

Town of Lake Lure – Utilities Board

- Minutes of Regular Monthly Meeting – November 6, 2018

The Utility Advisory Board held their regular meeting at the Town of Lake Lure Municipal Center on Tuesday, November 6, 2018.

Members Present:

Richard Glassen
David Diorio
John Chapman
Don Cason

Others:

David Arrowood – Staff Liaison
Linda Ward – Staff Liaison
Shannon Baldwin – Interim Town Manager
John Kilby – Commissioner
Jeffrey Brown (Brown Engineering Consultants)
Robert Smith (Brown Engineering Consultants)
Corey Knox (Brown Engineering Consultants)

Members Absent:

Wayne Hyatt

General Meeting Actions

- a. *Call to Order* – Acting Chairman Richard Glassen called the meeting to order at 2:00 pm.
- b. *Consider Approval of the October 2, 2018 Regular Meeting Minutes* – David Diorio made a motion to approve the October 2, 2018 minutes as presented, John Chapman seconded and the motion carried 4-0.

The board agreed to amend the agenda to New Business before Old Business to allow Preferred Sources to give their presentation and then excuse themselves from the remainder of the meeting.

New Business

- a. *LPS Equipment Presentation by Josh Amon, President of Preferred Sources* –
Josh Amon, President of Preferred Sources, gave a PowerPoint presentation about their family owned business from Charlotte NC, along with input from his father John Amon who started the company and now acts as a sitting CEO.
Josh showed a presentation about low pressure systems which was put together by Pentair, who they would pair with if they got the project, and who makes a few different pump brands in the states. Preferred Sources primary product is Myers which comes out of the Ashland OH facility. He explained that LPS primarily uses grinder pumps which takes the

small amount of residential flow and macerates it to go through smaller pipes to the force mains and down to the treatment plant eventually. The grinder pumps go in a tank and these can go in many different terrains. Different areas may need different pipes and storage to pass for permitting for NCDENR and others. They would use small diameter pipe which would be installed below frost lines. The need to use grinder pumps is because there is low to medium flow, and the pipes need to be scoured needing two to three feet per second going through the pipes which requires the solids to be ground up to accomplish that. Tanks are typically two to three feet in diameter, rocky areas may need something a little wider. The tank and the grinder pump usually come packaged to the homeowner. The presentation showed a couple of different products and what they would test throughout the process. The pumps they sell and would use are made to stand up to very high pressure. Josh explained that what they would need to get started would be a topographical map. They would then lay everything out with their design team and work with NCDENR with what they would require. Preferred Sources would use an acceptable statistical equation to show how many pumps should run at any given time. Which typically would not be for the entire town, but per zone or reservoir. Richard Glassen asked Josh if there was any type of formula to show what the operational costs would be. Josh said that it would be really hard to pin that down. He said typically each unit costs between six and ten thousand dollars and average a five year life. He said once they know what the town wants, they could put a package together, and have the equipment ready in about four weeks if they did not have it in stock. Josh then went over some equations showing how many pumps would be coming on at one time, and what the daily flow would be among other things. Preferred Sources would not be installing any of the units, as they are not grading or utility contractors. They can work on the pumps and control panels, help with replacements and troubleshooting, help with in house and in field training, they have six certified techs for the pumps on staff, two service trucks with cranes, and they can be there just to supply it or full service or anywhere in between. The board and Josh then discussed the need for regulations on the pump specifications to have control of what goes in, so that the system will work consistently. Josh then passed around an example of the Myers pump that they use which is a three blade cutter. All three blades do not cut at one time. One blade is coming completely off the cut, one is in the middle of the cut and the third is at the end of the cut which makes it more efficient with the horsepower that is put in that pump. Further discussion ensued concerning the pipes, valves, switches, etc.

b. Open Discussion/Comments - No further comments

A Special meeting was scheduled for November 6th, 2018 for a presentation with another supplier.

Old Business

- a. Low Pressure Sewer (LPS) Update and Discussion* – Richard asked Jeffrey Brown to give the board an update on the project and on the invoice that Brown submitted for approval.

Jeffrey discussed the engineering report that Brown has prepared to send to the state, saying that it is very important as it serves as an audit for the loan. He explained to the board that this is one loan that is being broken down into two parts under the guidance/recommendation of Ken Pollock, who works under Sewer Section Head Anita Reed with the State. Ken is overseeing this project for the State of North Carolina and asked that Brown break this down into two pieces initially, as it will become one line upon final approval, because it is such a complex project. The collection system and piping network in one and then the treatment piece as the other. Jeffrey said that the reports are ready to be submitted.

