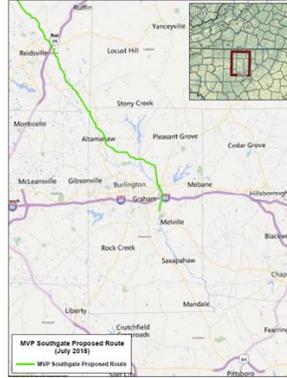
Transitioning to cleaner natural gas*



Sources: U.S. Energy Information Administration (EIA), U.S. Government Accountability Office (GAO)

Benefits for Alamance County and North Carolina

- Provides an additional source of natural gas to this area
- Brings lower cost Marcellus gas into the region
- Provides additional capacity to meet increasing natural gas demands
- Enhances the reliability of the region's existing natural gas infrastructure



Economic Benefits – North Carolina

Construction Benefits

- 1,260 jobs at peak employment in 2020
- \$106 million in spending (goods and services)
- \$6.2 million in aggregate state and local tax revenues
- Indirect economic benefits generated through additional retail, lodging and commercial activity associated with construction.

Annual Tax Revenue

- Alamance County: \$1.3 million
- Rockingham County: \$2.4 million

Direct-Use Benefits – North Carolina

Direct-use benefits include:

- An opportunity for more employers to access reliable, affordable natural gas via local distribution companies (LDC).
- Ability to enhance local economic development with access to natural gas.
- Increase in jobs associated with operation and maintenance of the facility.
- Potential fuel switching savings for transportation and heating systems.
- More appealing conditions for new energy-intensive and advanced technology businesses.

MVP Southgate provides near-term economic benefits and a lasting opportunity to enhance the region's economic development efforts

Natural Gas Pipelines in the U.S.

- There are 2.4 million miles of natural gas pipeline operating in the U.S. to facilitate gathering, transmission and distribution efforts.
- There are more than 300,000 miles of interstate and intrastate natural gas transmission pipeline in the U.S.

2.4
MILLION
miles of pipeline



How a Natural Gas Pipeline is Built

Steps in the Construction Process

- Clearing, grading and trenching
- Stringing and welding pipe segments together
- Depositing the pipeline, backfilling and testing
- Restoration



Bending



Welding

X-ray and weld repair



Coating welds

Inspection and repair of coating

Lowering in



Restoring residential area



Restoring the right-of-way



Restored right-of-way

A Relentless Focus on Safety

Regulated by the U.S. DOT's Pipeline and Hazardous Materials Safety Administration (PHMSA)

Pipeline Construction

- Steel pipe inspected at the mills (at least 0.375" thick)
- Protective coating to prevent corrosion
- Use of cathodic protection
- Construction inspections, including x-ray of all welds
- Buried 3 to 4 feet below the surface
- Pressure tested before operation
- Special considerations based on current land use

Pipeline Operation

- 24 hour-a-day monitoring of pressure, quality & flow
- Right-of-way monitoring (aerial and ground)
- Remote controlled shutoff valves monitored 24 hours-a-day
- Periodic maintenance inspections, including leak surveys and valve & safety device inspections (smart PIG)
- Education with local authorities about pipeline operations and emergency response procedures



Source: <http://www.hgaa.org/File.aspx?id=13189>

There are redundant and overlapping layers of both human and technological safeguards in place 24/7 to ensure safe operation of a pipeline

Our Commitment to the Environment

Pipeline construction requires compliance with federal and state environmental laws

Engineering controls during construction

- Erosion and sediment control, spill prevention, monitoring sensitive resources and habitats

Environmental management during construction

- Training, inspections, monitoring

Restoration of disturbed areas

- Restoration and reclamation



MVP will take great care to protect water and natural resources during the design, construction, and operation phases of the project

Restoration and Land Use



Farmers and landowners can continue to use their land

- Growing crops, raising livestock, access roads, gardens, etc. are all able to continue and will be part of any easement agreement
- Each agreement is customized to meet the property owner's needs

Our Commitment to You

We will continue to listen to you to better understand your concerns and the community's priorities

