

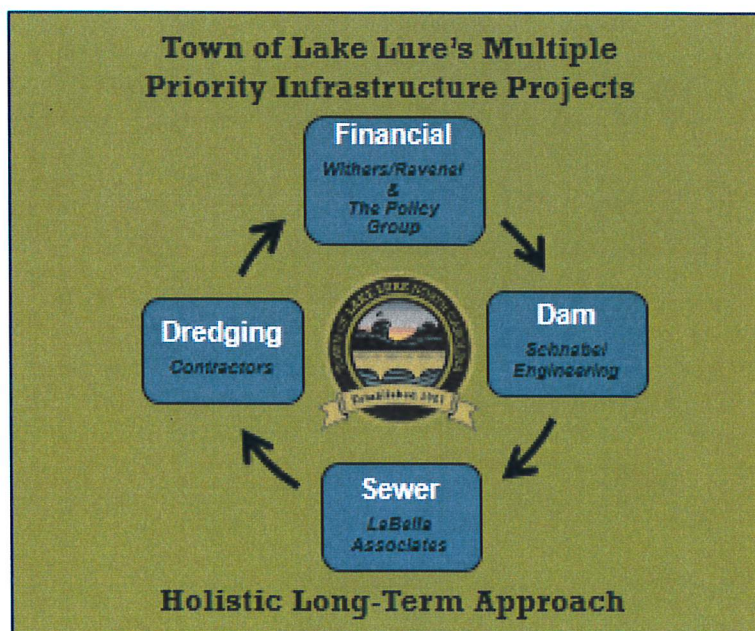


Community Forum Frequently Asked Questions

Town of Lake Lure Vision Statement:

"Lake Lure, the gem of the Carolinas, is a mountain lake community that has a harmonious balance of interests of our citizens, businesses and visitors, achieved through open communication and managed growth that emphasizes fiscal responsibility and stewardship of our natural beauty and environment."

August 2020



Questions and Answers from the 7/28/20 Community Forum

The Town of Lake Lure held a series of Community Forums on 7/28/20. The following questions were asked during these sessions. The answers have been summarized here for your information. For those that were unable to attend the meeting in person, you may view a recording of the meeting at the following link: <https://www.youtube.com/watch?v=kNkNHFE72AA>

A. Dam:

1. What repairs are needed?

Answer: Lake Lure Dam is nearly 100 years old. Like all infrastructure, the dam requires ongoing maintenance and repairs to extend its service life. In addition, the dam is regulated by the North Carolina Department of Environmental Quality, Dam Safety Office and must meet current state dam safety requirements for a very large, high hazard dam. The nearly 100-year old dam was not originally designed to meet these requirements since these regulations did not take effect until the late 1960s. Based on a condition assessment of the dam performed in 2018 (see discussion below), the following areas of the dam do not meet current NC state dam safety requirements and must be addressed:

- Inadequate spillway capacity
- Arch-buttress sections do not meet structural stability requirements for seismic loading
- Gravity sections do not meet global stability requirements for each load case analyzed
- No functional reservoir drain

2. How were needed repairs identified?

Answer: In 2018, Schnabel Engineering was hired by the Town to perform a condition assessment of the Dam. Based on the results of the condition assessment, Lake Lure Dam was found to be in fair condition considering its age. However, there are several items that warrant repair, monitoring, and/or additional investigation or assessment, including the NC state dam safety items listed above.

In 2019, the Town authorized Schnabel to proceed with the evaluation of rehabilitation alternatives to extend the service life of the dam and address the NC state dam safety requirements, along with consideration for several other factors including:

- Maintaining the Permanent Pool Level and Not Increasing Upstream or Downstream Flooding;
- Protecting Existing Hydroelectric Facilities without Altering Their Operation or Structure;
- Evaluating Options to Maintain Public Road across Dam; and
- Minimizing Community Impacts during Construction, including
 - Access Across Dam, and
 - Depth and duration of reservoir drawdown.

Several options were considered to rehabilitate the existing dam and meet the objectives outlined above. Of the rehabilitation options, the one preferred includes extending the service life by at least 75 years and addressing NC Dam Safety requirements by:

- Increasing hydraulic capacity by modifying crest shape and top of arch elevations;
- Addressing arch-buttress seismic stability by infilling of bays with concrete;
- Addressing gravity section stability with post-tensioned anchors; and
- Installing a new reservoir drain system.

