

Town of Mount Olive
September 24, 2024
Special Board Meeting
Minutes

Mayor Jerome Newton called the meeting to order at 6:00 P.M. Those in attendance per roll call were Mayor Pro-Tempore Barbara Kornegay, Commissioner Delreese Simmons, Commissioner Danny Keel, Commissioner Tommy Brown, Commissioner Vicky Darden, Town Attorney Carroll Turner, Town Manager Jammie Royall and Town Clerk/Administrative Assistant Sherry Davis.

Mayor Jerome Newton delivered our invocation and Commissioner Tommy Brown lead us in the Pledge of Allegiance.

Mayor Jerome Newton read the Conflict of Interest Statement; there were no conflicts.

Mayor Jerome Newton requested a motion to approve the published agenda. Mayor Pro-Tempore Barbara Kornegay made a motion to approve the published agenda. Commissioner Tommy Brown seconded and the motion passed 5-0.

Mayor Jerome Newton then requested a motion to go into the Public Hearing: The Town of Mount Olive intends to submit an application for a grant of approximately \$3,000,000 in CDBG Infrastructure funds for the rehabilitation and replacement of approximately 12,000 linear feet of existing deteriorated sewer lines, including new service laterals between the sewer lines and the right of way line. Work will take place along portions of the following Town streets: E. Hillsboro St, E. Nelson St, S. Church St, S. Johnson St, N. Johnson St, Oliver St, Gordon St, E. Slocumb St, E Kornegay St, Milford St, E. Williamson St, E. Pollock St, S Jefferson St, N. Jefferson St, E. Main St, E. James St, Cobb St, Silver St.

Commissioner Tommy Brown made the motion to go into Public Hearing. Commissioner Danny Keel seconded and the motion passed 5-0.

Mr. David Harris with Harris & Associates said good evening to everyone. Mayor Jerome Newton advised everyone to formalize any questions so they speak only once. Mr. Harris explains the purpose of submitting an application for this project.

Mr. David Harris discussed the Public Hearing Meeting Script below:

This public hearing on September 24, 2024 will provide an explanation and description of the 2024 North Carolina Department of Environmental Quality (DEQ) Community Development Block – Infrastructure Grant (CDBG-I).

We are present to discuss the purpose of the public hearing for the Town’s CDBG-I funding application. The purpose of the public hearing is to obtain citizen’s views and to allow response from the public to funding proposals and answer any questions posed by citizens.

This public hearing will cover the Town’s community development needs, development of the proposed activities, and a review of program compliance before the submission of the Town’s CDBG-I funding application to the state of North Carolina.

The Town proposes to request funding from NCDEQ’S CDBG-I program for the 2024 Sewer Line Rehabilitation Project. The proposed project will meet community and housing needs through the rehabilitation or replacement of approximately 14,400 LF of existing 8” sewer lines and 40 manholes; and the replacement of approximately 265 existing service laterals in the public ROW in the Town of Mount Olive with new 8” sewer lines or CIPP installed in the existing sewer lines to serve approximately 220 occupied households.

The purpose of the CDBG-I grant program is to improve the quality of life for low to moderate income people by providing a safe, clean environment and clean drinking water through water and sewer infrastructure improvements and extensions of service.

- To benefit a residential area where at least 51% of the beneficiaries are low to moderate income as defined by the United States Department of Housing and Urban Development.
- To perform eligible activities.
- To minimize displacement, and
- Provide displacement assistance as necessary.

For the fiscal year of 2024, the CDBG-I available funding is expected to be \$19 million. The maximum available grant is \$3.0 million over a 3-year period. Applications for funding will be received by September 30, 2024.

The CDBG program is able to fund a wide variety of community development activities. The State of North Carolina has chosen to fund several activities: water and sewer infrastructure, neighborhood revitalization, COVID-19 related projects, and economic development projects that lead to job creation or retention.

The infrastructure program, or CDBG-I program can fund a range of water and sewer infrastructure activities, including, but not limited to the, following:

Water:

- Projects that resolve water loss in distribution systems.
- Projects that extend public water to areas with contaminated wells.
- Projects that extend water lines to areas with dry wells.
- Projects that assist with low water pressure in public water systems.
- Projects that regionalize two or more water systems.
- Project that rehabilitate or replace a water treatment plant.