We commit to sharing information with you about our activities and progress

Safety remains our No. 1 priority

Thank you

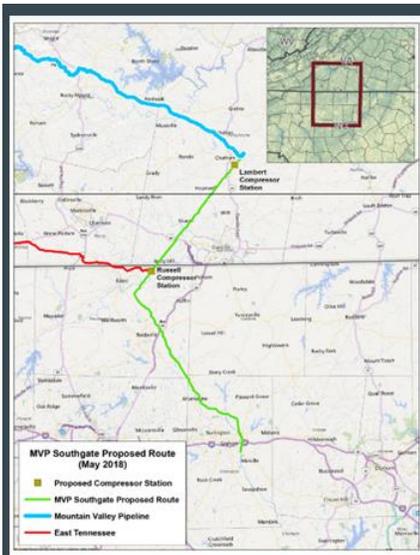
www.mvpsouthgate.com

Presentation by Haw River Assembly, Emily Sutton:

The Proposed MVP Southgate Extension



Emily Sutton
Haw Riverkeeper
Haw River Assembly
July 2018



Overview

24 inch diameter pipe
72 miles from PA to terminus in Alamance county
1400 psi

Haw and Dan Watersheds
- At least 81 stream crossings

Cost estimates between \$350 and 500 million. (NC Policy Watch, June, 25 2018)

Right of way is 100- 125 feet in construction, 50 feet permanent

Blast zone is 600** feet each side **

Evacuation zone is 2051 ft each side **

2

Lack of Economic Benefits

Synapse study

- VA, NC, and SC have enough existing infrastructure to meet the maximum gas demand from 2017 to 2030.

Create few, if any, permanent or temporary new jobs in community

- Accessory jobs (retail, lodging, dining, ect.)
- Most jobs filled by workers from out of state

As a result of construction, existing businesses could lose customers, while new businesses may be deterred from entering the area.

Lower property values



3

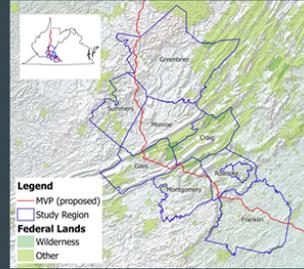
External Costs - MVP Mainline (WV and VA)

Reduction in net tax revenue due to changes in property values.

Increases in local public service costs

*As of July 16, MVP, LLC has been issued 150 water quality violations, a cost that counties will be responsible for mitigating.

"The costs of lost property value, reduced tax revenues, dampened economic development and ecosystem productivity in the study area would total between \$119.1 million and \$130.8 million per year and "persist for as long as the MVP right-of-way exists."



Landowner Issues

Surveyors mislead landowners

- Trespassing issues
- Present as "done deal"
- Threaten eminent domain

Tax credit impacts

- Forestry or agricultural
- Present Use laws could require paying "back taxes"

Property Values

- *The Augusta Free Press* cited a report in February that property values have *already* dropped in two counties on the Atlantic Coast Pipeline route



Waterways in Danger

During construction

- Blasting causes fissures
 - Groundwater contamination
 - Wells and surface water
- Heavy machinery in streams
 - Buffers, sediment, heavy metals, and toxins

Bursting dams after completion

- Sediment carries toxins
- Drowns aquatic habitat

MVP had to halt construction in Franklin Co. VA in June due to 1 foot deep mudslides across roads.



Dangers

Pipeline Explosions

- Evacuation zone is a radius of 2,051 feet.
- 4 explosions in past two months

Pipes constructed after 2010 failing at a rate similar to pipes constructed pre-1940

Emergency first responders not equipped for explosions or leaks of this size

Methane leaks

- Often undetected until severe health impacts
- Can contaminate water



6/7/2018 in W. VA - Leach Xpress, owned by TransCanada. 6 months old.



TransCanada president and CEO Russ Girling said: "This is truly a best-in-class pipeline and we look forward to many years of safe, reliable and efficient operation on behalf of our customers." (January, 2018)

Aftermath of Marshall Co., WV TransCanada Pipeline Explosion (June 11, 2018)

Safety concerns and incidents with pipelines

- There were 297 significant incidents from pipeline accidents in 2017 according to the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA).
- PHMSA defines a significant incident as any fatality or damage exceeding \$50,000. There were eight fatalities and damages exceeding \$200 million in 2017.

Compressor Stations

Eden compressor station ("Russell") could require anywhere from 3 to 20 acres of land.

Additional station near terminus to continue to further lines.

