

Town of Lake Lure – Utilities Board

- Minutes of Regular Monthly Meeting –
October 1, 2019

The Utility Advisory Board held their regular meeting at the Town of Lake Lure Municipal Center on Tuesday, September 3, 2019.

Members Present:

Wayne Hyatt, Chairman
David Diorio
Don Cason
John Chapman (by phone)
Richard Glassen
Bob Cameron – Liaison

Others Present:

David Arrowood – Public Works Director
Linda Ward – Board Clerk
Shannon Baldwin – Town Manager
Kurt Wright – In House Engineer
Brad Burton – Community Development Director
Carol Pritchett – Town Mayor

Members Absent: none

General Meeting Actions

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

Consider Approval of the September 2019 Regular Meeting Minutes - Richard Glassen made a motion to approve the minutes, David Diorio seconded and the motion carried 4- 0. Don Cason was not present at the time the minutes were approved.

Consider Approval of the Special Joint Meeting 2019 Meeting Minutes – David Diorio made a motion to approve the minutes, Richard Glassen seconded and the motion carried 4 - 0. Don Cason was not present at the time the minutes were approved.

Old Business

a. Downtown Internet Wi-Fi (Wireless Network) Proposals Discussion – On June 27th the Town of Lake Lure sent out RFP's to Pangaea, Northland Communications, Skyrunner, and Open Broadband. The subject line on the RFP's stated "The Town of Lake Lure desires to improve internet speed and provide for redundancy with a new primary fiber optic connection to Town Hall. As an integral part of this project, the Town of Lake Lure desires to establish free, public Wireless Access Points in order to provide excellent internet connectivity within Morse Park as well as the Beach and Arcade areas of the Town". Community Development Director Brad Burton created a report of the results of the RFP's that was sent to the Utilities Board

members and those that had submitted proposals. At today's meeting Brad discussed the report, which is attached, in length with the board starting with who had submitted proposals, Pangaea, Skyrunner and Open Broadband. This report states what the criteria was and shows the breakdown of the scoring of this criteria. After evaluating all of the criteria, the total score was as follows: Pangaea, 32.5% ; Skyrunner, 100% ; Open Broadband, 52.5%. At this point Russ Pitts, representing Pangaea, explained to the board the reason they scored 0% on some of the criteria was due to the fact that these were things that they were already providing to the Town and thought it was not necessary to put it down on the proposal.

Brad explained that he received a lot of guidance from Keith Conover, who works in the IT Department with the State of North Carolina to sort this out and created the report to the best of his ability. Brad then discussed the pricing options that were given by Skyrunner and Open Broadband. See attachment for specifics. He told the board that Skyrunner was the lead on the proposal based on price and scored the highest on the criteria.

Brad then mentioned the agreement with Pangea and the Town, and what the Town's legal counsel has advised the Town concerning this agreement. These points are listed in the attachment also as is the proposals given by each of the three entities.

Richard Glassen asked if the 400 Mbps mentioned in the Skyrunner proposal is in place or would it be new cable. Per Brad this would be a new cable.

Wayne Hyatt mentioned that we were asking for three things. Highest possible speed connection, creation of redundant fiber optic connection in case of failure, and establishing excellent, high-integrity Wi-Fi service to Morse Park, Arcade and Beach areas. Wayne then asked Brad how he came up with the %'s in which he explained each section of evaluation as listed on attachment.

Russ Pitts then spoke about what Pangea could actually do and what it might cost the town if the Town went a different way. Pangea may have to charge fees for what is in place now for free. He said that they would have to have their attorney go through these things. Wayne Hyatt asked how much revenue they make for their service to the Town. Russ said that it is indirect revenue. Russ also mentioned that Pangea was not asked to increase the Mbps in the past.

John Chapman asked which audience that we are trying to target. Shannon explained that they are targeting the town center area because of the tourist, the events at the town needing more Wi-Fi. Events are getting larger and the vendors are having trouble running credit cards and such at these events. Don Cason mentioned that word of mouth is important to spread the word about Lake Lure tourism and good experiences go a long way with that. John asked if the Town would get any direct revenue from doing this project. Shannon explained that tourists bring in indirect revenue, not directly. Shannon mentioned that the TDA is writing a check for 100,000 to the Town for a two year of 50,000 per year grant to help replace the boardwalk. These funds are brought through tourism. An example of indirect revenue.