Richard Glassen brought up the list of questions that Interim Town Manager Shannon Baldwin put together for the UAB to review before this meeting to discuss with Brown Engineering. Shannon said that they would like to have these and other questions the board may have answered by the next UAB meeting which is December 4th. The Board then approved a Special Meeting to be held on Friday, November 16th to go over these questions to give to Brown by November 20th.

The questions initiated by Mr. Baldwin are broken down as follows:

Costs (Collection System & WWTP)

- *Initially projected to be 10-12 million*
- *Now projected to be 22 million*
- *Bottom line: Sharp increase*
- *Questions: Why? When? How?*

Jeffrey Brown mentioned part of the increase is that the State will not pay for the 450 individual pump stations or the ones at Chimney Rock and Rumbling Bald Resort but they have to be included in the budget. Even if the Town decides to pay for the pump stations, it may not be included with the loan but must be in the budget. Robert Smith, with Brown Engineering, explained to the board that the 450 pump stations are represented by the 450 current connections around the lake. He mentioned that if you were to take out the pump stations and contingency, the budget would now be around 15.6 million. Some other additional costs mentioned were things like asphalt, rock and stone.

Mr. Brown mentioned that the SRF document needs to be approved before they can go to the planning stage and be able to be more cost specific.

A discussion ensued about who would pay for and be responsible for the pump stations and who would be required to hook up. It was determined that these are things that will still have to be decided and put into an ordinance.

Loans

- *SRF loan taken out for Greenline*
- *SRF loan repurposed to cover new collection system and new WWTP*
- *Current SRF loan has been all that's been discussed thus far relative to needed financing*
- *Now, we're talking about second loan in report*
- *Question: When was this discussed with the town?*

As mentioned above, the second loan would be for purchasing the pump stations which cannot be included in the original 0% loan, but must be shown being paid. Page 119 in the engineering report may be amended throughout the project depending on how the Town decides to pay for the pump stations. Mr. Smith mentioned that the Town may be able to receive a second loan for at least part of the pump stations through the state, but may have to go to a traditional bank. Mr. Brown mentioned that the state loan can be increased by 10% of the signature for anything except for the pumps.

Rates

- *Current Rates Cover SRF Loan*
- *New Rate Increase (86%) Will Cover Second Loan*
- *Question: When was this discussed with the town?*

There was a discussion on how to go about raising the cost of the sewer bill in a way that the customer will not have too much of a struggle. It was brought up that the customer may be able pay for the pump outright and not have an increase, or pay for it through their bill.

Discussed the fact that this project will not be ready to go for two to three years and the fact that customers should be alerted when there are more definite answers as to how much and for what. Liaison Linda Ward questioned whether the funds from the last increase, which were doubled and were to build up funds for the Greenline Project, were earmarked and could be used towards the LPS project.

Collection System Coverage Areas

- *133,000 of linear feet of force main*
- *Question: How does this translate into coverage area for existing customers and potential customers?*

See attached map provided by Brown Engineering. The coverage will be for those already connected and the other 821 lots that are lakeside of the main road.

Document Length

- *429 pages*
- *150 pages of it is a town document (2011 Manhole Inspection Report)*
- *We will be decommissioning the existing sewer system (including manholes)*
- *Question: How is the 2011 Manhole Inspection Report relevant to the new LPS & WWTP? Why was it included?*

The maps are from 2011 but the Manhole Inspection Report is actually from 2017 and is in table 2.4.1 which requires a sewer system evaluation survey which the Manhole Inspection Report covers.

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Jeffrey Brown discussed whether the Town would be the administrator for the pump stations, and the need to have direct contact information for maintenance on the pumps when needed by the customer 24/7. This to be sure that the work is uniform and to make it easier on the customer.

The board then discussed approval of the Engineering Report and the submitted invoice from Brown Engineering. After a brief discussion concerning man hours, David Diorio made a motion to accept the Engineering Report to be submitted to the State and to pay the invoice to Brown Engineering. Don Cason seconded the motion and it carried 4 – 0.

Shannon asked the attendees from Brown Engineering to come up with some questions for the Town to answer that will help them develop an ordinance/policy regarding required connections. The board then discussed again the questions that they will get together for Brown by November 20th also. Two board members each took one of the two Engineering Report Notebooks home with them to help with gathering some questions.

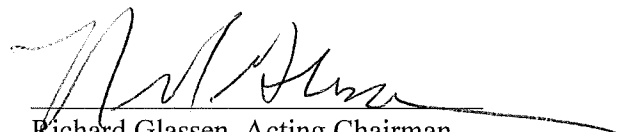
Public Comments

No public comments

Adjournment

There being no further business Don Cason made a motion to adjourn, seconded by John Chapman at 5:40 pm.

ATTEST


Shannon Baldwin, Interim Town Manager
Richard Glassen, Acting Chairman