

Town of Lake Lure – Utilities Board

- Minutes of Regular Monthly Meeting – May 15, 2019

The Utility Advisory Board held a Special Meeting at the Town of Lake Lure Municipal Center on Tuesday, May 15, 2019.

Members Present:

Richard Glassen (Co-Chair)
David Diorio
Don Cason
John Chapman (by phone)

Bob Cameron – Absent

Others Present:

Shannon Baldwin – Town Manager
Linda Ward – Board Clerk
David Arrowood – Public Works Director
Jeffrey Brown – Brown Engineering

Members Absent: Wayne Hyatt

General Meeting Actions

Call to Order – Co-Chairman Richard Glassen called the meeting to order at 9:06 am.

Consider Approval of the May 7th, 2019 Regular Meeting Minutes – David Diorio made a motion to approve the minutes as modified per Shannon Baldwin, Don Cason seconded, and the motion carried 4 - 0.

New Business

a. Review Policy Paper – Richard Glassen begin by telling the board that this White Paper is a policy statement that the board needs to review and approve to make a recommendation for the Council to pass as intent of policy. * Please see attachment

1. ***Utility Policy - Ownership*** – The board discussed the policy concerning who would own and maintain the pump stations. It was mentioned that Town Council has determined that they would like the Town to own and maintain the pumps. The board agreed that they would like to be sure that the policy is clear on the costs that will be the responsibility of the property owners in this policy. Although the Town will own and maintain the pump stations, the individual homeowners will be responsible for costs of repair, replacements costs and maintenance of these pump stations.

Jeffrey Brown suggested that it read the Town will own the pump station and provide a maintenance plan to which the individual property owners will be responsible for the individual pump station costs.

A discussion ensued about the State wanting to see that the Town owns and maintains the pump stations on the loan documents but having the property owner having responsibility on the costs associated with it. The costs associated with the ownership and maintenance will be reimbursed by the property owner. The cost of the grinder pump and repair and maintenance will be passed to the property owner of where the pump is located, whether it's individual or a community.

There was a short discussion about what the rates will cover. It was mentioned that the expectation is that if we run an enterprise fund, the hardware, supplies, administration/staffing, the software, etc. will need to be covered by the rates. The board agreed that the Town needs to have a discretionary fund as a line item to cover catastrophes that might occur, so the Town would not have to go out and borrow more money to correct the problem.

There was also a short discussion about individual pump replacements due to things that should not be going down the drain, going down and jamming the pump or breaking it. The property owners will be responsible for their own individual pump and will figure out how important it is to notify household members and guests about the do's and don'ts concerning flushed items.

David Diorio said that he felt it was very important to put a policy statement in up front that reads something like, 'The Town of Lake Lure will develop and maintain a low-pressure system. This is to maintain the State of North Carolina's water quality standards. It is the Town's policy to include everyone inside the Lake Lure service area and within 200 ft of the new line. If you are within these areas, you will be required to hook into the Town's LPSS.' To let folks, know that this is being done for a purpose. To maintain water quality.

2. Utility Policy – Shared Connections - The board discussed areas that could be connected to a multiple home pump station and the need to be sure that it is in good working order before the Town would accept it as part of their system. Mr. Baldwin brought up the point that if the Town accepts these systems, it would increase the Town's system and add to the potential customer base. He mentioned that because of the small-town staff we would need to be sure that any systems the Town takes over would not require a lot of work, to where the costs would have to be passed on to the whole customer base.

It was mentioned that for the Town to accept any shared connections, they must be systems that were professionally engineered with the approval by the NCDEQ, are designed to the Town's system standards, and are in good working order. If they have not met these standards they would not be accepted.

The board discussed how some of these areas could pick up other potential customers that are not connected at this time. This would be true in sections like Hummingbird Cove where they put in their own system, and their line runs in front of homes that would then have to connect if the Town did take over that section. Otherwise the Town line may not actually go within 200 ft of these homes. Again, it would depend if they were engineered, accepted by NCDEQ, and are in good working order, which would be verified by the Town of Lake Lure. Shannon Baldwin said that the Town would need to hold up to these standards, not make exceptions or be pressured to accept something other than this standard, or we could end up with a substandard system.

John Chapman brought up the fact that there are some areas around town that do not have space to put a pump station on each property and may want to consider allowing them to have a combined pump station. The board was concerned about the installation and repair and maintenance responsibility for a shared pump station.

David Diorio discussed options for large extension areas such as Chimney Rock. One being that the Town of Lake Lure would own up to their service line and manage from the sump pump down only. Lake Lure would then have to set a flow rate for Chimney Rock and any flow that went over that accepted flow would become the responsibility of Chimney Rock to pay. The second one being that if it meets the Town's policy standards listed above and is viable to be an extension to the Town's system, the Town of Lake Lure could take over their main line and then CR would avoid the overage penalties or surcharges. Or third, Chimney Rock could put in their own state certified system that hooks into Lake Lure and the Village would manage their own system and pay Lake Lure for flow.