Replacement of the existing dam with a new dam is another option. This option would consist of the construction of a new concrete dam immediately downstream of the existing dam and removal of the existing dam. This option has an expected service life of well over 100 years.

There are advantages and disadvantages to both rehabilitation and replacement of the existing dam. Schnabel Engineering indicates that either option costs about the same, roughly \$65M in 2019 dollars. Town Council is in the process of weighing these advantages and disadvantages with consideration for funding, related infrastructure impacts, phasing, etc. to select the most appropriate long-term dam safety solution for the Town.

3. What is total budgeted cost of repairs and improvements?

Answer: The estimated total project costs are similar for the rehabilitation and replacement alternatives considered (\$60M to \$65M in 2019 dollars)

- Additional \$5M to \$10M for replacement bridge
- Additional \$15M to \$20M for new hydro-electric facility, which would be under the regulatory purview of Federal Energy Regulatory Commission (FERC)

4. How much has been spent to date?

Answer:

- The Town spent (all total) with Schnabel to date - \$598,000.
- The Town spent with Dan Marks (all total) - \$88,000.
- The total amount spent = \$686,000
- In 2019, The Town of Lake Lure was awarded a grant in the amount of **\$80,000** for the **2019 High Hazard Potential Dam (HHPD) Rehabilitation Grant**.
- This grant funded an assessment of the Lake Lure Dam Spillway Capacity by Schnabel Engineering in the amount of **\$138,984**. The Town of Lake Lure paid the balance of **\$58,890** to complete this work.
- The Town obtained a proposal from Schnabel Engineering to design, permit, and develop construction documents for constructing the reservoir drain system in the amount of \$185,710.
- The reservoir drain system design by Schnabel Engineering will be coordinated with the sanitary sewer system improvements designed by Labella Associates.
- In 2020, the Town of Lake Lure applied for the **2020 High Hazard Potential Dam (HHPD) Rehabilitation Grant to assist with funding for this engineering design cost. The Grant would be in the amount of \$120,711.50 (65%), with matching town funds of \$64,998.50 (35%).**

5. What is timeline for remaining work?

Answer: The timeline will depend on the dam option (rehabilitation or replacement) selected by Town Council. If the Town selects the Rehabilitation option, it may be possible to complete the construction in Phases. However, if the Town selects the Replacement option it cannot be constructed in Phases. Selection of the preferred option is dependent on the availability of federal and/or state grants and loans and matching town funds.

6. How is cost shared—State, Rutherford County, Town of Lake Lure, Duke Energy, other sources?

Answer: As was noted above, the Town has funded the work to date with support from the FEMA High Hazard Potential Dam Grant. The Town has retained the services of The Policy Group to help identify and advocate for federal and state grants and loans to support the preferred option.

7. What level is considered reservoir drain?

Answer: The purpose of the reservoir drain is to enable about 90% of the water in the Lake to be drained. Draining the Lake up to 90% is only for emergency conditions.

8. What steps are taken for concern of wildlife in and around the Lake when a reservoir drain takes place?

Answer: Use of the reservoir drain, wherein a substantial amount of the Lake (up to 90% of the water) is to be drained, would only be under emergency conditions. When in use, the operators would attempt (as much as possible given the emergency conditions during which the operation is undertaken) to drain the Lake to enable the aquatic life to adapt and move with/into deeper water.

9. What happens to the wildlife (turtles, fish, etc.) if they replace the dam?

Answer: We would plan to lower the Lake slowly enough to allow wildlife to move with/into deeper water. Note: the replacement option does not require the Lake to be drained. The plan, as put forth by Schnabel Engineering, is to build the new dam. When it is ready to be put in service water would be allowed to fill up the space between the old Dam and the new dam. When that has happened and water levels have been matched, then the old dam would be demolished to a certain depth, that is, not 100% removal, just enough removal so it does not interfere with boat traffic. The Town might want to modify this answer as follows, "If" the Town replaces the Dam, the Lake will not have to be drained. Draining the Lake is only a part of the rehabilitation option. If the Town chooses the rehabilitation option, care will be taken to protect the fish and wildlife during the drawdown.