- Health risks of air pollution
- Respiratory problems
 - Headaches
 - Long term health effects

Explosions or fires



2015 Explosion at Transco Pipeline compressor station near Gibson, La.

Health & Environmental Issues



Cleared land for pipeline route eliminates habitat and ecosystem services

- Compressor stations emit toxic air pollutants
- respiratory impacts, sinus problems, throat irritation, nasal irritation, vision impairment, severe headaches
 - noise levels

Methane gas leaks, volatile organic chemicals, heavy metals, and heavy sediment loads contaminate air and groundwater

What this means for Burlington

MVP may request to use municipal land for storage yards, construction yards, easements

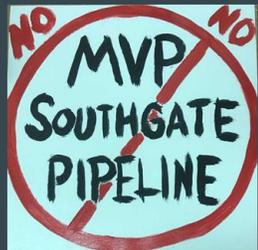
- Some municipalities have weighed in on requests of MVP to FERC (to extend working hours from 7am to 7pm)
- Some municipalities have voted on whether main pipelines like ACP or MVP should get to extend the line out from what was in the FERC designation
- Concern for Stoney Creek reservoir

What the City of Burlington can do

- Stand up for the residents in your city who do not want a dangerous fracked gas line neighboring their community
- Stand with other municipalities and county level officials to sign resolutions to publicly oppose MVP Southgate
- Tell Governor Cooper, Representative Mark Walker, and other state officials to oppose MVP Southgate
- Submit comments to FERC to oppose this pipeline

Say 'no' to the Proposed MVP Southgate

For these reasons and more, we are asking that the Governor, the Department of Environmental Quality, local elected officials, and all North Carolinians to **oppose** the proposed MVP Southgate Pipeline!



Community member-made yard sign

Follow along at

- noMVPsouthgate.org
- [Email me!](mailto:emily@hawriver.org)
- emily@hawriver.org

Mr. Jason Copland, President, CEO, Copland Fabrics, spoke about how this gas line would benefit his business. He shared that during the wintertime they are forced to lay off employees because they are only able to use the amount of natural gas that is used on an average daily basis. He said that homes and people are priority for gas and that industries are forced to shut down because of the lack of supply for the demand for natural gas.

E. Advanced Metering Technology

Presentation by Utility Metering Solutions, Joey Mitchell

Bob Patterson

Water Resources Director

Peggy Reece

Director of Finance and Risk Management

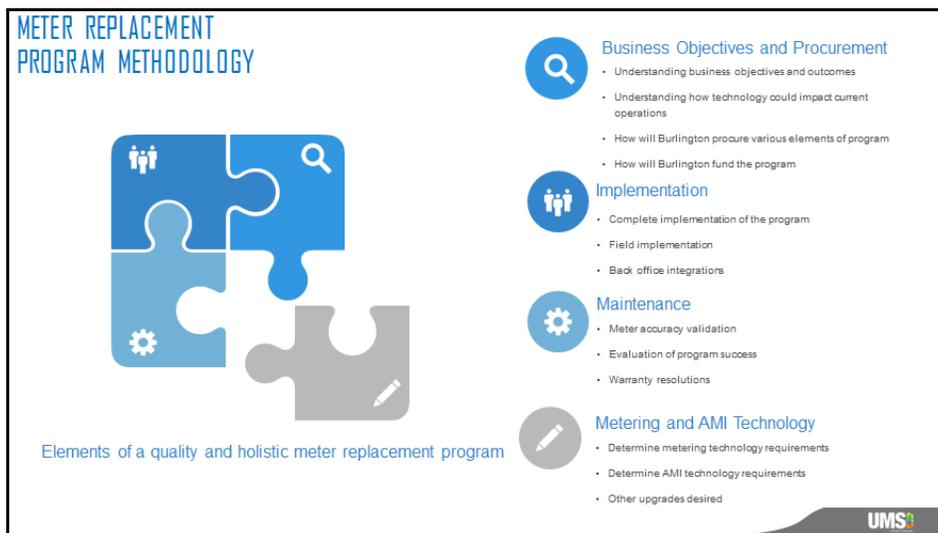
Water Resources Director Bob Patterson said that for a number of years, staff has discussed evolving meter technology that can increase meter reading efficiency, increase worker safety, make better use of City resources, and provide more timely feedback to customers regarding unusual usage patterns that may be indicative of leaks on the customer side of the meter. These automated meter-reading systems have been implemented, not only in many water systems across North Carolina, but also in electrical and natural gas utilities as well.

