

City Council – Action Request Form

Date: August 13, 2018

To: The City Manager

From: Damon C. Dequenne, Assistant City Manager
Courtney Driver, City/County Utility Director

Council Action Requested:

Consideration of a Resolution to Amend the Sewer System Construction and Operation Agreement with the Town of Walkertown.

Strategic Focus Area: Healthy Environment
Strategic Objective: Manage Water Quality and Quantity
Strategic Plan Action Item: No
Key Work Item: No



Summary of Information:

On September 26, 2000, a Sewer System Construction and Operation Agreement was executed between the Town of Walkertown (Town), City/County Utility Commission (CCUC), and the City of Winston-Salem (City). The agreement outlines the terms between the Town and CCUC for the construction of the Town’s sewer collection system. The Town constructed the sewer system with funds that were made available through the Rural Economic Development Center, Inc. Unsewered Communities Grant Program and the N.C. Department of Environment and Natural Resources Clean Water Bond Program. CCUC managed the grant application, design, construction, and took ownership of the system once constructed.

Town customers are charged 2.0 times the inside City rate, the CCUC keeps 1.1 times the inside City rate and 0.9 times the inside City rate is collected and deposited into a Reserve Account. The Reserve Account is used to pay for project costs that were not eligible for reimbursement under grants or matching funds.

Sufficient funds have been collected in the Reserve Account to pay off a loan with N.C. Department of Environment and Natural Resources for the sewer collection system project. The Town has requested to stop collecting the surcharge for the Reserve Account.

Committee Action:

Committee	Finance 8/13/18	Action	Approval
For	Unanimous	Against	

Remarks:

Staff recommends amending the Sewer System Construction and Operation Agreement with the Town of Walkertown reducing the rates for Town of Walkertown's customers to 1.0 times the inside City rate and eliminating the Reserve Account. Staff also recommends and request the agreement be amended such that future amendments to the agreement or termination of the agreement will not require City Council's approval and the Mayor's signature.