10. How often would a drain or could a drain happen?

Answer Use of the reservoir drain, wherein a substantial amount of the Lake (up to 90% of the water) is to be drained, would only be under emergency conditions. Due to the fact it is under emergency conditions, one cannot predict when they will occur, if it occurs at all. It is expected to be used rarely, if at all.

B. Hydro-Electric Plant:

1. What repairs are needed?

Answer: The Town made an investment to operationalize the Hydro-Electric Plant to maximum output. Now that it is up and running, it is generating approximately \$50,000 per month, on average. It will be producing more shortly. The Town hired Dean Lindsey as the Dam and Hydro-Electric Plant Director this past year and he has been charged with ensuring the Hydro-Electric Plan is self funded and revenue generating moving forward. He has already made several enhancements overseeing insurance coverage, all contract repairs, training staff, and developing an operational manual to ensure effectiveness, efficiency, and safety. The only equipment not working is Generator #1 (small generator), which is expected to go back online in August 2020.

2. Where does money from electricity from dam go and how much per year does it generate?

Answer: The Hydro-Electric Plant is generating approximately \$50,000 per month and these funds are now being utilized to fund repairs in the hydro-electric plant until the plant is in good repair. Once the plant is in good repair and we are fully funding operations, maintenance and the Hydro-Electric Capital Improvement Plan (CIP), and we have funds left over, we will transfer revenues to the General Fund to support other necessary projects.

3. How were needed repairs identified?

Answer: Through ongoing evaluation by staff, Town Engineer, Town Commissioners, and the North Carolina League of Municipalities (NCLM). Generator #1 (small generator) required a complete overhaul. Generator # 2 (large generator) required repairs to the lower bearings. The Town conducted a condition assessment of the penstock in 2019 and determined to install a full, structural liner, inside the Penstock. The interior of the two main butterfly valves were

reconditioned at this time as well. The drum gate hoist had not been operational for many, many years; it was replaced in June of this year.

4. How certain are consultants that identified work is all that is needed?

Answer: The repairs made in the past year were required to get the plant operational. Ongoing maintenance, condition assessment, and repairs will be required to ensure this asset continues to operate effectively, as is the case with any capital facility. A 100 year old plant is subject to frequent maintenance but the major repairs made should extend through the remaining service life of the Dam.

5. What is total budgeted cost of repairs and improvements?

Answer: The budget for capital improvements that are currently slated for FY 2021 for the Hydro-Electric Plant is \$219,900.

6. How much has been spent to date?

Answer: Regular maintenance costs were underfunded for the last several years. To make maintenance current and to continue safe operation the following investment has been made:

- Generator #1 (small generator) repair = approximately \$770,600
- Penstock and butterfly valve repair = \$476,000
- Drum gate hoist repair = \$78,000
- Risk mitigation = \$50,000

7. What is timeline for remaining work?

Answer: The goal is to have the Generator #1 (small generator) up and running by August 2020.

8. How is cost shared—State, Rutherford County, Town of Lake Lure, Duke Energy, other sources?

Answer: To date, the Town has self-funded 100% of all the maintenance and repair costs. Again, the goal is to ensure the Hydro-Electric Plant is totally self-funded and revenue producing moving forward. Extra revenues will be used to support the Town.

C. Dredging

1. If the Lake is to be designed to completely drained, why have the expense of lift stations when gravity works and the bottom (or near bottom) will be both accessible and much more protected than near surface pipes?

Answer: See below.

2. How will residents with lift stations to sewer service be affected by the sewer plan.

Answer: A sewer on the bottom of the lake is not accessible for regular maintenance whereas a sewer system in the backshore can easily be accessed and repaired if necessary. This was a significant factor to gain the confidence of the NCDEQ to place the replacement system in the Lake. Town's system operators must have access to sewer system lines for routine operation and maintenance issues. Due to negative consequences of a sewer system on the bottom of the Lake, this option was ruled out by LaBella Associates.

3. When the Lake is drained (initially and in the future) what provisions have to be made for the sediment that will be sent downstream?

Answer: Draining the lake to 20 ft. below pond for sewer construction and maintenance will not have any additional sedimentation issues, but draining the lake to 90% in an emergency situation to save lives could have some sedimentation consequences. Sedimentation concerns would be balanced against saving human lives and avoiding a major catastrophe.