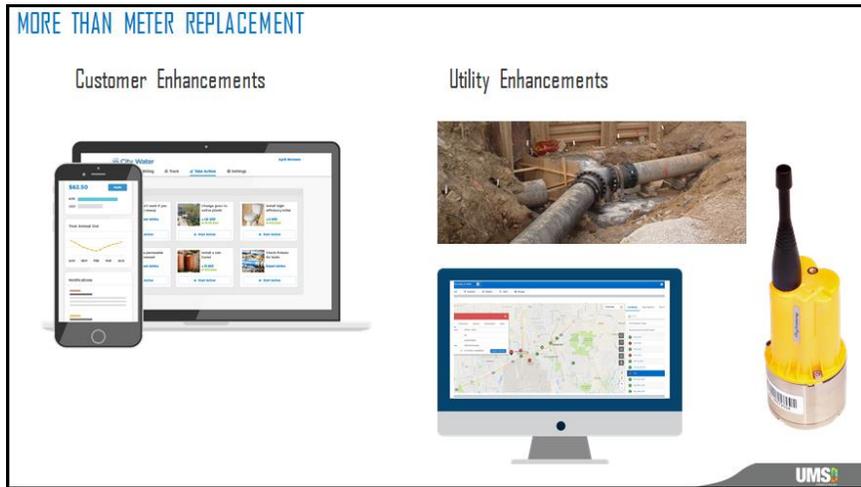
As staff learned more about the complexities of implementation, it became apparent that this was much more than a meter change-out project. Ensuring the successful interface and communication between the meter, the data collector (either vehicle-based or fixed network-based), our billing software, and the customer portal is the key to a successful implementation. Additionally, the use of technology would drive retraining meter readers to perform new duties relating to meter maintenance and operational trouble-shooting and other city staff would need to be trained in the use of new software and the implementation of new procedures and policies.

The City issued a Request for Qualifications (RFQ) from qualified firms in April of this year to provide Advanced Metering Infrastructure (AMI) Program Management Services. The goal of this RFQ was to hire a firm to assess our current metering infrastructure and provide recommendations regarding the various types of technology that could be utilized to implement an advanced metering project. Additionally, the firm selected would provide program management services in the design and implementation of the meter change-out and oversee the implementation of the various technologies (data collection, transmission, software implementation and interfacing, etc).

A team of City staff from the Finance, Water Resources, and Engineering Departments reviewed the proposals from four firms and interviewed each of them. Utility Metering Solutions (UMS), Raleigh, was selected based on their qualifications and experience in implementing several projects that were similar in size and scope to our potential project. Staff has been working with Joey Mitchell, Vice President of UMS Professional Services Division to develop a possible phased scope of work for an advanced metering project.

Mr. Joey Mitchell, UMS Professional Services Division shared the current and proposed technology regarding water meters.





PROGRAM PHASES AND DURATION

Phase	Months	Notes
★ Technology Impact Assessment	3-4 Average	Determine financial and operation impact of technology improvement
Design	3-7 Average	Critical phase in matching desired program outcome with commercially available equipment and solutions
Procurement Strategy / RFP Development	2-4 Average	Very important element of program. Uses requirements gathered in design phase to develop procurement strategy
Equipment RFP Solicitation / Contracting	3-6 Average	Dependent on procurement strategy selected
AMI Network Setup and Data Integration	3-6 Average	Dependent on technology selected and lead times
Meter and Endpoint Deployment	12-18 Average	Program Installation and oversight

Councilman Owen asked if the system would require a certain type of meter.

Mr. Mitchell said that there were connectivity between all meters and the difference brands of technology providers. He said that there could be some requirements placed on the technology that could drive to a particular meter brand.

Councilman Owen asked at what point would all the meters need to be replaced.

Mr. Mitchell said that when you go forward with the project you would do it at one time.

Councilman Owen voiced concerns about replacing all meters at one time.

Ms. Reece said that the City currently had 15 to 20% of its meters that are fit for radio read. She said that it would need to be determined if the meters would be changed all at one time or space it out of five years.

Mr. Mitchell said that he did not currently know how many of the 20% of a particular brand of meter was capable of receiving some sort of technology and did not know the age of those meters.

He said that based on what was known so far of the age of the meters that the City was looking at some sort of a change out. After the data was collected and reviewed, a cost estimate could then be presented.

Ms. Reece said that for the most part, you would still need staff to change out meters or for trouble shooting. She said that full-time positions had not been filled after a retirement or loss of staff but were filled instead with part-time personnel.

Councilman Owen voiced concern over a massive change of meters at one time then it would set the City up in about ten years in the future when those meters give out having an enormous capital increase. He said that the benefit to the citizens would be, eliminating staff and access to information on a daily basis.

Mr. Mitchell said that over the last five years that communities had wrestled with this decision and that staff was taking a good first step to understand the financial impact. He said that one of the models would be a phased deployment and its financial impact over a period of years.

