

Town of Lake Lure – Utilities Board

- Minutes of Regular Monthly Meeting –
June 4, 2019

The Utility Advisory Board held their regular meeting at the Town of Lake Lure Municipal Center on Tuesday, June 4, 2019.

Members Present:

Wayne Hyatt (Chairman)
Richard Glassen
David Diorio
Don Cason
John Chapman

Others Present:

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

Bob Cameron – Liaison

Members Absent: N/A

General Meeting Actions

Call to Order – Chairman Wayne Hyatt called the meeting to order at 2:00 pm.

Consider Approval of the May 15th Special Meeting Minutes – Richard Glassen made a motion to approve the minutes, David Diorio seconded and the motion carried 5 - 0.

Old Business

a. Low Pressure Sewer System Update – Shannon told the board that he and Jeffrey Brown had discussed the scope of work that evolved during the DEQ conference call. He said that this would be an amendment to task II, completing the ER, and one of the concerns that Shannon and David have is that they may run into rock which could skyrocket the costs of the project. They had discussed some possible sub ground recon or rock drilling to see if they could firm up the \$26,000,000. Shannon told the board that he thought that they could get the geo tec for drilling approximately 30 holes for \$50,000 and \$30,000 to amend the ER and for attending meetings which is something that Brown Engineering is asking to be compensated for. He said that he is waiting for Harlow Brown to get back with him to see if they will accept this offer. This would be something that would have to have a budget amendment. Shannon mentioned that this all being done to be sure the proposed 26 million will be enough. As it is with the \$26 million, the rates would have to double and we do not want to be surprised with a hike up to \$30 or \$40 million.

There was a discussion about the need to have a map with marker showing areas that may have rock or places that need to be drilled to determine this. It was mentioned that the Town may be able to get up with Stepp Construction to see if he can help with areas that he knows will be rock or not as he has completed a lot of projects within the Town limits.

Shannon said that he feels like we need to get the ER completed. He mentioned that there is two lists of things that need to be corrected/completed to get this done. He said that this is not paid out as we are waiting for the ER to be completed before it is paid out.

Richard Glassen said that he would like to see the quotes from the people that will be drilling the holes. The board agreed that they should get two to three quotes. It was mentioned that those drilling will need to know how deep and where to drill these holes. David Arrowood asked Engineer Kurt Wright how many holes he would recommend drilling. He said with Stepp doing the drilling they should be able to do the holes needed with the \$50,000. In fact the Town may be able to have more than 30 holes drilled for the \$50,000. Mr. Wright agreed that we need some type of verification of these costs. Shannon said that David Arrowood and Myron Stepp could work on this map for Brown to have before starting any of the rock work.

Richard Glassen made a motion to recommend the following to Council, David Diorio seconded that motion and the motion carried 5 – 0:

The Board agreed to make a recommendation to council to approve the latest \$80,000 proposal from Brown with the stipulation that it be clearly divided into two categories each with conditions as follows:

- 1. Up to \$50,000 for Geo Technical Work – The UAB wants at least two bids for the Geo Technical work and wants to inspect the bids received. Any unused portion of the \$50,000 will come back to the Town as a savings/credit. The UAB also wants a preliminary phase added to the Geo Technical Work that entails David Arrowood working with local contractor, in addition a representative of Brown Consultants, to locate on a map (in the ER depicting line sizes) where rock is or is not known. The UAB wants to make it clear that the Geo Technical work may not begin until David Arrowood gives the Geo Technical firm the newly created map and authorizes the firm to proceed.*
- 2. \$30,000 for Updating the Engineering Report (ER) with Geo Technical findings and COMPLETING the ER to 100% - The UAB wants Brown Consultants to give the Town a guarantee that the ER will be completed for a lump sum of \$30,000 regardless of the number of meetings it takes, number of comments received from the State, number of discussions with the State takes place, or the number of meetings/conferences with the Town (Council, UAB, Staff) needed to get the ER to the 100% COMPLETE level.*

New Business

a. ***Vendor References Contract*** – Richard Glassen verified that he and David Diorio, and John Chapman had completed their assigned follow-ups with the vendors as requested. He then discussed splitting up the remaining vendors that were originally assigned to Don Cason to call, as Don felt that they would understand more than he could on these subjects. These tasks would complete the Vendor contact questions. Richard said that he will scan these in and send back out to the board members once completed. He thought that he could do this by next week.