4. **The illustration of the suggested “new” dam did not seem to show the flood gates. How would proactive Lake lowering occur to reduce potential flooding damage downstream?**

Answer: A new dam would include state-of-art protective features to compensate for a maximum flood event. Since our Lake is a recreational lake and not a flood control lake, the outflow would not exceed the inflow during a flood event.

5. **Does the Dredging include Rumbling Bald Resort?**

Answer: No. Rumbling Bald Resort has not made any recent requests for dredging. Our primary objective is to dredge the main navigation channels. When funds are available, we dredge coves and areas through a dollar for dollar match program. Dredging the main channels takes most, if not all, of the Town’s funds.

6. **Is there currently a schedule for dredging?**

Answer: The plan is to primarily dredge during the winter months moving forward; however, the Town has secured agency approval to dredge year-round, as needed. The Town may need to dredge outside winter season from time-to-time as the Town is behind in dredging.

D. The Washburn Marina

1. **When was the marina expansion first approved?**

Answer: This project was approved by Town Council as part of the FY 2019-20 budget.

2. **Who “paid” for the new marina? Press says Rutherford County...but a large share of County tax revenue comes from Lake Lure taxes; so is it more accurate to say Lake Lure paid % of marina cost?**

Answer: The Town is pleased that the Marina/Boardwalk project is self-sustaining and will pay for itself. By expanding the Washburn Marina project to include the Lake Lure Boardwalk replacement project, the Town was able to replace the old wooden boardwalk that had reached its useful life, without placing the costs on Lake Lure Taxpayers. Additionally, a portion of the cost (\$100,000) for the new Lake Lure Boardwalk is being covered through a grant by the Rutherford County Tourism Development Authority.

3. **What did new marina and boardwalk cost?**

Answer: \$1.1 million

4. **Does the Town receive 100% of the rental revenue for boat slips? If not, why not.**

Answer: Yes, 100%

5. **What percent of the marina boat slips are rented to Lake Lure property owners/ residents?**

Answer: 67% of the boat slips that are currently rented are rented to Lake Lure residents.

6. **What are demographics of non- Lake Lure users of the marina (where do the users come from)?**

Answer: Most of the non-residents renting boat slips are from surrounding counties; Henderson, Rutherford, Buncombe, and Polk counties.

7. **What is rental rate currently?**

Answer: \$1,100 per year for residents and \$1,500 for non-residents.

8. What percentage of the marina slips are currently rented?

Answer: 83% if the boat slips are currently rented.

9. Did you increase the number of boats on the Lake with the new marina?

Answer: The Town is pleased to report that the number of boats operating on the Lake is regulated by permitting, not the number of slips, as allowed by the Lake Use Model and has not increased as a result of this project. The number of boat slips has increased, making it much more convenient to moor boats for boat owners. The new Marina will house up to 208 boat slips, an increase from the old marina that had 72 boat slips.

10. Is public docking available at the new marina?

Answer: Yes, there are public slips available on the dock closest to the Lake Lure Beach. These slips are available for 2-hour docking.

11. Are any other marinas or multi-boat storage areas under any level of consideration by the Town?

Answer: Not at this time.

E. Finance

1. What share of tax dollars collected for Lake Lure property taxes actually come back to Lake Lure for its expenses?

Answer: Rutherford County bills and collects Lake Lure property taxes. 100% of Lake Lure taxes come back to Lake Lure, minus the Rutherford County collection fees.

2. Has the Town tried to get more funds from Rutherford County for the dam repairs and improvements?

Answer: No, not at this time.

3. It seems that the future revenues to Rutherford County will be in jeopardy if the dam is not repaired as a long-term asset that is essential to preserve the tax base from Lake Lure property.

Answer: Yes, a healthy tax base is comprised of properties that are constantly increasing in value. The Town consistently makes efforts to advocate for the Town with not only local officials, but state and federal representatives as well. We continue to stress the need to keep Lake Lure viable for the long term. It is in the best interest of the county and adjoining areas to have a healthy and vibrant economy in the Lake Lure/Chimney Rock area. The Dam is critical infrastructure to make this a reality. This is part of the job of The Policy Group."

4. What is the probability of the Ad Valorem (property) tax rate of \$.06 for this year continuing "every" year going forward for many years?

