

THE THREE HUNDRED-NINETY FIRST SESSION OF THE BOARD OF ALDERMAN
VILLAGE OF ALAMANCE
December 13, 2010 – 7:00 PM

Present: Mayor Bundren, Mayor Pro-Tem Sharpe, Alderman Crouse, Alderman Tichy, Alderman Clemmons, Alderman Slaughter, Clerk York.

Absent: Alderman Jones.

Alderman Clemmons gave the invocation.

Mayor Pro Temp Sharpe moved to approve the November 22nd meeting minutes and Alderman Clemmons seconded. The Motion passed unanimously.

OLD BUSINESS

CDBG PROJECT

Clerk York reported that, dollar wise, 23% of the work has been completed. The sewer line has been laid up to the west side of Alamance Baptist Church Road and mid-way to the Evans property pond. The next step will be to lay the lines on the east side of Alamance Baptist Church Road.

Second Connection Project

Clerk York reported that the Second Connection project was completed. Alderman Clemmons asked about project dollars that will need to be borrowed. Clerk York said that the total amount received was over \$500,000. He said that the amount borrowed would be at least \$250,000. At least \$30,000 less was spent than was originally planned for in the budget. The total amount received was between \$520,000 - \$550,000. He explained cost amounts and that \$260,000- \$275,000 would be paid back over 20 years at zero percent interest. Mayor Bundren asked if the \$16,000 budgeted for payment of this project would be reduced. Clerk York said that the debt payment would be roughly \$12,800 per year on the low end; or, approximately \$13,000 per year. Alderman Tichy asked if the Town had received final drawings for its files. Mayor Bundren noted that Mark Reich has final drawings and that the Town would need these drawings also.

Report on Cabin Pump Station Project

Clerk York said that if the Board wants to make an application, Alley Williams would need to complete a PER and the Environmental Report. Mark Reich had estimated the PER would cost \$7000; the Environmental Report would cost \$3000. Total completion time is estimated by Mark Reich to be three months due to the environmental review. The environmental review has to be sent out to about 14 different state agencies to see if there are any environmental concerns with, for example, fish and wildlife or historical preservation. Several agencies look at this and have a 30 day window, to send back comments.

Mayor Bundren asked when the grant money would be available. Clerk York said the new fiscal year for the federal government started October 1st and runs through September 30th. It depends on what funds are available at the time the application is made. Mayor Bundren commented that

sometimes smaller projects can take advantage of remaining funds at the end of the funding period. Clerk York observed that this is a relatively smaller project compared to others. Mayor Bundren said it might be easier to get the needed funds at the end and asked if a motion should be made to do the PER and the Environmental Report.

Alderman Clemmons said the Board realizes they need to take action, either having an access road to the pump station or look at the gravity feed project. The question is which answer is correct. Alderman Clemmons asked Clerk York if any of the information in the PER or Environmental review could be used for the access road project.

Mayor Bundren commented that she thought the Board members were all on the same page that the project should go forward to eliminate the pump station because of potential litigation costs. Alderman Tichy added that not only should litigation costs be considered, but also the long-term operational costs. Mayor Bundren pointed out that litigation costs could be sizeable. Alderman Clemmons agreed that the Board was aware of these concerns. He ran some numbers related to borrowing. He compared borrowing the total \$551,000 to eliminate both the Cabin and NC 62 Pump Stations, which would result in debt payments of just under \$27,000 per year. If we were to receive grant funds for half the cost of the project, it would reduce the payments to \$13,000-\$14,000 per year.

Alderman Clemmons asked Clerk York to go over the budget in relation to these numbers. Clerk York answered the earlier question about the PER. He said doing the PER and Environmental Review would be eliminating the pump station and doing the area down to where they gravity feed. The access road is in a different spot; doing this would not help if the Board chooses the access road.