Wayne asked the board if anyone had an objection to having Ron Walters with Pangea talk about things that Pangea could offer. With no objections, Ron Walters told the board that Pangea is a

non-profit company that was established in 2003, and that they entered into a partnership with the town in 2009. In 2006 they received a grant to build fiber to Larkins Restaurant to connect to Polk County schools, in 2007 they received a grant to connect Rutherford County Schools, and in 2009 Rutherford County Government received a grant to extend Pangaea's fiber to the fire and emergency stations in the County. Pangea contributed money to connect Lake Lure and entered into agreement with the Town to allow them to put equipment in the town hall. In return for that Pangaea agreed to provide band-width, fiber transport for the band-width for connection to the dam, water tower, and public works. And from that time until now, it has grown to the 100 Mbps connection. Ron said that they only see the town using about 20 of that. He talked about Pangea being a community operated non-profit with a goal to meet the community needs. He said they now have 350 miles of fiber in Polk and Rutherford Counties. Hospitals, schools, town governments included in about 780 customers. Partnership with the Town of Lake Lure is extremely valuable to them.

Ron then discussed the RFP response saying that it was brief because they are things that are already in place and still have a contract for at this time.

Ron talked about the redundant connection, saying that the only outage was in a December's snow storm. Storm happened on Sunday and Tuesday Pangaea found that there line was still active and they were able to light one strand and the Town was up and going in two days. He mentioned that there is no redundancy from Larkins to here and that the only fiber coming this way is not diverse. Key components with Pangea is free service but in return they need operating revenue to pay their bills. This is why they ask for exclusive access to space their equipment is in so that they can serve paying commercial customers.

Ron mentioned that Pangaea received a grant in 2015 that they used along with funds that they provided to supply Wi-Fi. They built fiber connections to six areas including Lake Lure and Chimney Rock as a pilot program and that they provided this for free, and did as much as they could do with the money. The issue that they have run into is that the demand far exceeds the capabilities of this free network. They have talked with Open Broadband to provide Wi-Fi and Pangea would continue with their free services. He said that the Open Broadband proposal uses Pangea fiber and internet, included for free as a community service.

Ron wanted to then talk about the 0% on the proposal criteria that they received on the report. He said that they did not put all of that information down because it is something that they already do in the existing contract. He said that they have the capability to perform all aspects of this project. Already has fiber connectivity to provide internet and Wi-Fi, already has 100 Mbps, and already has diverse connection to Larkins and is willing to pair up with someone else to come west. They also provide Wi-Fi, but he will be the first to admit that this needs an upgrade, and that is why they would like to partnership with Open Broadband. Ron mentioned that they have a great history of satisfaction, or a 99.9 reliability except for the December storm in Lake Lure. And he wanted to note that Pangaea provides the network to Skyrunner, and that they are wireless, which is susceptible to more down time. Ron said that their survey showed 100% satisfaction from their customers. He mentioned that Skyrunner coming into the town hall would be a conflict with their agreement.

After questions from David Diorio, Ron said that they would be there to support Open Broadband and that they should have submitted a joint proposal. He said that they would be willing to support Skyrunner as long as there is no conflict with the Pangaea exclusive equipment access agreement.

Brad asked if Skyrunner will be connecting to the fiber with ERC instead of Pangea, in which Ron said that they have not been told that at this point. Brad said that Skyrunner told him that they would be using ERC fiber, which runs this direction, to come into town hall and bring the Wi-Fi.

Richard Glassen asked if there was a problem with the hardwired Wi-Fi with the Town, in which Brad said that there is a lag and some areas of the town hall do not have access. Mitchell Anderson, Community Development who uses this a lot said that he sees issues on the remote and the local desktop. Ron Walters said that they could help diagnose these problems after Russ Pitts said that they had not received any calls saying that there was a problem. Russ said it could be a firewall issue or other issues that may not even have anything to do with Pangea.

David Diorio asked if we went with Skyrunner would we lose some of our free services that we receive with Pangea. Per Russ, possibly. He said the revenue stream will be lost. He said that Skyrunner could do the Wi-Fi part of this project as long as it would not interfere with Pangea's agreement in place now.

Richard Glassen talked about the difference in pricing between paying 399 a month for equipment with Open Broadband, and the lease with Skyrunner where we would be charged for downed equipment.

Shannon asked Ron if there were 5,000 users at one time would the 100 Mbps be enough. Ron Walters said that it is the transmitter that can only handle so many users at one time, and that 100 Mbps would not be the issue and that this is a great question.