Councilman Butler asked what the annual attrition rates were on existing meters and what would be the automatic expense that would have to be absorbed now and then the potential increase going forward.

Mr. Mitchell said that would be the first phase: understanding what the budget needed to look like and phasing options.

Mayor Baltutis said that the question was do we go forward with this discussion. If so, the next phase was to gather information and bring back to Council.

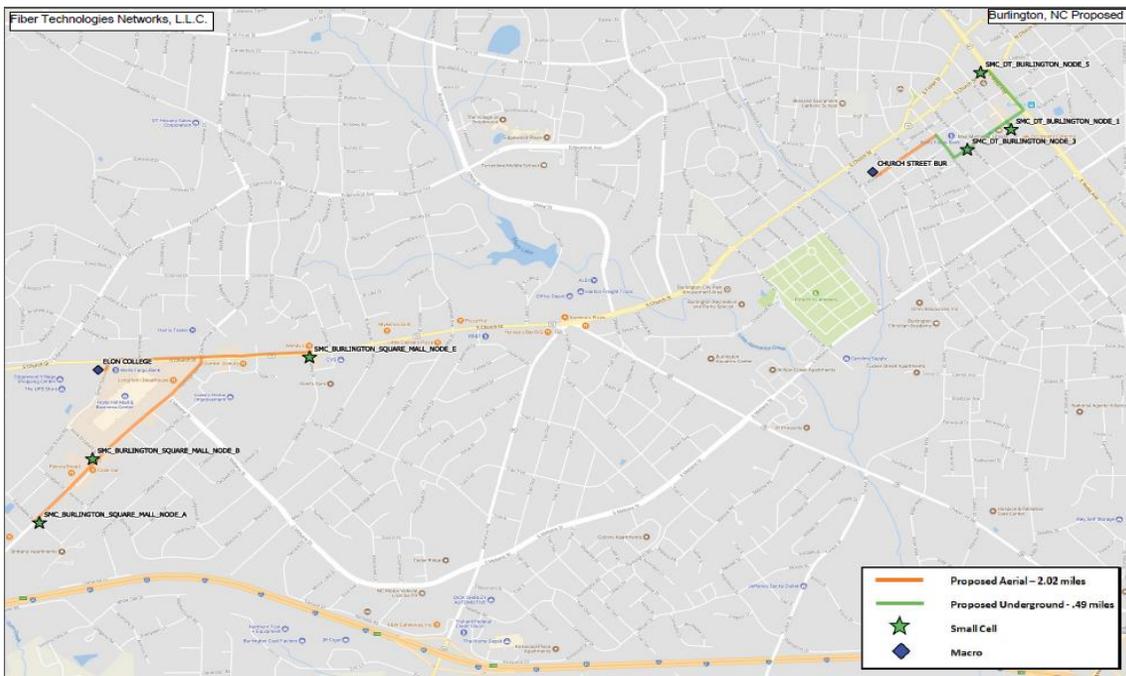
Councilman Owen voiced concern over what would go along with the technology in terms of capital cost and how to implement it into the City's rate structure.

Consensus of Council was to move forward to negotiate a contract with UMS.

F. Right of Way Use Agreements

Todd Lambert
City Engineer

City Engineer Todd Lambert said that Fiber Technologies Networks, LLC, and Conterra Ultra Broadband, LLC, both provide small cell wireless technology that would operate under the City's current Right-of-Way Management Ordinance and previous House Bill 310, subsequent to NCGS 160A-400.50-57. He said that both of these companies are wireless broadband service providers who do not provide services to direct customers but provide antenna services and lease out to either Verizon or AT&T to continue to expand services without huge cell towers. He said that Engineering was recommending approval of the City to enter a Right-of-Way Use Agreement with Fiber Technologies Network, LLC. He said that this would provide them the use of public rights-of-way and that individual projects would be submitted to Engineering for construction approval.



Consensus of Council was to place the request on the consent agenda for consideration.

Council took a five-minute break at 7:05 p.m.

G. City Park Tree Removal Project

*Tony Laws
Director of Recreation and Parks*

Tony Laws Director of Recreation and Parks said that this project primarily concerns the removal of 75 trees between the miniature train track and the Civitan Shelter at the corner of Overbrook Rd. and S. Church St. He said that the trees had been identified by Rett Davis for removal to eliminate mostly Virginia Pines and others to open up the park for more visibility and safety reasons as well as allow the current bare soil to be seeded with grass to counteract erosion and create a more beautiful appearance.