Wastewater:

- Projects that resolve inflow and infiltration to collection systems and surcharges from pumps stations and manholes.
- Projects that extent public sewer to areas with failed septic tanks.
- Projects that rehabilitate a wastewater treatment plant to allow for greater efficiency/compliance with regulations.

The Town is seeking an amount in CDBG-I funds not to exceed \$3,000,000 for the 2024 Sewer Line Rehabilitation Project. The proposed project includes the rehabilitation or replacement of approximately 14,400 LF of existing 8” sewer lines and 40 manholes; and the replacement of approximately 265 existing service laterals in the public ROW in the Town of Mount Olive with new 8” sewer lines or CIPP installed in the existing sewer line. Replacements will be a like for like replacement unless 6” gravity sewers are found in which case these will be increased to the 8” minimum per current regulations. This work includes replacement of sewer service laterals within the right of way from the sewer pipe to the right of way line to connect the existing customers to the rehabilitated or replaced sewer lines. Based on the Town’s Asset Inventory Assessment these lines are known to be in poor condition and consist of vitrified clay pipe with brick manholes. Per DWI, vitrified clay pipe (VCP) is considered to be more than 40 years old. Street flooding is a common issue in the project area and the poor condition of these sewers allows them to be a source of infiltration and inflow. The repair of these sewers will reduce infiltration and inflow from this portion of sewer which will reduce overflows downstream on the main sewer interceptor and at the WWTP. Although the overflows occur remote to the project area the location is down stream and flow monitoring indicates high flows from the project area during rain events. Overflows have reached surface waters numerous times as shown in the attached notices of violation. Streets in which sewer line rehabilitation or replacement will take place include:

E. Nelson St from 325 E. Nelson St to Oliver St, Cobb St from E. Nelson St to Silver St, Silver St from Cobb St to Oliver St, E. Hillsboro St from Oliver St to S. Beems St, Oliver St from Franklin St to E. Nelson St, Oliver St from Silver St to S. Johnson St, E. Slocumb St from S. Center St to Connor St, E. Kornegay St from S. Center St to Milford St, Milford St from E. Kornegay St to end, S. Church St from E. Maple St to E. Pollock St, E. Pollock St from S. Center St to S. Church St, E. Pollock St from S. Johnson St to S. Jefferson St, E. Williamson St from S. Church St to S. Johnson St, S. Johnson St from E. Williamson St to E. Main St, N. Johnson St from E. Main St to E. James St, E. James St from 215 E James St to N. Jefferson St, N. Jefferson St from E. James St to 105 N. Jefferson St, E. Main St from N. Church St to N. Jefferson St, S. Jefferson St from E. Pollock St to E. Main St, Gordon St from Oliver St to 321 Gordon St.

The project proposed by the Town was identified in the Asset Management Plan/Capital Improvement Plan adopted in 2020 and updated on September 24, 2024. Informal one-on-one discussions were held in the project area to inform citizens of the potential project and obtain feedback from the residents.

A total of 100% of the CDBG- I funding will be used to benefit Low to Moderate Income (LMI) people. The project area in the Town has been determined to have an Income Survey area of approximately 87.66% LMI. The project area includes E. Nelson St from 325 E. Nelson St to Oliver St, Cobb St from E. Nelson St to Silver St, Silver St from Cobb St to Oliver St, E. Hillsboro St from Oliver St to S. Beems St, Oliver St from Franklin St to E. Nelson St, Oliver St from Silver St to S. Johnson St, E. Slocumb St from S. Center St to Connor St, E. Kornegay St from S. Center St to Milford St, Milford St from E. Kornegay St to end, S. Church St from E. Maple St to E. Pollock St, E. Pollock St from S. Center St to S. Church St, E. Pollock St from S. Johnson St to S. Jefferson St, E. Williamson St from S. Church St to S. Johnson St, S. Johnson St from E. Williamson St to E. Main St, N. Johnson St from E. Main St to E. James St, E. James St from 215 E James St to N. Jefferson St, N. Jefferson St from E. James St to 105 N. Jefferson St, E. Main St from N. Church St to N. Jefferson St, S. Jefferson St from E. Pollock St to E. Main St, Gordon St from Oliver St to 321 Gordon St.