Clerk York then noted, regarding making the debt payment, the Town took in \$220,000 last year, spent \$227,000, with a deficit of \$7000. If the Town saved approximately \$20,000-\$24,000 on the amount of the water, that would put the budget ahead by \$13,000. If the Town takes in approximately \$23,000 more than last year, that would result in a surplus of \$36,000 in the water fund. It would likely be a larger surplus this year, if we were to receive a credit from Burlington for previous water loss. Last year, the Town did not make any debt payments. If a debt payment is made this year that reduces the \$36,000 to \$23,000. The Outfall Contract will mean the Town will spend \$7000 more than last year. That reduces the \$23,000 to \$16,000 and leaves a \$16,000 surplus, conservatively, year to year. Mayor Bundren noted that the Board has conservatively put aside at least \$40,000 or so each year.

Alderman Tichy asked about operational costs for the pump station now, including electricity, inspections, and maintenance. Clerk York answered that costs include \$55.00 per month for phone lines, \$100 per month for electrical, or \$1200 per year, for a total approximate cost per year of \$2000. Alderman Tichy added that inspection costs should be included. Clerk York observed that Arnold is paid a flat rate of \$22.00 per hour to do anything above the contract. Clerk York noted that these costs were already factored in and that Arnold doesn't usually have that many extra hours.

Maintenance on the pumps themselves is the primary issue. Each time a pump goes bad the cost is approximately \$3000 (\$800 to pull the pump). Clerk York added the cost should actually be considered as \$3800; the Town paid \$2800 for the rebuild last time, plus \$800. Usually there is not more than one rebuild per year at that particular pump station. Last year, the total was \$13,600 for pump station maintenance between Cabin and Birch. If you divide that cost by half,

it comes to about \$6500 in maintenance costs for the cabin pump station each year. Worst case scenario per year would be \$8000 in maintenance and utility expenses for the cabin pump station each year.

Alderman Tichy noted that \$5000-\$6000 would be the average, so the increase in debt service would be \$7000, if the Town added debt service of \$13,000 per year. Clerk York said that that would take the \$16,000 surplus down to \$9000. Alderman Tichy added that the cost of the access road should be considered in regard to these estimates. Clerk York said the access road would be considerably cheaper. (Option A: \$30,000; Option B \$52,500; Option C \$52,500)

Clerk York then explained how the \$160,000 set aside for the second connection was divided between the General and Water funds. The money paid for the fee for the loan was \$11,500. This left \$148,500 that can now be spent for water and sewer related projects. \$108,500 is part of the General Fund. The other \$40,000 is part of the Water and Sewer Fund.

There is \$40,000 in water and sewer. The total fund balance in the water and sewer fund, including the \$40,000 set aside is \$66,000. If the \$40,000 was used to reduce the amount of the loan, it would bring the fund balance in water and sewer to \$26,000. Clerk York said it is up to the Board to decide what to do. From a staff perspective, Clerk York advised the Board not to make a quick decision.

Mayor Bundren noted that in the \$500,000 plus project, the Town is not doing away with just one pump station, but with two. So not all costs have been factored in, and the Cabin Station is the most expensive pump station. In addition, the Town would have gravity feed forever. Alderman Crouse agreed this was a good idea, but there would likely be rock at the Cabin Road Pump Station. Test drilling would need to be done; rock can quickly break a contract. Alderman Crouse said this was his main concern; gravity feed would be better, but cost could be unknown because of the rock. Rock is expensive, Alderman Crouse noted.

The Board tabled this item until the January 2011 meeting, so that Mark Reich could address it further. Mark Reich had projected costs and this should have included any costs the project would encounter. The Board of Aldermen concurred that they needed to move forward with this project.

Sewer Assessments

The Board tabled this item.

Request for Connection to Water Service

Clerk York reported that there are two potential customers who have asked to connect on to water. One of these customers has also requested to connect to sewer. Clerk York sent a spec sheet to five contractors. One has not responded; the other one had too much work to quote. Mark Reich has reviewed the three quotes received and said they are competitive.