Mr. Laws said that using a tree service would be expensive that Mr. Davis was able to find a small logger to do the removal to allow the wood to be reused and give us a more economical cost for the project. In addition, we are working with the logger to accomplish the removal of 50 additional trees in the creek buffer area that have been killed by a strong pesticide application. The state agricultural dept. has done an investigation of this pesticide application and had not been able to determine how, why, or who applied the pesticide.

Mr. Laws said that once the trees have been removed, the New Leaf Society would allocate a minimum of \$10,000 to replace those trees with more appropriate hardwood trees that would beautify the area.

Mr. Davis said that the cost would be \$10,000 to remove 75 trees and would begin this fall.

Consensus of Council was to move forward with the tree removal in City Park.

H. FEMA Flood Mitigation Assistance Program

David Bowman
Senior Civil Engineer

Senior Civil Engineer David Bowman shared background information on FEMA's Flood Mitigation Assistance (FMA) Program.

FEMA Flood Hazard Mitigation Program

- Goal – reduce/eliminate claims under the National Flood Insurance Program (NFIP)
- Funds projects that reduce/eliminate long-term risk of flood damage to structures insured under the NFIP.

Eno-Haw Regional Hazard Mitigation Plan

- Adopted in 2015 by Alamance, Orange, & Durham Counties and municipalities
- Burlington mitigation action – Monitor structures, track damages/repair costs
- Consider mitigation (flood-proofing, acquisition...) for high cost items.

Previous Mitigation Efforts

- Aug'03: City applied for Pre-disaster Mitigation funding for 3 properties on Elder Way
 - Denied - time constraints, not cost effective.
- April'17: City applied for Hazard Mitigation Grant Program for 7 properties
 - Denied – County not declared in Hurricane Matthew

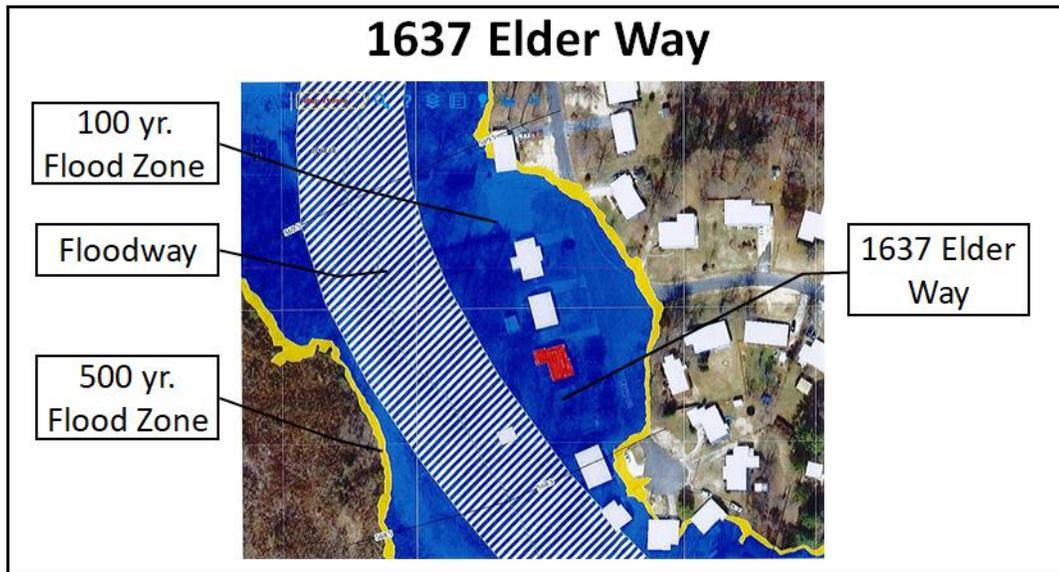
FEMA Flood Mitigation Assistance (FMA)

- \$150,000 max
- 3 types of mitigation projects:
 - Acquisition - buy, demolish, deed to City (Staff Recommended)
 - Elevation- structures are raised up above the base flood elevation
 - Demolish/Rebuild- Demolish structures and rebuild above base flood elevation
- Demo/Const administered by the NFIP Community

Mr. Bowman said that the property owner at 1637 Elder Way has requested the City apply for assistance on its behalf. Engineering staff have determined that the property did meet FEMA’s qualifications and qualified for 100% funding. He said that FEMA would make a final determination as to funding. The result of the FMA program would be the City owning the lot with deed restrictions that would preclude the City from transferring ownership in the future.