Chariman Wayne Hyatt asked if everyone was comfortable with making a decision. David Diorio said that they will need to get more questions answered before the board could make a recommendation to the council. He said this was a great start, but we need more answers. David Diorio made a motion to table the decision to choose an internet provider with answers to additional questions, John seconded the motion and it carried 5- 0.

b. Low Pressure Sewer System Update – Have deferred from the low pressure system. Shannon said that they have called a time out on the Low Pressure Sewer System at this time, and have begun working on a RFQ to solicit qualifications from engineers to help with sewer and other issues that the town is facing.

c. Community Involvement in Sewer System and Internet – Wayne Hyatt asked John Chapman to get with Communications Specialist Laura Krejci to come up with a way to communicate the latest updates on the sewer system with the community.

New Business

a. ***Discussion and Recommendation of Alternative Solutions for Upgrades and Repairs to Existing Sewer System*** - Wayne talked about repairs to manholes and asked David Arrowood if he thought that was something that would be worth looking into. David told him that is something that they plan to do with the lake lowered this year. That the flow does decrease when the lake is down indicating intake into the manholes or lateral lines. Wayne mentioned that if we were able to get the flows down consistently that the Town could possibly look at changing the treatment method from chemical to biological.

Richard Glassen said that he would like to evaluate the new consultant and get them all of the information that we have gathered to this point and see what they think we should do. He does not want to see the Town go into another planning stage that would not work like we have twice in the recent past.

David Dirorio agrees that we need to be cautious and he has created a scope or concept of where we are. He said that we do not want to pay another two million dollars before we have a good idea about the direction we would be taking. He would like to see us take a phased approach. At this point Shannon Baldwin told the board that DEQ has said that they would like the Town have a consultant in place within two months, have the ER completed 6 months after selecting consultant, and be ready to go to design quickly. He said that DEQ has indicated that they would like the Town to choose an Engineering Firm that has depth and breathe, with a large staff that can turn the project quickly.

Shannon told the board that council would like to hire an engineer that can provide engineering services for other sources, not just for water or wastewater. Would be costly, but is something that is needed for our Town. We are extremely unique and need a large firm that can push and pull where needed with diverse talent that can help us. Need a consultant that will not get in between the town and DWQ for the sewer project.

b. ***Engineering Consultant RFQ Draft Review and Recommendation*** - Shannon Baldwin said that in his mind no matter what Engineering Consultant is hired, they would not replace Schnabel as they are top of the line with Dam work.

It was mentioned that the previous ER should be included in the RFQ. Kurt Wright said it is going to be difficult to find an engineer that will want to pick up from where the last engineer left off. He believes we should give them the ER and ask them to review it and give their opinion, but he would suggest not putting this in the RFQ. Pick the most qualified firm, and then after they are chosen show them what we would want them to review. He said that we don't want to restrain them but use their expertise. Get them in, get their feet wet and then ask them to review some things. The engineer should be honest with what he thinks we should do. Show them the ER, they may want to or may not want to read that report. Kurt also said that it would be extremely helpful to let them know that we have already talked to DEQ and that we have them on board. David Diorio said he thinks we could give them the ER but don't over bias it, tell them that it was based with previous assumptions and that they will need to re-evaluate those assumptions. It was

mentioned that the Town let them know why the last firm was dismissed. Let them rethink and reshape the data themselves.

Per board, we need to add the scheduling in the RFQ concerning the 2 months to hire consultant and then ER completed in by 6 months after that and then ready to move forward with project. Also to let them know that 2.2 and 2.3 are top priority. Shannon said that we need to lead with sewer collection with new consultant.

Richard Glassen made a motion to approve the RFQ with the changes of ‘approximately’ 64 manholes throughout, and 27 miles of public roads in section 1.0 number 8, adding the scheduling dates, along with other items identified by Kurt Wright. David Diorio seconded the motion and it carried 5 – 0.

c. SDG Engineering Report – Preliminary Risk Analysis (Penstock at LL Dam)

Kurt went over the Risk Analysis Report that he prepared starting with the Executive Summary which reads, “The purpose of this document is to provide the Town of Lake Lure with information on a critical piece of infrastructure at the Dam, the Penstock. It has come to the attention of the author that there is a high probability of risk associated with this asset. Based on the methodology discussed in this document, the author believes the Risk for the Penstock at this time should be, out of an abundance of caution: Risk = LOF x COF Risk = 5 x 5 = 25. A Risk rating of 25 is the highest. Recommendations for proceeding with this high-risk asset are found in Section 6.0”

This report is attached. Kurt mentioned that the LOF stands for Likelihood of failure, COF consequence of failure. 1 being the least risk, not likely to fail, and 5 being the highest, eminent.

Kurt said that he took information from a report from 2015 and believes that the LOF is at a 5. The dam is nearly 100 years old and the penstock has never been checked. He finds that as very dangerous. So COF is 5. 5 x 5 is 25. He feels like the risk has reached its limit.