Answer: Part of the Ad Valorem taxes are to support emergency services, specifically Lake Lure Fire Department. The Ad Valorem tax increase is a supplement to the Rutherford County tax revenue already received for our local volunteer fire departments. The Ad Valorem (property) tax rate is not expected to be reduced in the foreseeable future due to the extensive infrastructure needs of the Town of Lake Lure.

5. Would converting the Town's golf course to housing help expand the tax base and reduce Town expenses?

Answer: We will be exploring the best use of the property over the next 2-3 years. We will also be considering the needs of the community, especially the need to build our tax base, as we do so.

6. Can “other” taxes, (i.e. lodging taxes) be collected and added to specific distributions from the General Fund?

Answer: Lodging taxes are a county responsibility. Only the county has authority to collect lodging taxes at this time. Sometimes local governments secure special permission to enact a new tax, but it is not common. We will be exploring all options. The Policy Group will be called upon to assist with this effort.

7. What other towns are impacted by this situation? Can these towns be tapped to help fund the projects?

Answer: The closest town to the Town of Lake Lure is Chimney Rock Village. We share water and sewer facilities with the Village. Their budget is much smaller than ours. However, we will be talking with the Village and the County about performance issues with their sewer system. It needs to perform in such a manner not to cause the Lake Lure system to be out of compliance with DEQ standards.

F. Lake Drawdown

1. When will the Lake be lowered for repairs & improvements?

Answer: See answer below.

2. What are the plans for Lake drop and initial work on sewer in winter of 20/21?

Answer: The Lake will begin to be drawn down this winter on 1/4/21. The goal is to have the Lake back up to full pond by 1/31/21. The TOLL will post a schedule for this shortly.

3. Can you advise the probable drawdown schedule of the Lake for the next 3-4 years?

Answer: See answer below.

4. When will we see the 5 year drawdown promised by Mayor Pritchett at an early 2020 Town Council Meeting?

Answer: So far the Town knows it must draw down the Lake this winter (2020-2021) and next winter (2021-2022). The drawdown this winter is currently slated to occur January 4-31, 2021, a detailed schedule will be posted on the town’s web site. The detailed schedule for the 2021-2022 drawdown will also be made available.

Regarding future drawdowns beyond 2021-2022:

- Drawdowns will be required for subsequent phases of the sewer system replacement project.
- Drawdowns will also be required for other reasons and they will be coordinated with construction for the sewer system replacement project.
- These future drawdowns are “To Be Determined.”
- Each drawdown will be thoroughly discussed during council meetings and the adopted schedule will be posted to the town’s web site.

5. How many times or winters will the Lake be lowered to complete all of the sewer lines?

Answer: We cannot predict this at this time. After Phase 1 had been completed, there will be future phases to construct the full subaqueous sewer replacement. The number of phases is directly tied to the availability of resources and ability to fund the construction.

6. Won’t lowering the Lake level 20 feet compromise docks and boathouses?

Answer: Historically, erosion at the sea walls or boat pilings occurs around 9-12 feet below pond. Wave action at 20 feet will be below most structures and should be significantly less destructive. Boats will need to be removed from the water. We do not foresee any damage to boathouses. Most are out of the water when we lower the Lake by 12 feet.

G. Sewer System

1. Exactly what is planned for the underwater sewer system?

Answer: Several potential solutions are being considered.

The perimeter system would be installed in phases around the Lake perimeter, and would include:

- HDPE sewer lines
- Manholes
- Pump stations
- Laterals

We will also rehabilitate the existing manholes that are not replaced in Phase 1.

Phase 1 would begin at the dam and continue along the northern and southern shoreline. The limits of construction will be dedicated by how much can be accomplished with the current \$12.5M funding in hand.

2. What is the total cost for each?

Answer: According to LaBella Associates' engineering report the following options were considered with their associated estimated costs.