The range of activities covered by the CDBG-I funds for the 2024 Sewer Line Rehabilitation Project includes:

- Construction
- Environmental Review
- Engineering Design
- Construction Administration and observation
- Legal activities
- Surveying
- Grant Administration

If Town is awarded a CDBG-I grant, the Town is required to adhere to federal procurement requirements and other federal regulations which include:

- American with Disabilities Act/Section 504 Survey
- Davis-Bacon & Related Labor Acts
- Adoption/Submittal of a Citizen’s Participation Plan
- Adoption/Submittal of an Equal Opportunity Plan
- Adoption/Submittal of a Fair Housing Plan
- Adoption/Submittal of a Language Access Plan
- Adoption/Submittal of a Relocation Assistance Plan
- Adoption/Submittal of a Section 3 Plan
- Excess Force Provision

The State of North Carolina requires that the if the Town receives CDBG grant funding that the Town will certify that they will comply with the requirements of the general displacement and relocation policy for CDBG grant funding. This policy assists low to moderate income people with costs associated with relocation or displacement, should such relocation become necessary due to the project activities. CDBG funds can be used for those costs, if necessary. The Town confirms no displacement or relocation will occur as a result of the proposed CDBG grant activity.

In the past, the Town has applied for and received funding for the following CDBG projects:

OPEN PROJECTS:

1. Town of Mount Olive 2023 CDBG-NR (Neighborhood Revitalization) Project - \$950,000- involves replacement of 3 houses with State Building Code modular homes on Steele St, E. Hillsboro St, and E. Pollock St; and the rehabilitation of one house on E. Maple St - Serving 4 homeowners that are 100% Low to Moderate Income.
2. Town of Mount Olive 2020 CDBG-NR (Neighborhood Revitalization) Project - \$750,000- involves replacement of 3 houses with State Building Code modular homes on E. Hillsboro St and E. Franklin St - Serving 3 homeowners that are 100% Low to

Moderate Income. NC Department of Commerce granted an additional \$200,000 for engineering services for the Downtown Development Project to serve the downtown area.

3. Town of Mount Olive 2020 CDBG-Infrastructure Project - \$2,000,000 - involves rehabilitation/lining of sewer lines - E. Hillsboro St, E. Nelson St, S. Center St, S. Church St, S. Johnson St, Oliver St, Elizabeth St, and Connor St - Serving 71 housing units that are 80% Low to Moderate Income.

CLOSED PROJECTS:

4. Town of Mount Olive 2014 CDBG-Infrastructure Project - \$676,300 - involved replacement of water lines - Kelly Street, Williamson Street, Flee Street - Served 48 housing units that were 95% Low to Moderate Income.
5. Town of Mount Olive 2014 CDBG-Infrastructure Project - \$595,500 - involved replacement of sewer lines - Kelly Street, Williamson Street - Served 40 housing units that were 97% Low to Moderate Income.
6. Town of Mount Olive 2013 CDBG-Infrastructure Project - \$1,509,818 - involved rehabilitation of four sewer lift stations - Cleveland Drive, Church Street, Franklin Street, County Road - Served 246 housing units that are 95% Low to Moderate Income.
7. Town of Mount Olive 2012 CDBG Catalyst Project - \$500,000 - involved renovations at the Carver Cultural Center.
8. Town of Mount Olive 2009 CDBG-R Stimulus Recovery Project – \$434,500 - involved renovation of historic train depot/community center.
9. Town of Mount Olive 2006 CDBG-IF Infrastructure Hookup - \$75,000 – involved connecting 18 housing units to existing sewer lines and abandoning 18 septic systems in Town. 18 housing units that were 100% Low to Moderate Income.
10. Town of Mount Olive 2004 CDBG-CN Concentrated Needs - \$700,000 – Short Street (Center to Chestnut) and Hillsboro Street (400 block) Revitalization - involved housing replacement (3 units - 100% LMI); water line replacement- Short St (10 housing units - 92% LMI); sewer line replacement-Short St & Hillsboro St (23 housing units - 91% LMI); street paving-Short St (10 housing units - 92% LMI); and drainage pipe/curb & gutter installation-Short St (10 housing units - 92% LMI).
11. Town of Mount Olive 2001 CDBG-ED - \$180,000 – USDA Rural Development \$99,500 – NC Rural Economic Center \$256,726 – Total Project Cost-\$536,226. Involved water, sewer, road and drainage improvements for industrial park and new industry – Andy’s Restaurants. Created 15 jobs of which 87% were Low to Moderate Income.
12. Town of Mount Olive 2000 CDBG-SS Scattered Site - \$400,000 – involved housing activities: Replaced 5 owner dwelling units - 100% LMI; Rehabilitated 1 owner dwelling unit - 100% LMI.
13. Town of Mount Olive 1999 CDBG-HD Housing Development - \$85,500 – involved removal of environmental hazards from an old school building renovated for multi-family affordable apartment housing – Mount Olive School Apartments - Created 19 affordable apartment units with 100% Low to Moderate Income occupants.
14. Town of Mount Olive 1995 CDBG-CN Concentrated Needs - \$494,000 – Kornegay St from Church to Johnson, Slocumb St from Church to Conner, James St at Elmore St - involved housing rehabilitation (6 units - 100% LMI); housing replacement (2 units - 100% LMI); and sewer line replacement on Kornegay St from Church to Johnson and James St at Elmore St (22 units - 95% LMI).