1637 Elder Way

- Flood Insurance Policy for 35 years
- In Eno-Haw Regional Hazard Mitigation Plan
- Severe repetitive loss (\$235,451.50 in claims since 1982)
- Tax value is listed as \$116,981



If the City of Burlington applies for FMA funding?

- Benefits
 - Help citizen
 - Implement City’s obligations to Eno-Haw Hazard Mitigation Plan
- Liabilities
 - Application to NC Emergency Management
 - For acquisition, perpetual cost of maintenance
 - For demolition and/or construction, City administers bids and construction

Mr. Bowman said that this property was the only property that qualifies for the Flood Mitigation Assistance Grant and asked for direction from Council to proceed with the grant application.

Consensus of City was to proceed with the grant application.

I. Community Improvement Program Update

David Beal

Assistant Director of Planning and Community Development



COMMUNITY IMPROVEMENT PROGRAM

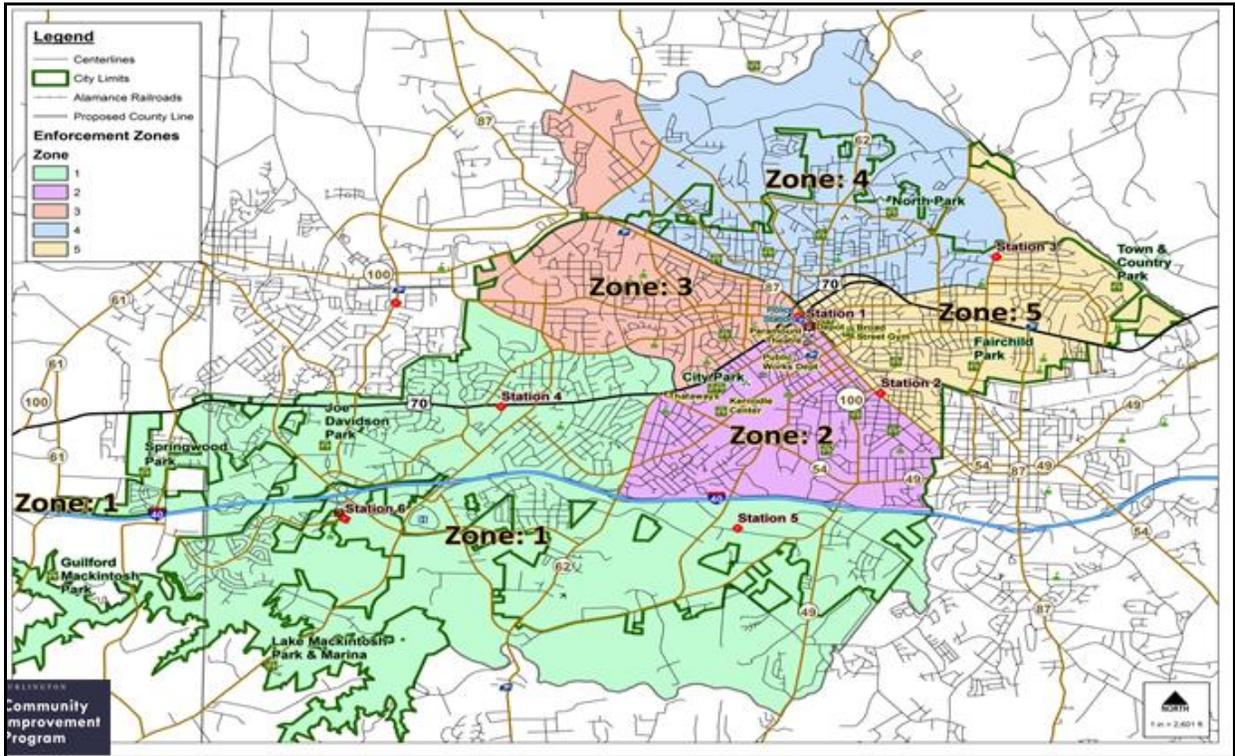
A concentrated, proactive effort focusing on Code Enforcement and Zoning Enforcement to more efficiently address:

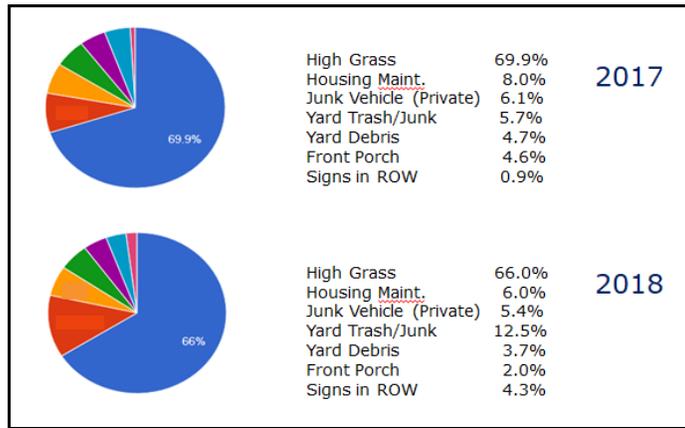
- Cleanups (junk or trash in yard)
- Minimum Housing (substandard or condemned)
- Tall grass
- Front porches
- Junk cars
- Illegal signs
- Home occupations
- Accessory structures



Proactive

- Does not rely on a complaint
- Potentially address violations early on
- Potentially less expensive
- Complaints can still be anonymous
- Fair and equitable
- Volume may extend response times
- Peak seasons may reduce proactive cases
- Educational





Signs

Dilapidated/Outdated

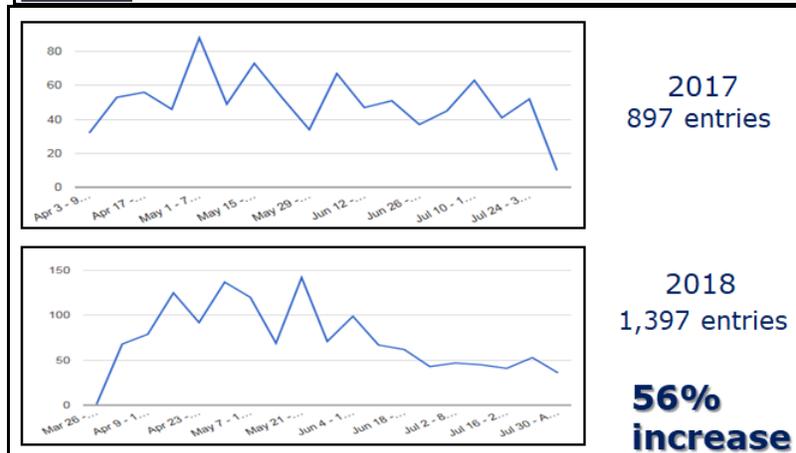
31 cases
11 completed
20 in progress

Illegal/ROW

Approximately 582 signs removed from rights-of-way between April 1st and August 1st

Abandoned/Inoperable (Junk) Vehicle on Private Property

81 entries
72 completed
9 in progress



2070 Glenkirk Drive

Zone 1

B Community Improvement Program

107 Chapel Hill Road

Zone 1

B Community Improvement Program

1407 Kilby Street

Zone 2

B Community Improvement Program

1715 Maple Avenue

Zone 2

B Community Improvement Program



933 South Church Street



Zone 3



1903 West Webb Avenue



Zone 3



720 Rauhut Street



Zone 4



Vacant Lot on Glenn Street



Zone 4





**North Church Street Parcel
Near Sellars Mill Road**



Zone 5



Sidney Avenue (Snouffer's Lake Area)



Zone 5

"I was just saying to some of my neighbors how good it looks in this area of Belmont Street. Whoever is in charge of the cleanup around here and making everything look so nice is doing a great job, and I just want them to continue being over this part of town. Thank you."

- Anonymous Voicemail, Zone 2

"...the new system where there is not a complaint only driven system is great. It gives Brian and his colleagues wider and much needed autonomy to do their jobs. These people are put in these positions to do a thankless task. It is great that they now have some leeway to actually do the job they are trying to do. For that we thank you."

- Jack Rutherford, Zone 5

Contact:

www.BurlingtonNC.gov/Burlington-Connected

336-222-5024

Council applauded and thanked staff for their work regarding the Community Improvement Program.

J. Boards and Commissions Reports

- Planning and Zoning Commission – 4 Requests:
 - 1) Amend Zoning Ordinance Section 32.19.e(3) – Protest Petitions
 - 2) Rezoning – Cox Toyota – to allow for a body shop
 - 3) Amend Zoning Ordinance Section 32.9 – Non-Academic Schools
 - 4) Rezoning – East Webb Avenue
- Traffic Commission - None
- Public Transit Advisory Commission (PTAC) - None

K. City Manager Comments

There were no additional comments.

ADJOURN

Meeting adjourned at 8:02p.m.

Renee M. Ward

Renee M. Ward, CMC
City Clerk