Subaqueous Sanitary Sewer Alternatives

Alternative	Cost Order of Magnitude	Phase-able	Consider Further
S1 - Do Nothing	n/a		
S2 - Land-based Low Pressure Sewer System	\$50M - \$65M	✓	
S3 - Backshore Low Pressure Sewer System	\$30M - \$40M	✓	✓
S4 - Backshore Series Pump Station System	\$30M - \$40M	✓	✓
S5 - Backshore HDPE Gravity System	\$25M - \$35M	✓	
S6 - Backshore HDPE Gravity / Lift Station System	\$30M - \$40M	✓	✓
S7 - Subaqueous Accessible Manholes	\$20M - \$30M	✓	✓
S8 - Tethered Buoyant HDPE System	\$40M - \$50M		
S9 - Submerged HDPE System	Not Established		
S10 - Drain and Replace Approach (if Dam renovation drains lake)	Not Established		
S11 - Repair & Rehabilitate Perimeter Manholes (partial solution)	\$1M - \$3M	✓	✓

3. When will said repairs begin and be complete?

Answer: Phase 1 of the subaqueous sewer system is slated to be accomplished during the winter of 21-22. Regarding future Phases, see the answer to question F5.

4. How will the costs be spread out among (presumably/probably) the Lake Lure property owners? Same amount (based on property value, I presume) each, or some sort of percentage, perhaps based on proximity to the Lake or whatever?

Answer: The Town recently increased water and sewer rates for all who use the system by 30%. This will help pay annual loan payments while maintaining adequate reserves for rehabilitation. This equates to a monthly increase of approximately \$13.71 to the average water bill and \$20.85 to sewer bills.

5. **Will the plan for “who pays what” be made public, as in perhaps a color-keyed map, or chart showing distributions between property owners, businesses, Lake permits, slip prices, etc.?**
Answer: The public is being notified through Town Council Minutes, a Community Forum on 7/28/20, through water and sewer bills. There are no special districts or billing classes outside the typical “inside” and “outside” rate. The revenue generated for the water and sewer enterprise fund has one common rate for inside residents/businesses and one common rate for outside residents/business. There are no special districts or billing classes.
6. **Will businesses at Lake Lure also bear some sort of charges? How will those be determined?**
Answer: All parties using the system will have a 30% increase in water and sewer rates.
7. **Will the additional fees (loan payments?) continue after the sewer is repaired? For how long?**
Answer: Yes. The loan for the sewer system repairs is a 30-year loan. Lowering the enterprise fund (water and sewer) rates is not anticipated during the life of this loan.
8. **How much did we spend (total) with Brown Engineering relative to Greenline and low pressure sewer?**
Answer: \$1,094,745 for both the Greenline and Low Pressure Sewer System.
9. **Are plans firm to install perimeter drains in the back shore?**
Answer: Right now, that is the direction the sewer system design. Of all the alternatives evaluated by LaBella Associates (see answer to Question F8) the finalists all involve work in the backshore area of the lake. So the answer is “yes,” the collection system will be predominately installed in the backshore area of the Lake.
10. **What happens to existing structures in backshore area?**
Answer: We will find a work around solution if a boathouse is in the path of the sewer line. However, the 20 feet mark allows a large portion of the work to be accomplished in front of the Lake structures (i.e., between the lake structures and the low water level). The plan by LaBella to drawdown the Lake 20 feet is directly related to these existing structures. It enables the contractor to stay away from the existing structures as much as possible. Due to the need to provide subaqueous sewer service to certain homes, there will be some construction necessary in and around existing structures. Care will be required of the contractor by the town to avoid these existing structures and repair them if damaged. A requirement will be included in the construction documents that the contractor must not damage existing structures and if they do, to repair the damage.
11. **When will calendar be posted for the phases of construction?**
Answer: We will know more once the ER & EID (Engineering Report & Environmental Information Document) for the subaqueous sewer replacement project has been submitted to the Department of Environmental Quality (DEQ) State Revolving Fund (SRF) for review and approval. That will be submitted by the end of August 2020.
12. **Would any portion of the HDPE Sewer Line be buried along the shoreline?**
Answer: The plan is that most of the main high-density polyethylene (HDPE) pipe will be located on land near the water level down to the 20-foot drawdown depth, what the engineers are calling the Backshore area. The town cannot give specifics on its location as this system has not been designed yet. Most of it will be buried in the Backshore area. Not much of it will be buried right at the shoreline, but some will be. Individual sewer services laterals must be installed from the HDPE main line up to the property boundaries between residential lots and business, thus these laterals will be in the shoreline.