The Town will submit its CDBG-I application for the 2024 Sewer Line Rehabilitation Project by September 30, 2024. The CDBG-I application will be available for review during normal business hours at the Town Manager’s Office at 114 E. James St, Mount Olive, NC. Additional information is available from the Town Manager at 919-659-9539 or j_royall@townofmountolivenc.com. Should you have any complaints or grievances regarding the subject public hearing, they should be addressed to the addressee mentioned above within fifteen (15) business days or by October 16, 2024, and a written response to the written complaints and/or grievances will be sent by the Town within fifteen (15) business days, where practicable.

We open the floor for comments and questions about the CDBG program, and about the proposed project.

Ms. Cindy Bell of 109 Ramblewood Drive, Mount Olive, NC 28365, 919-658-5491. She stated she has two questions.

1) The twelve houses that were not hooked up to sewer before the grant that allowed these connections, was this prior to the moratorium, I assume. Mr. David Harris responded yes.

2) I commend the board for receiving all the grants and the funding. You do a great job at that. Her concern is what happens to those dollars in the grant administration. It is overall administration, oversight, execution and accountability of the town operation side. Not the grant administrator or the person doing it. We have to make sure there is oversight and accountability in place before we submit this application. Because we have to wait another three years before we can apply again, we need to have an oversight plan in place before we go after another grant or spend another dollar, so we don’t get bogus information month after month on a sign machine then we realize seven months later it is not operational. No one is going to do the job for you, it has to be operational by this town. Thank you.

Ms. Annette Kirby of 112 Ramblewood Drive, Mount Olive, NC 28365, 919-922-3410. She said we all know each other well enough we can be informal and apologized that she forgot her hearing aids so she hopes she is not be repetitive. She has a few questions.

1) She wanted to know what stage the town has accomplished in the 2019 Asset Inventory Assessment. Are we in the sewer collection 1A or the Old Cement Project 1 or 2? Mr. David Honeycutt with McGill Associates stated he has prepared a map. Ms. Annette Kirby stated she has seen that map. Mr. David Honeycutt said not this one because he just prepared this one. He advised the cement line replacements are done. The other parts are scheduled to be completed.

2) When she looked at the updated capital improvement project.

Mayor Jerome Newton was advised this project is not part of the public hearing. He stated to Ms. Annette Kirby that we didn't want to get that deep in this conversation. She replied all she wants to know is what progress we are making on the grants because if this grant and project is finishing up then so should the streets of Hillsboro, Nelson, Church and Johnson Streets should be finishing up instead of carrying over to the next grant. Ms. Annette Kirby said are we actually making progress? If this process is finishing up, why are some streets not being completed. Mr. David Honeycutt responded, they were longer streets and will carry over to the next grant. Ms. Annette Kirby stated they are no opposed to the grants and knows we need them but they are not being completed on time and we are lagging behind. The reason is because of our audit. On the 2021 audit the town was \$800,000.00 on a grant. Our most recent grant was the \$5.5 million dollar grant was overspent by \$400,000.00. Who is responsible?

