

NOTES FROM LINCOLN COUNTY BOARD OF COMMISSIONERS WORKSHOP

Lincolnton Senior Center - August 28, 2002

Ginger Booker, Facilitator

Objectives: (a) to discuss and clarify options for expanding water supply for users (and potential users) of the Lincoln County system
(b) to agree on priorities for expansion
(c) to provide direction to the staff for acting on the priorities.

Participants: Commissioners Jerry Cochrane, Chairman; Tom Anderson, Larry Craig, David Choate and Beth Saine
Also, Stan Kiser, Manager; Steve Gilbert, Director of Public Utilities
And Chris Henderson, Operations Supervisor and Mike Wolfe, consulting engineer

Agenda

4:00	Welcome, introductions; agree on objectives and agenda <i>(Note: original agenda called for discussion of 3 topics: (a) expansion of supply, (b) extension policy and (c) dry well situations. Due to time, only (a) and (b) were discussed at this session.)</i>
4:20	Expand the Water Supply Source - Review and identify benefits, drawbacks, strengths, weaknesses, and costs of options to expand the supply. <ul style="list-style-type: none">Option #1 - Expand capacity of water treatment plantOption # 2 - Work with city of Lincolnton on supply and distribution systemOption # 3 - Buy water from a municipalityOption # 4 - Create a regional water authority within the countyOption # 5 - Implement agreements with surrounding contiguous counties for interconnection of water systems, and develop plans for design and construction of necessary infrastructure to transfer water between systems
6:00	Prioritize options for expanding water supply source
6:30	Supper and break
7:15	Continue prioritizing options for expanding water supply source
8:15	Review policy for extension of lines and make recommendations
8:30	Summarize agreements and agree on next steps
	Adjourn

A. Options for Expanding the Water Supply – Discussion and Clarification

Option 1. Expand Water Treatment Plant

This will have to be done. Plant is now operating at 80% of permitted capacity and DNER has given a warning.

Withdrawal permit from Lake Norman is 12 mgd

Current treatment capacity is 3 mgd

Expansion to 6 mgd capacity is within design of current facilities and is therefore fairly economical.

Cost would be about \$2.3 million for the additional 3 mgd

Within a year extra capacity will be needed to meet development. Completion within 2 years could dovetail with an economic upturn.

This would be an 18-to-24-month project

Option 2. Work with Lincolnton on a Supply and Distribution System

This would involve selling the central part of the County's system (lines and customer base) to the city.

This represents currently about 500-600,000 mgd

Lincolnton has excess treatment capacity and the staff to handle distribution

Location of city's plant is close to the lines.

County could then focus on providing services in the underserved western area and the eastern growth area.

The sale could help provide revenue for expansion of the county's treatment plant.

But projected revenue from such a sale has not been calculated yet.

Option 3. Buy from Other Cities (Hickory)

- Run a 16" line down Highway 150 over to Highway 16, but this would be a small line, not a lot of capacity
- Run a 30" line through Maiden
- Run a 30" line down Highway 321Bypass to connect directly to the County's line
- Run a line down Cat Square Road, along Highway 10. This would connect to the County system at the intersection of Cat Square Road and Reepsville Road, serving the west end of the County system and the storage tank on Highway 274. This option could possibly yield 1-2 mgd and would cost about \$750-\$800,000 If the County continues to serve Cherryville, the need is great since the County could probably double the pumping rate to Cherryville without having an adverse affect on customers in the west end. Treatment capacity at the County plant would limit how many customers the County could serve while continuing to pump to Cherryville. The connection on Cat Square Road would alleviate the immediacy of the need for extra treatment capacity.

Option 4. Create a Regional Water Authority

Potentially an authority could include member governments, mostly north of I-85, throughout the Catawba River Basin: Catawba, Lincoln, Gaston, Cleveland, Iredell, Burke, Alexander, Caldwell, and even Mecklenburg counties.

Membership might be dictated by source.

In NC an authority is like a unit of local government. It would have a board of directors, representing its members.

This topic will be discussed at a water supply meeting planned at Centralina COG

Option 5. Develop Buy or Sell Interconnect Agreements

Existing: With Lincolnton to sell 1 mgd to the County as needed
With Cherryville to purchase as needed from the County

Potential:	Hickory	Cleveland County
	Charlotte-Mecklenburg	Gastonia
	Mt. Holly	High Shoals

These might be more for emergency situations but the lines would be in the ground to use as necessary.