1. Meadowland Estates

Clerk York said this is a mobile home park, down Pond Road, turn right off Hinkle Road. They would like to connect to water. The owner wants to connect on, in order not to do any additional water monitoring, which they are doing now. Clerk York has checked with Jeff Bryant, from the Winston-Salem Regional Office of the Public Water Supply Section, who is over this area. He

has confirmed there would be no additional required water monitoring for the Village. If Meadowland Estates did connect on, they would be relieved of their monitoring requirements. The Town would not have to do any additional tests; they would be just like any other customer. They would pay double water rates and they are aware of that. The quotes received: \$9200 from C&J Utilities, \$9600 from McPherson, \$10,460 Carl Norris. C&J was the lowest of those quotes. It requires a two-inch meter tap and RPZ. The cost of this to the owner will be cost plus 3%, or \$9,476 plus the water impact fee of \$500. The Town would have to submit an application to the State to do this; any two inch connection requires an application. This could be handled by Clerk York and Mark Reich. Attorney Charles Bateman asked if the water rates had been discussed. Clerk York replied affirmatively; Meadowland Estates has about 20 locations. Mayor Bundren asked about the double water rates. Charles Bateman said it would be double water rates and a minimum fee for each site. Clerk York said that Meadowland Estates would be paying \$17 per month for each site, plus double rates for the amount of water usage. Mayor Bundren called for a motion to approve this project. Alderman Crouse made the motion to accept the C & J quote. Alderman Tichy seconded. The motion passed unanimously.

2. Roy Glasgow

Clerk York reported that the quote to connect Mr. Glasgow, who lives on Hwy. 62, is \$1,500. The three quotes are \$1500 for C & J, \$2,000 for McPherson, and \$3,615 for Carl Norris. Clerk York recommended C & J. The Town has the form but still needs an encroachment agreement from DOT, since this work will go across Hwy. 62. There is a 30 day window for DOT to look at this. Clerk York said he didn't think it would take that long.

Mayor Bundren asked about information regarding the sewer line. Clerk York said the spec sheet is just for water; there is already a sewer line there. The question raised last time relates to the fees he would have to pay to connect: sewer impact fee (\$500), water impact fee (\$500), meter set fee (\$175), water tap fee (\$500). The total in fees would be \$1675. Mayor Bundren asked about the \$1500 to install the water tap. Clerk York said that Mr. Glasgow would not have to pay the \$1500 as that would be the Town's cost. The Town would be taking in \$1,175 from Mr. Glasgow. Mayor Bundren called for a motion to connect the water first. Alderman Clemmons made the motion. Mayor Pro Tem Sharpe seconded. The motion passed unanimously. Mayor Bundren then asked for information regarding the fees for the sewer. Clerk York said the only fee Mr. Glasgow faces for the sewer is the \$500 impact fee. Mayor Bundren asked if Mr. Glasgow is liable for that, stating that that was the question last time.

Mayor Bundren indicated a motion was not needed; she just wanted to make sure this was clear. Charles Bateman addressed this question. Attorney Charles Bateman said the impact fee structure was put in 6 years ago. It was designed to help the Town with basic infrastructure costs. It had nothing to do with the actual pipe or connection. Mr. Bateman stated that everybody who taps onto the water or sewer pays the impact fee. He said that Haywood King may have used the word impact fee, when he really meant assessment. This is the Town's policy and the Town can change its policy anytime it wants to. Mr. Glasgow wanted to recoup fees from his neighbors; the policy doesn't work that way. Alderman Clemmons asked Clerk York how much Mr. Glasgow had paid in fees. Clerk York reported that Mr. Glasgow had paid \$6900 in costs for running the sewer line to his property.