What can be done about this? Kurt mentioned that the pipe needs to be measured for thickness. Need to find the weak points of the pipe. He said that the pipe should have been coated at least ten times since it was built and has not been done once. He said that there is a method called carbon fiber wrapping which is building a pipe inside a pipe that could be applied. When completed it would be two to three inches in thickness, which you could then sand blast and seal the pipe and keep in place. Kurt said that this is something to consider.

Kurt also mentioned that the controls are ancient and control panel is full of them including the Butterfly Valve. He said that they are not dependable. His advice is to do a complete asset shakedown because it is all almost 100 years old. Assign risk to each thing. Then decide if the risks outweigh the worth, or is it worthwhile to bring this back to a 50 year life.

Bob Cameron asked about why we not just go in and fix these things instead of spending money to analyze it because we already know that it is all old. Kurt said that will be a financial judgement call. He said that if we were a corporation it would be ok, but as a public utility you will have to

answer questions from the public as to why we put all of that money into it rather than saving what may not have been bad. Bob thinks that after 93 years, we need to just do it. It's time to replace it.

Kurt said that he knows someone that could do this pipe work for the town. It is called Quake Wrap. He could give them his opinion and findings to see what the board may want to do. Bob Cameron said that he is tired of talking about how to get results that he wants to see results. We are spending too much money on engineering.

Richard then talked about cost estimates. He said that analyzing some of the problems would show if it was worth fixing or if it was much too high, and if it is, we wouldn't have to do a study at all. Kurt said that this is in the report under 6.5, "Go-No-Go" Analysis.

David Diorio said that before generator starts up again, three key components must be fixed. The hoist, the penstock and the butterfly valve. David said that we need an operator valve on that. Richard Glassen said that he thought we could manually shut the valve off without adding an operator valve. Shannon said that the Director of Dam Safety in Greensboro said that you cannot just go hire someone to fix the hoist, that it must be engineered first. David said that the switch gear is safe for continued operation, but will need to have an assessment for the penstock for sure.

Kurt said that we need to be sure when Schnabel does the PCA that they have someone experienced with that and someone that can remediate penstocks.

Richard Glassen made a motion to accept the report as written, Don Cason seconded, and the motion carried 4-0.

d. Schnabel Proposal #1 – David Diorio said he recommends tabling task 04 of proposal #2 from Schnabel. He said that this is something that will have to be done eventually, but not urgent, it will not tell us if it is a go-no-go. He also recommend that revised Task 03 be modified to include the Butterfly valve assessment to go along with the hoist and penstock. Recommends that they go with revised task order #3 with Schnabel to include the butterfly valve and the go-no-go assessment. At this point, 4:15, David Diorio excused himself from the meeting.

Richard Glassen asked if we needed to check with them on exactly what are the tasks they need to be able to make a go-no-go decision. He said he was concerned about one part in Task 03 that says that the butterfly valve has to be shut and we may not be able to do that.

The board then briefly discussed at what point should the Town stop spending money which is in Task 04 and recommended to be tabled, and the need to focus on Task 03. Shannon Baldwin said he doesn't see how they can afford to stop the engineering when you can't just go down and fix these things.

Richard Glassen made a motion to add the butterfly valve assessment and an abbreviated version of the go-no-go model to Task Order No. 3, focus on Task Order #3 and table Task Order #4. Don Cason seconded and the motion carried 4 – 0.

e. Schnabel Proposal #2 – Board recommended that this task be tabled.

f. WR Martin Proposal – Shannon told the board that this is a proposal from WithersRavenel to analyze the generating enterprise fund for water, sewer and electric costs long term and short term. They will be looking at our revenues to see where our tax rate should be so that we can generate revenue and fix and maintain the systems that we have. This is basically a financial shakedown because at this point it is a guessing game on where it should be with all of the infrastructure that needs fixed.

Wayne Hyatt asked if the institute of Government could help with this. Shannon said they would not do this kind of an assessment without a fee.

Kurt Wright talked with the board briefly about a Public Private Partnership, PPP or P3. He said that this is something new being developed for infrastructure funding due to the fact that the Federal Government is not handing out a lot of grant monies anymore. It brings in private enterprises to help municipalities fund their infrastructure. May not apply here but something to think about.

Richard made a motion to accept the proposal from WR Martin for the Comprehensive Financial Analysis Project, Don Cason seconded and the motion carried 4-0.

Open Comments/ Discussion – none

Public Comments – none

Adjournment

There being no further business Don Cason made a motion to adjourn, Richard Glassen seconded the motion and the meeting adjourned at 4:40 p.m.

ATTEST

Linda Ward, Clerk

Wayne Hyatt, Chairman