Per Jeffrey Brown – He thought that the policy should state that shared systems will be allowed if they are NCDEQ approved and are a viable system that meet the Town's LPSS standards. This would mean that Lake Lure would only be accepting from the main pump that connects to the Town's main line. It would not include the individual lines that go to the main shared pump station. This would include an area like Firefly Cove that have a gravity system that will go into one central pump station. The Homeowners would have to be responsible for the lines going to that main pump station.

Mr. Baldwin mentioned that in cases like Firefly Cove, based on conversation he imagines that there would be one mega pump which would be metered, and charges would be based on volume. He said that if he is understanding correctly, that everyone would be charged a base rate and then if those went over the accepted volume for the number of homes, that there would be an extra charge for the volume which would be passed on to the Homeowners Association. They would also another charge for the main pump. He is imagining that Firefly Cove would have a three-tiered bill.

The board then discussed the fact that there might need to be special instances like Chimney Rock that would need to have an exception, that these would need to come before the Town to discuss their situation and ask for this exception. David Arrowood said that before the Town of Lake Lure gets into the design stage, that we, the Village of Chimney Rock, and the County needs to sit down together to discuss this before any of this takes place.

Mr. Baldwin told the board that he understands that Chimney Rock only has a small group of customers and that the costs are very high. He said that Lake Lure is also dealing with huge costs and a small customer base, and that he understands both communities are looking at huge costs. Don Cason said that he understands that both communities will need to work together positively and wants to be sure that they are moving forward together. He said that he wants to be sure Chimney Rock has enough time to apply for a grant or something to cover their costs.

Mr. Baldwin said that he wants to be sure that the State Park, Chimney Rock and Lake Lure are working together as a unit as best we can. As having shared utilities allows us multiple advantages of marketing and working together. He feels like the State of NC needs to understand the State is benefiting from all this major infrastructure we are taking on. Because it leads to the gateway to their state park and western North Carolina, he would like to be sure that they understand that we need their financial support in this project. He would like for both Chimney Rock and Lake Lure let them know this.

Jeffrey Brown mentioned that the State has already said that it would be a good idea for the Town to extend their main into Chimney Rock which would stop the excess flow. Mr. Baldwin said that would be a great thing, but that CR would need to pick up the cost themselves for their customers. He said that once we know what we are doing we will need to have a meeting with the CR leaders. That we want partnership, just want everyone to pay their own way. It would have to be separated out, for each to be responsible for their own. David Diorio told the board that this would be a fourth option for Chimney Rock. That we could make a call early to incorporate Chimney Rock into the design and amortization with a special rate on what it would costs to make that extension.

3. ***Utility Policy – Septic Tanks*** - Mr. Brown mentioned that we have an overall policy statement that says if the property lies within the Lake Lure service area, then the property would be required to hook on to the Town's LPSS when it is available. This would cover septic tanks in the policy. Regulations would regulate the fact that if the tank is sanitarian or civil engineer certifiable that they would not have to hook up until a certain time period outlined in said regulations, unless you were on the lake shoreline or within 100 feet of a stream or waterway leading into Lake Lure.

Mr. Baldwin asked if we would go from line, grinder pump etc. to define the service area. Jeffrey said that historically the EPA has said that the service area is defined by drainage basin. Per Jeffrey, this would be one service area and then could have one more service area which would extend in the next 20/30 years which might include Gerton and so forth. Mr. Baldwin said that we would need an official definable map to show if someone is or is not in the service area. Mr. Glassen said that policy may state that if someone is in the service area and the Town's lateral line is within 200 ft of their property that they would be required to hook on. Mr. Diorio said that the original service area would be the area within Lake Lure Town limits. But when and if the Town extends the line to other places within the drainage area that those within 200 ft would then have to connect at that time. He said that

he thinks the policy should state if you are within 200 ft of the service line that you must connect. And then allow the regulations to set standards for waivers and such.

There was a short discussion on whether the 200 ft requirement would be from a property or a dwelling. The board thought that it should be property and then have them apply for variances if the dwelling would be much further out. Jeffrey said this would give people a reason to build just outside the 200 ft area for new construction and that the Town is wanting growth. He said that a developer could come in and put in a subdivision with 100 septic tanks again by having them just outside the 200 ft area. Mr. Baldwin said that we might set a regulation saying that if a development's main road is within 200 ft of the service line that everyone in the subdivision would have to be served by the Town's system. But individual lots would be within 200 ft. per lot. Jeffrey said that would work because when a developer puts in that subdivision it is his one property, and if his property is within 200 ft of the line, he would be required to hook in.

Shannon Baldwin also discussed not having the authority to regulate customers in CR unless the Village grants that to the Town. Mr. Glassen said that this would be something that would need to be put in the inner local agreement between the two communities.

David Diorio said that he thinks the septic tanks should be taken out of policy and just be in regulations. This because policy already says if you are within 200 ft you must connect to the Town's system. The regulations can then talk about waiver for the special circumstances. That certified septic systems can be used up to 15 years, but if you hook in within a year, the Town would treat you as a connection now. If you wait until that 15-year point or after the one-year period, there will be penalties and higher costs.