13. What happened to the agreement with the Town of Spindale regarding the sewer?

Answer: There never was an inter-local agreement with the Town of Spindale for wastewater treatment, only negotiations for one. These negotiations did not culminate in an executed agreement. As background, SDG worked as the engineers on the Greenline on the Spindale side of the equation-SDG realized that excessive lake water that was entering the subaqueous sewer system was a threat to the Spindale system. Spindale proposed an agreement that placed a premium on treating excessive lake water in order to protect Spindale's newly rehabilitated Waste Water Treatment Plant (WWTP). The Town of Lake Lure did not want to enter into this agreement, in large part due to this premium on treating the lake water. The Town worked with Brown Engineering to develop a design concept for the Greenline. This project helped the Town learn a great deal about its sewer system, but the inter-local agreement between the Towns of Spindale and Lake Lure never came to fruition to make this a reality. Therefore, the Town went in a new direction that would better serve our population because it addresses this excessive lake water (i.e., replaces the subaqueous sewer system).

14. New construction – sewer lines under the boat houses?

Answer: If the line has to go under a boathouse, care will be taken to protect the existing structures. See answer to related question G16.

Ten years ago, divers spent two years inspecting sewer pipes and okayed them. We have had two increases in the past 8 years to fund a new sewer proposal that has never happened. What makes this different?

Answer: Divers did not ok the lines. The work performed by these divers was to wrap a limited number of pipe joints in order to stop Lake water from entering the subaqueous sewer system. Rate increases were used to fund the Greenline project. The Greenline project was never fully approved by DEQ. The evidence provided by the flow records at the WWTP demonstrate excessive Lake water is still entering the existing lines, therefore, the pipe system under the Lake is not in good shape. It is 100-year old pipe with thousands of joints. The joints are certainly a prime suspect for leaking by allowing the entrance of Lake water into the pipe network under the lake. In 2009 about \$3M was spent to conduct a pipe wrapping system (mentioned above) for about 25% of the pipe joints. Most of these were located near the upper reaches of the Lake (shallower areas). This pipe wrapping system has a service life of 15 years. 2009 was 11 years ago, therefore there is theoretically only 4 years left on the pipe joints that were wrapped. Wrapping pipe joints gets more expensive as time goes on simply due to inflation, also it gets more expensive the deeper the diver has to go to install them. Continually wrapping the thousands of pipe joints under water is not an ongoing sustaining proposition. Replacing the pipes that lie on the bottom of the lakebed must be done before they fail entirely, there is no other option. Placing a pipe ring around the backshore area is a viable option because the pipe system can be maintained much more reasonably by lowering the Lake water level so these pipes can be accessed by conventional means.

15. How was \$12.5 million derived?

Answer: This is the amount DEQ-SRF is willing to fund the Town. It has already been approved by DEQ for constructing Phase 1 of the project.

16. Is depreciation funded in the new rate?

Answer: No

17. If the new Sewer System goes in ALL properties on the Lake be corrected?

Answer: Yes. During Phase 1, all the properties included in the Phase 1 project will have new subaqueous sewer service laterals. This will be true of subsequent Phases until 100% of the residential and commercial properties in Lake Lure all have new subaqueous sewer service laterals.