Charles Bateman noted Heritage Glen paid \$3 million installing sewer up there. The Village did not pay impact fees to the developers. Alderman Clemmons commented that the cost of utility lines was divided by those who purchased lots. Alderman Tichy said Mr. Glasgow should have

recouped costs from his neighbors. Alderman Clemmons said Mr. Glasgow was told he had to put the line in at that time in order to connect to sewer in the future. Alderman Crouse said it was done that way so that Mr. Glasgow would not have to obtain permission to connect to sewer at a later date from the property owners. Mayor Bundren noted it was advantageous to Mr. Glasgow at the time. Mr. Bateman pointed out that Mr. Glasgow was not legally entitled to reimbursement.

Mayor Bundren said she did not want to set any kind of precedent that would prove to be negative later, and wanted this to be clarified from this point forward. Mr. Bateman noted it used to be allowed for people to extend sewer to their industrial properties; others who tapped on would pay the fees, but this is not done anymore. The systems are stretched as it is. Mr. Bateman reminded the Board that these are policies that the Board of Aldermen sets for the Town. Unless Mr. Glasgow has something in writing that says when others tap on, he will be paid, he doesn't have a claim to reimbursement. Mayor Bundren thanked Mr. Bateman.

ORC Report

Arnold Allred presented the ORC Report. Regarding the report for the Collections System, there was a power outage the day after Thanksgiving. There were no problems at the Birch Station; there were no alarms there.

Mayor Bundren paused to introduce and welcome Judy Cobb, the new part-time clerk for the Village of Alamance. Judy will work 10 hours per week. She is the former Library Director for Alamance County Public Libraries. Mrs. Cobb was exiting the meeting at this point to help with the preparations for the Christmas party. Mayor Bundren wanted to introduce her to the Board before she left. Mayor Bundren then asked Mr. Allred to continue his report.

Mr. Allred next presented information about the Cabin Station. It was the one that alarmed first during the power outage. Another thirty minutes, and it would have been in the creek. That's how close the problem was, with potential overflow. Mayor Bundren pointed out this is another plus for gravity feed. Mr. Allred pointed out the State's answer to this would be for the Town to put in standby power. Mr. Allred observed that his job as ORC is to inform the Board that they were within 30 minutes of overflowing, so there is a need for standby power. Alderman Crouse said this has been discussed in the past. Mr. Allred said the NC 62 station also alarmed, but he was not worried about that one. The alarm came out at 1:15pm. Duke Power said it would not be restored until 4:30pm. Alderman Crouse noted the power restoration was stepped up due to Black Friday shopping. Power was restored by 4:00pm. Pumping station wise, the Town was close to putting sewage water in the creek. Mr. Allred asked the Board members to keep this in mind, regarding the Cabin Station. Other than that, the NC 62 station had a starter coil that had to be replaced.

Under the distribution system, the THM HAA5 was tested in October. That test came in, in compliance. Mr. Allred has spoken with Mark Reich. They have the town split in the middle with the two water sources: 70% of the water is now coming through the new water source. The other 30% is coming from the old water source. Also, under the distribution system, the total purchase is \$1.7 million for this November. This is 1.2 million less gallons compared to last November because of all the leaks. The steps at the vault have been examined. There is no way these steps can be used. A ladder will have to be used to get in and out. If the meter has to be pulled out, the hole needed to be over the top of the meter. The steps were required for the inspection. Clerk York commented the steps were part of the original design.

Mr. Allred reported that the Fire Department has completed all the tests. Alderman Crouse said all the hydrants had been “flowed”; this information is now at the Fire Marshall’s Office. They are calculating the flows for each hydrant. This information should be accessible next week. Once the map is ready, the Fire Department personnel will meet with Mr. Allred and Clerk York and the new hydrants will be labeled and on the map.

Alderman Crouse asked if any numbers have been reviewed regarding cost of a generator. Clerk York said this was discussed a couple of years ago. Mr. Allred said the cost would be \$30,000-\$50,000 to put in a generator, per station. The NC 62 station would be less expensive, probably half that cost. This would also be the case for the Birch Station. This would not be true for the Cabin Station. Alderman Tichy pointed out that eliminating two stations would save \$50,000. Mr. Allred said he could get some more concrete costs. The problem in the event of an overflow is the State would want to know why this had not already been done.