Mayor Jerome Newton was advised this is not part of the 2024 CDBG – Infrastructure Grant. Mayor Jerome Newton advised Ms. Annette Kirby that normally we give three minutes for people to speak and we have given you ten and beyond that. She said she would skip that and ask Who is responsible, we have that noted. Mayor Jerome Newton said he hates to do this Ms. Kirby but we are not dealing with this issue tonight and we need to move on. We will respond to your question at a later time.

Why is are we paying ten percent rather than three to five percent for grant administration? Mr. David Harris commented, the grant administrators work with the town manager, town clerk, finance director, utilities staff and the funding agency.

Mayor Jerome Newton advised Ms. Annette Kirby that her comments must be limited to the 2024 Grant Application that was advertised for the Public Hearing. She stated that she is almost done. She stated she thought this was a public hearing. Mayor Jerome Newton responded it is but only for the item listed under the public hearing.

She said she would try to be polite but she read all of our information from the packet and it gave me a different impression of what we are doing tonight.

Mayor Jerome Newton asked if there were any other questions. Commissioner Delreese Simmons wanted to know why the linear footage is now 14,400 feet when the public hearing notice stated 12,000 feet. Mr. David Harris stated it said approximately and upon further calculations it was 14,400 feet. Commissioner Danny Keel asked if we would be able to upload everything into our mapping system so everything could be identified electronically. Mr. David Honeycutt responded yes, this is fully addressed as geographic and can be uploaded as part of the back end at the project's completion.

Commissioner Delreese Simmons asked how long before the grant construction actually begins? Mr. David Honeycutt design is anticipated to be completed by the spring of 2026, the construction phase should begin by the middle of July, 2026. Commissioner Delreese Simmons wanted to know what if the funding runs out due to future price increases. Mr. David Honeycutt responded the engineer would reduce the scope to the highest priority. The remaining blocks would then be included in your next grant application to keep thing moving. Commissioner Delreese Simmons said people just don't want the same issues as with past grants. He thanked them and stated he appreciates them.

Mayor Jerome Newton advised Ms. Annette Kirby he would get back with her regarding the 5% versus the 10% grant administration fee.

Commissioner Tommy Brown thanked Mr. David Harris and Mr. David Honeycutt for attending tonight's meeting. He knows they have put a lot of hard work into this application. Commissioner Danny Keel asked who oversees the grant administration. Mr. David Harris responded the grant administrators work with the town manager, town clerk, finance director, utilities staff and the funding agency. There are several layers of review required in grant administration. Mayor Jerome Newton commented, no single person is assigned to track or oversee. Mr. David Harris stated the Town Manager is ultimately responsible for all but the staff has their roles too.

Mayor Jerome Newton asked if there were any other questions. He requested a motion to close the public hearing. Commissioner Tommy Brown made the motion to close the public hearing. Commissioner Vicky Darden seconded and the motion passed 5-0.

Mayor Jerome Newton requested a motion to approve Action Memo -10-15 - Consider Approval of Resolution to submit a CDBG Infrastructure application for a grant of approximately \$3,000,000 in CDBG Infrastructure funds for the rehabilitation and replacement of approximately 14,400 linear feet of existing deteriorated sewer lines, including new service laterals between the sewer lines and the right of way line. Work will take place along portions of the following Town streets: E. Hillsboro St, E. Nelson St, S. Church St, S. Johnson St, N. Johnson St, Oliver St, Gordon St, E. Slocumb St, E. Kornegay St, Milford St, E. Williamson St, E. Pollock St, S. Jefferson St, N. Jefferson St, E. Main St, E. James St, Cobb St, Silver St.

Mayor Pro-Tempore Barbara Kornegay made the motion to approve Action- Memo – 10-15. Commissioner Vicky Darden seconded and the motion passed 5-0.