H. Personnel:

1. How much has personnel costs increased over the last five years?

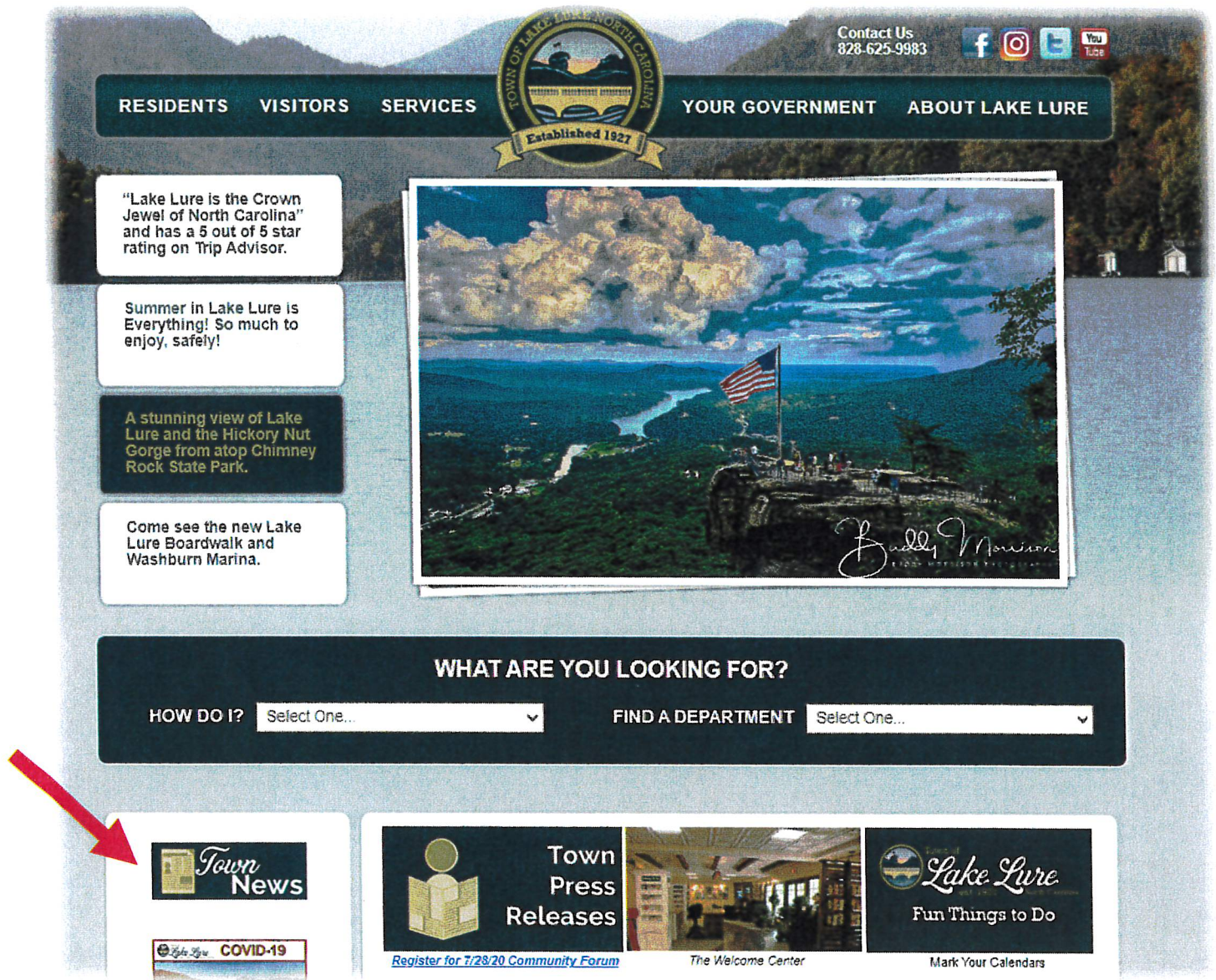
Fiscal Year	Payroll Expense	Gross Wages
2015-2016	2,376,629	1,765,572
2016-2017	2,313,012	1,695,551
2017-2018	2,393,894	1,745,713
2018-2019	2,569,142	1,853,413
2019-2020	2,711,661	1,935,581

Answer: At present we have thirty-eight (38) employees. Since 2015-2016, we've added two positions (Jacob Carr & Chase Harris) at Dam to facilitate 24/7 coverage due to safety concerns. Before we made these changes, we had one dam operator/manager (Donnie McCraw) who was using a consultant as his back-up operator. When McCraw left, we hired Dean Lindsey who had experience in power generation and industrial operations/maintenance. Keep in mind, we will reduce WWTP operational cost after dam operators are certified to operate our unique WWTP over the next 1-2 years. This will save over \$100,000/year. This is how Dean Lindsey plans to take on more responsibility with his team and reduce costs. Since 2015-2016, we've also added the Communications/Grant Writer/Events Coordinator position (Laura Krejci). This position has secured, and continues to secure, grants for the town. Because our current Town Manager was the previous Community Development Director, we consolidated the Town Manager and Community Development Director positions. We've added an Assistant Community Development Director (Mitchell Anderson) position. This person also performs important IT functions on the inside. All total, we've added 3 employees/positions since 2015-2016. Lastly, we've budgeted funds for an accountant position to assist our Finance Director. Although this position has not been filled yet this would make 4 employee/positions added since 2015-2016.

2. Did Town employees receive a 1.6% COLA this year.

Answer: Town employees did not receive a Cost-of-Living Adjustment (COLA) in the FY2020-2021 budget.

Be sure to follow daily "Town News" on the Town of Lake Lure Website
www.townoflakelure.com



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