Wayne Hyatt said that he talked with Carolina Lift Stations out of York, SC and they told him that they think the hydromatic pumps are a workhorse. Richard Glassen said that he was told by one company that they had the E1's, which they changed out to Flyghts, and that the trouble they had with the E1's was that they were very hard to work on due to the controls being inside the pump. He said that he was told the biggest issues they have with pumps is the controls and the impellers wearing out. They told him that a lot of the problems are due to what is being flush, and if they did what is actually required they could last a long time. Ten Carva told Richard that the State would require the town to have 2% on the shelf.

David Diorio said that centrifugal pumps are not real good for sitting, not being used. He said that he had people tell him to have the Town consolidate the stations if possible, maximize flow through bigger sump pumps, keep the pumps working with both E1's and centrifugal pumps. He said that pumps like to work, not sit idle.

Kurt Wright suggested that a couple of the board members go to the Water Environment Federation Technical Exhibition & Conference (WEFTEC) Exhibit Hall in September to see how the different pumps work. He said that they will demonstrate what happens when various things are thrown into the system. Kurt mentioned that those that went could go from one vendor to the next, tell them what the other is saying, and then they could get a true feel for which ones will work best for the Town.

Richard said that he was told that one thing that can be done with the centrifugal that can't be done with others is that the grinder can be turned over. He was told to keep the grinders sharp, and that we may need to use the slower pumps so that they pump longer. Kurt said to contact Holden Beach as they converted their whole town system about 10 years ago.

David Diorio thinks that we need pumps that the town can do most of their own repair work on in house to save money. He said that all of the towns he talked to said that they do their own work and had no third party work. That they had a shop to do all of their work and the workers were certified.

Kurt said that when you face a major water or wastewater project, you should start with the rates. That we need to have all of the users together and how much waste they are putting in, and how much revenue we are going to be making. He said that you would have two pieces of information that you will need to follow through with this project. How much would be needed to run this project, and what the debt service would be. He said that now we are realizing that we cannot do

what needs to be done with the money we will be getting the loan for. Kurt said that we need a marketer to maximize the pros and minimize the cons. We may need to contact the governor, legislatures, so forth, but with the right information and how to deliver it. He mentioned that the Town needs to change minds about the burden that LL will be bearing with all of tourism and how we need money.

Richard Glassen said that we need to hire a Rate Consultant, someone that knows how to work on rates based on different factors. We need to show the need to have monetary support from the State as we are the gateway to western NC. We need to show that the tourism from the State Park is also impacting the need for this project.

Kurt said for example, Mike Reagan and Ken Colson need to be talked to together so that they know we are not going in just looking for handouts but that we know this is a big problem. Let them know that we understand that there is a problem that has been put off for years, that we are being accountable to the citizens, we recognizing the faults of the past, and are willing put our money where our mouth is but that there is still a huge gap that we will need help with. Bob Cameron said that we need to come out with a maximum that the customers can bear and then look for the rest as the 'gateway to WNC' and the whole Hickory Nut Gorge need. Don Cason said that he would like to get up with the TDA Board to see if they might help with marketing and crafting the message.

Richard mentioned that Lake Lure does not have unlimited income like people seem to think or demographics show. He said that most of the people owning in Lake Lure do not live here full time or spend their money here full time. Richard said that we need to come up with a rate structure to know where we actually are so that we can tell these folks what we are up against.