Mayor Jerome Newton then requested a motion to approve Action-Memo – 10-16. Consider Approval of a motion “authorizing the Town Clerk to prepare the minutes for the public hearing and for the Mayor and Town Clerk to sign and certify the minutes so that they can be submitted with the Application.”

Mayor Jerome Newton commented this is necessary to meet the deadline for the application. Commissioner Tommy Brown made a motion to approve Action-Memo -10-16. Commissioner Danny Keel seconded and the motion passed 5-0.

Mayor Jerome Newton then discussed Action-Memo Item – 10-17 - Consider approval for the Town of Mount Olive to request State loan and/or grant assistance for a Find & Fix Sewer Rehabilitation project. Mr. David Honeycutt stated this is a separate application. It helps the town to meet Special Order of Consent Requirement. It would cover the cost of approximately twenty percent of the videoing and repair portion required. The town would be requesting approximately four million dollars and this would be limited to grant funds only with no loans. He said the CDBG – Infrastructure grant would assist in this as well. As a distressed system the town is a good applicant for this.

Mayor Jerome Newton asked if there were any questions. Mayor Pro-Tempore Barbara Kornegay asked Mr. David Honeycutt to provide an example of a find and fix. Mr. David Honeycutt responded, utilizing video to identify the pipe that needs to be repairs and repair it. We utilize this information to repair areas in the most dire need. Old pipe in severe condition or collapsed would require a replacement. Mayor Pro-Tempore Barbara Kornegay asked when this Department of Environmental Quality application is due. Mr. David Honeycutt replied September 30, 2024. Commissioner Danny Keel asked how much of the Special Order of Consent would be covered. Mr. David Honeycutt responded approximately twenty percent. He stated these applications are very competitive so we want to be as high up on the list as possible. We want to set a project budget that makes as big an impact as possible.

Commissioner Danny Keel commented; we were called out in a meeting recently with Robert Tankard because this portion was not completed. Mayor Jerome Newton responded it was due to the follow up on the documentation, the software integration was an issue. Mr. David Honeycutt said this file is compatible with ARC, ESRI, Shape File and Diamond Maps. Commissioner Danny Keel asked Mr. David Honeycutt if he works with Viable Utilities a lot. Mr. David Honeycutt advised, yes that he is currently working with them on CDBG-I and Viable Utilities projects.

Mayor Jerome Newton wanted to know if the find and fix is videoed completely first and then you go back to the repairs or if the repairs are completed as you go through. Mr. David Honeycutt commented everything is videoed first then we go back to repairs.

Mayor Jerome Newton requested a motion to approve Action – Memo Item 10-17. Commissioner Danny Keel made the motion to approve Action-Memo Item 10-17. Commissioner Vicky Darden seconded and the motion passed 5-0.

Mayor Jerome Newton then discussed Action-Memo Item 10-18 - Consider approval of updates to previously adopted AMP and CIP, including changes related to completed and partially completed projects with updates to project costs that reflect the current construction market.

Mr. David Honeycutt advised when the Asset Management Plan and Capital Improvement Project is regularly updated it is worth ten points on the application. It has been three years since they were last updated. He stated projects one and two from the previous plans are completed. He has provided a Capital Improvements Summary that will be attached to these minutes. This project should be going by 2025 and after their completion the town would get a couple of years rest. Mayor Pro-Tempore Barbara Kornegay asked if we need to do another Asset and Inventory Assessment at some point. Mr. David Honeycutt responded it is not priority at this time per the Mid-Carolina Regional Council of Government. We need to adopt these so we can update and incorporate.

Mayor Jerome Newton asked if there were any other questions. There being none he requested a motion to approve Action-Memo Item 10-18. Commissioner Tommy Brown made the motion to approve Action-Memo Item10-18. Mayor Pro-Tempore Barbara Kornegay seconded and the motion passed 5-0.

There being no further business Mayor Pro-Tempore Barbara Kornegay made a motion to adjourn. Commissioner Danny Keel seconded and the motion passed 5-0.

Our next regular meeting is scheduled for Monday, October 7, 2024 at 6:00 P.M. in the board meeting room.

Respectfully Submitted,

Jerome Newton
Mayor

Sherry Davis
Administrative Assistant/Town Clerk