Mayor Bundren asked about surplus property that might be available, such as a generator that could be used for now. Mr. Allred said this could be a possibility. He has obtained generators through Army Surplus. Mayor Bundren inquired about the cost of surplus generators. Mr. Allred replied the cost would be \$8000-\$10,000. He said the Cabin Station would be the most critical. Mr. Allred said he would run some numbers before the next meeting. He noted that even if the Town was looking at construction, it would still be a year. Mayor Bundren said that was her concern, in the event of a spill, that the Town needed to be in compliance. Alderman Crouse mentioned the idea of a bypass that could be hooked up. Alderman Tichy said this could be a problem in the event of an ice storm. Mr. Allred said they did get the bypass in at the NC 62 Station. After some discussion, Mayor Bundren asked Mr. Allred to check on portable power. Mayor Bundren thanked Mr. Allred.

NEW BUSINESS

Approval of Amendments to the County Solid Waste Management Plan

Clerk York introduced this item, noting that there are amendments each year to the 10-year Solid Waste Management Plan. Municipalities that do not develop their own plans sign onto the County’s plan. New amendments address electronic waste. Alderman Clemmons moved to approve the amendments to the County Solid Waste Management Plan. Mayor Pro Tem Sharpe seconded the motion. The motion passed unanimously.

Approval of Board Meeting Schedule for 2011

Clerk York noted that all the meeting dates for next year fall on the fourth Monday, except for the December meeting. Mayor Pro Tem Sharpe moved that the Board Meeting Schedule for 2011 be approved as presented. Alderman Clemmons seconded. The motion passed unanimously.

Other Business

Alderman Crouse said that there are about a half dozen fire hydrants that are out of compliance. They were identified when the fire department completed their flow test. Any wrench placed on the port of a fire hydrant should be able to spin 360 degrees. The state requires a 3 foot clearance all the way around a hydrant. There was a fire in Mebane recently and now the City of Mebane is waiting to see if they will be sued.

Attorney Bateman said that it was a public safety issue. All of the fire hydrants are on public property. A letter should be sent to the homeowner in which they will be informed that they need to correct this issue.

Mayor Bundren asked what standard the fire marshal would like the Village to follow. Alderman Crouse said that the fire marshal would like the Village to follow the 3 foot standard. Alderman Crouse said that he would like to prevent a lawsuit. Clerk York asked if a penalty could be imposed if the property owner is not compliant, or if the town had the authority to eliminate the obstruction. Attorney Bateman said that we have the authority to eliminate the obstruction.

Clerk York asked if we should give the property owners one week to get into compliance. Alderman Crouse said that Mebane has already started clearing the areas around hydrants now. Alderman Tichy said that the Village should give the property owners 48 hours to get into compliance. Attorney Bateman said that the Village should give the property owners 48 hours to get into compliance. Alderman Tichy asked if the Village should make the homeowner pay for correcting an obstruction. Attorney Bateman said that it would not be worth it to try to make the homeowner pay for removing the obstruction. Alderman Clemmons asked if there is something the Board should do to ensure that property owners stay in compliance. Alderman Crouse said that E.M. Holt will notify the Village of any fire hydrants they see are out of compliance each time they flow the hydrants. Alderman Crouse moved that the Village adopt the State Standard for fire hydrants, as well anything that might interfere with fire suppression as defined by the Fire Marshal and the National Fire Protection Association, and upon violation the property owner will be given 48 hours to remove the obstruction. Alderman Clemmons seconded. The motion carried unanimously.

Public Comment

There was no public comment.

Mayor Bundren invited everyone to attend the Christmas Party following the meeting. Alderman Crouse moved to adjourn and Alderman Clemmons seconded. The Motion carried unanimously. Respectfully submitted,

_____ Cathera R. Bundren, Mayor

_____ Ben York, Village Clerk