Option 6(added). Use Water as a Revenue Source

This would entail expanding to the full 12 mgd withdrawal permit from Lake Norman.

It would make the County a primary partner in a regional consortium

This is a very Big Picture idea. The state could limit withdrawal of the full 12 mgd, but that is unknown

A. Action Steps on Expansion of Supply – Proceed with Option 1 and Option 3, as noted

Option 1. Expand Water Treatment Plant

This is going to happen.

Expansion of the filter is in process now, but this will not expand plant capacity.

Due to the economy, now is a good bidding time

County may also have access to Federal grants if there is a good plan in place.

Action: staff is requested to prepare a contract or an amendment to the existing contact with W.K. Dickson authorizing preparation of design and contract documents for the plant expansion. The documents will then be ready for action, depending upon circumstances. Preparation of documents is a 4-6 month effort.

Option 3. Buy from Hickory

Laying the Cat Square Road line for \$750 - \$800,000 is the desired option.

The state has indicated it will “fast track” approval of construction of this line.

In developing this plan:

- Factor in need for water pressure at the Industrial Park. Ultimately, a new water tank is needed. In the meantime, there may be ways to isolate the Bethel Church Road pump station to serve the Park.
- Determine what other modifications are necessary in the western end of the County to increase distribution.

Action: Steve Gilbert is directed to contact Cherryville to seek their involvement in the Cat Square Line project, if they determine this line will be a permanent solution to their problem. Cherryville can be asked to support a grant for this project, also for financial participation.

Option 2. Sell Central Portion of Lines and Customer Base to Lincolnton

Operating assumption: if this is done, it must result in no financial loss to the County.

Much of this area will likely be annexed into Lincolnton fairly soon.

Question: what incentive would Lincolnton have to extend lines to County residents in the service area? Revenue – double (out-of-city) water rates.

Question: This area will be a major revenue source for the County. Will selling it bring equal or greater financial benefit to the County?

Two benefits are that selling these lines would help the County reduce its debt load and the County could then focus more in the western area where there is no one else to provide water.

Questions still remain.

Action: Staff is to complete and present to Commissioners a financial feasibility study on costs and financial benefits of selling these lines to Lincolnton.

Option 4. Create a Regional Water Authority

Action: This is expected to come up at the proposed regional meeting at COG. Lincoln County encourages exploration of this topic.

Option 5. Develop Buy or Sell Interconnect Agreements

Action: Each participant in the COG meeting will be asked to develop a fact sheet on permitted and current capacity of water sources; permitted and current capacity of treatment plants; and other relevant data. This should be organized into a regional database. Participants should then be asked to agree to an engineering study outlining potential interconnect scenarios. Lincoln County will take a leadership role in advocating for this course of action.

Option 6(added). Use Water as a Revenue Source

No action.

C. Discussion and Recommendations On Line Extension Policy

The standards in the current policy are hard to meet. None of the requested neighborhood hook-ups have been able to meet the standards in order to obtain service.

Action: Staff will evaluate the following revised policy options and apply them to a couple of “real life” situations to determine the feasibility of each.

Option A: Extend the pay-back to 10 years
The County will kick-in an added 10% of the cost.
(The tap fee component may or may not have to be modified.)

Option B: Change the 50% generated by tap fees to 25%
County would put in 75% of the cost.

Make the following changes/clarifications in the policy:

- Any difference between the cost and these formulas, as applied, would be made up by the petitioner
- All petitioners are required to tap on
- Provide an incentive for residents to sign on initially, rather than tap on late.

The County could adopt an annual limit for its contributions to neighborhood extensions.

For large-scale extensions, the County needs to engage in a strategic planning process to:

- identify areas that need to be served (staff and consulting engineers have already identified the major gaps and lines that need to be closed)
- prioritize them
- identify funding mechanisms

This should become part of a 10+ year Capital Improvements Plan

D. October 2 Work Session

Commissioners will have a work session on Wednesday, October 2, 4:00 p.m. at the Citizens Center to discuss and make decisions on topics arising out of today's meeting:

- Look at revised extension policy options
- Put major water line gaps on the “big map”, identify costs and prioritize
- Propose and agree on responses to dry well situations
- Consider a rate structure that provides an incentive for water conservation

Work session adjourned at 8:40.