Wayne told the board that David Arrowood took a trip around the lake with Kurt Wright and a contractor to look at the proposed area for linear feet and that while out they threw some other ideas out there, some going a completely different direction as alternative to what Brown is suggesting. David Arrowood said that they sent the footage and rock issues out to several contractors, who would probably be some of the ones to bid this project, which all said that this project cannot be done for less than 40 – 50 million dollars. David said that they mentioned the cost to put in a grinder pump and tie into the town system would be around \$20,000 dollars per household and not the proposed \$5,000 to \$7000. David said that the contractor on the boat ride thought that we should be putting in a low pressure system in the lake while the lake is down and stub out to every house and get right of ways where possible to go between houses and get the ones up at the road, and it would cut the project costs in half. Shannon Baldwin told the board that he has let Jeffrey Brown know that the Town would not be able to afford it if the project went from 26 million to 40/50 million.

The board then discussed the fact that they were told that we could not put anything back into the lake water which may not be the case. The State will not allow the Town to use the system that is in place now, but do not believe that have said that we could not put in a new system in and around the lake. Bob Cameron suggested that the Town get Kurt Wright, David Arrowood and a few others, including Mayor Pro Tem John Moore, go to the State to see if this is an option, could it

even be a possibility. David Arrowood asked Shannon Baldwin if he remembers the state ever saying that the Town could not put a new system in the lake. Shannon said no, he had not heard that. He said that he heard them say that they could not use the current system as is, but did not hear them say that the Town couldn't put in a new system in the lake. Shannon mentioned that as a matter of fact he has heard two divisions of DEQ having a discussion over the phone about other alternatives because the cost of what we are looking at is going to be much too high.

Shannon Baldwin said that 60 – 70% of the costs is going to the collective system and we have to know that what we are looking at as far as what the rock costs are going to be first. Once we know this, we will know and can say that this is definitely something that the Town cannot afford. The board agreed that we need to let the governor / state know what the customer base is, and how much it can handle. Again at this point the board discussed the need to have a rate consultant to see how much it would be and how much we can actually afford.

Shannon mentioned that the Town could use some revenue from the enterprise fund but this money is also needed for other major projects that Lake Lure is facing. Again Don Cason said that he would get with the TDA Board to see if they could expand their scope of to help with marketing.

David Diorio told the board that all of the vendor contacts that he talked with about going to individual pumps, told him that they could not have done that. They said that shared systems were absolutely necessary, that they had trouble with the easement agreements, and that the stations went low instead of going up to the road. David said he is thinking that they meant that they had gone down this road that the town is currently going down and it wasn't feasible for them.

Shannon said that we need to finish the ER and do the subsurface recon. This will confirm if this project is much higher than Brown anticipated. Richard Glassen was worried that finishing the ER would not allow change if needed. Shannon said that we needed to get the ER finished, that the state understands that we may have to change some things, but this would settle up and we could then change some details if needed because of costs. David Diorio said that this would just be a modification to the ER report rather than changing the whole engineering of the project. That it would still be a low pressure system, with some modification. There is one thing for sure, we have to change our system from what it is now.

There was a short discussion on what the State would approve based on what we calculate the rate structure at. Richard Glassen mentioned that during the DEQ conference call, Ken who works with the State, asked if the Town had gone to the local government commission about the amount to be borrowed and said it was not his job to let the Town know what they can borrow.

Shannon Baldwin said that once we know the ground truth with our study, then we start to get a better understanding about how much we need to borrow, then we can have a discussion with the LGC, then we can adjust the rates to help you do that. That is the number that we are trying to get to. Richard thought that we could get some numbers from a few contractors to show the approximate cost of this project to help with this.

b. DEQ Conference Call – per Wayne Hyatt, DEQ Conference Call was discussed in part during the above agenda item.

c. Loan Application – per Wayne Hyatt, Loan Application was discussed in part during ‘a.’ agenda item.

Open Comments/ Discussion – no other discussion

Public Comments – David Lusk said that he feels bringing this back to town property, back to the lake, would be a good selling point because then the property owner will not have to pay to get it up to the road, the Town would not need easements and it might also help with dredging. If the lake is down 16 feet, we could use hydraulics to get more stuff out of the lake instead of using the dredge we have behind the Town Hall.

Adjournment

There being no further business, David Diorio made a motion to adjourn, Richard Glassen seconded and the motion carried 5 - 0. Meeting was adjourned 4: p.m.

ATTEST

Wayne Hyatt, Chairman

Linda Ward, Clerk