Per Jeffrey Brown, he thinks the overall policy should state that septic tanks are not allowed in the service area. Period. Then when you get into the regulations you can talk about waivers for how old and how workable it is. Or if it is on the lake shore they would not be allowed. Mr. Diorio said that this could be used as incentives to get people to hook up at the inception of the project.

Mr. Baldwin discussed the fact that we are doing this for the environment, and this is something to bring up to the state when discussing the fact that we are supporting their gateway to the State park.

Mr. Baldwin asked the board to consider the fact that there is individual cost and shared costs. That everyone would be sharing in the cost of treatment, whether CR or LL. But the collection system would be separate and a reason that CR would be paying for their own collection system. He said that there are user costs and common costs. Common costs are things shared by everyone such as the treatment, but user costs are generated by the individuals or user driven, such as the collection system. The base rate would be the common costs and the user costs would be tiered based on user facilities and such.

Jeffrey said that the policy could be a general statement enterprise fund. ‘The Town of Lake Lure is operating its LPS System, as an established enterprise fund which is funded through rates. The rates are driven through common shared costs and user driven costs. Then get into specifics with regulations, which we need further workshop time before getting into those. Connection requirements will be guided by town regulations which have yet to be established.

4. Utility Policy – Connection Program – There would be an impact fee, but Brown is recommending that the Town have a three-year tier on connection fees. These fees would depend on if they connect at the time of construction, a year from now, or two or three years from now. He said that there would be an Impact fee, Connection fee and then the pump fees. Mr. Baldwin said that we would need to have something that will show what the connection fees are being used for by law. Mr. Brown said that these fees would be based on material, labor, parts, maintenance, staffing, etc. The board discussed the mobilization of the project and doing the connections when the project is underway. The thought was that if they hook up during construction there would be no connection fee. But after the project is finished, they would be required to pay for a connection, because the Town will have to bring someone back in to make those individual connections.

The board also discussed an availability fee that would be paid by everyone within the service area if they choose not to connect at the time of construction. If they choose to wait to connect, they would still have a nominal fee until they do, as they could connect but are choosing not to. This would give the customers an incentive to connect. Jeffrey Brown said that if you are within town limits and within the service area you will pay a utility bill. Availability fee is for those that could but choose not to connect at the time of construction within the Town limits and the established Service area.

Jeffrey said that if the availability fee is charged as a utility bill, which is governed by the Utilities Commission, and if the customer does not pay, the Town can then turn those into the tax office, and it will be collected through taxes.

Shannon brought up the fact that Brown will need to design a line that will handle all the future connections and not just those that are connected at this time. This because if we have future connections and the line size must be increased, who would pay for that? He said that if the original line is installed to handle the future connections also, we would not have to take the line out of the ground and replace it. Richard Glassen mentioned that if they design the line bigger than all the current customers, the Town would have to go out and flush the line and a reason for an availability fee. Mr. Brown thought that was justifiable.

Jeffrey Brown’s conclusion is that there would be no connection fee if connected at the time of construction, but customer will pay up front in full for connection costs, which will be determined at that time, if they choose to hook up later.

5. ***Utility Policy – Connections below Lake Level*** – Mr. Brown said that there will be no active sewer lines below full pond /normal lake level. After a short discussion the board agreed that all lines going to the manholes at lake level will need to be sawed and capped/plugged at the discretion of the public works director. Mr. Arrowood said that after everyone is connected and the current system is shut down, town maintenance will need to go out and cut everything loose and clean it up. The costs for removing the lines from the lake level will be paid for in the rates, as service being provided. Removal of the manholes will depend on the condition of those.

6. ***Sewer Regulations – Connection Requirements*** - Regulatory item which was postponed until regulations are discussed.

Richard Glassen asked if there was a way to use whatever means possible to place the new sewer lines in front of those that will not want to sign easement agreement. Jeffrey told the board that those that want to hook up would be giving an agreement at sign up. Those that do not want to provide an easement can be condemned by state standards. There was a question about the legality of the Town having the right to drop a line on the street where they are not wanting to connect. Richard said he was asking if we want to exercise our right to place the line on property that does not want to allow it. Mr. Baldwin brought up the fact that some people will want to negotiate a price for an easement. He said that this will not be an easy thing unless we have a public doctrine that has already been used / exercised and precedence set. He said that the Town will need to research other towns that have been through this time of situation.

The need to get a positive word out, and that this is something critical that must be done immediately was discussed once again. The board discussed the need to be prepared for all the different scenarios.

7. ***Sewer Regulations – Commercial*** - Regulatory item which was postponed until regulations are discussed.

Open Comments/ Discussion – None

Public Comments – None

Adjournment

There being no further business, David Diorio made a motion to adjourn, John Chapman seconded, and the motion carried 4 - 0. Meeting was adjourned 12:15p.m.

ATTEST

Richard Glassen, Co-Chairman

Linda Ward, Clerk