

CITY OF EDEN, N. C.

A special (retreat) meeting of the City Council, City of Eden was held on Saturday, February 27, 2010 at 8:30 a.m., in the Council Chambers, 308 East Stadium Drive. Those present for the meeting were as follows:

Mayor:	John E. Grogan
Mayor Pro Tem:	Wayne Tuggle, Sr.
Council Members:	Gene Hagood
	Donna Turner
	Darryl Carter
	James Burnette
	Jerry Epps
	Jerry Ellis
City Manager:	Brad Corcoran
City Clerk:	Sheralene Thompson
City Attorney:	Erin Gilley
Department, Division Heads and Staff:	

MEETING CONVENED:

Mayor Grogan called the special meeting of the City Council to order and welcomed those in attendance. He then turned the meeting over to the City Manager, Brad Corcoran.

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Review of City Council Priorities for FY2010 - 11 & Budget/Planning Retreat Materials:

*The following information: "Review of City Council Priorities for FY 2010-2011 and Budget Planning/Retreat Materials, Submitted by the Mayor & Members of Council; Priorities for the Remainder of FY 2009-2010 as Well as FY 2010-2011, Submitted by Each Department/Division Head; and Review of Departmental/Division Work Priorities for 2009." Copies of all these priorities are located in the office of the City Clerk or the City Manager's office and can be obtained for reference.*

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Review & Consideration of Economic & Tourism Development Issues

Mr. Corcoran turned the meeting over to the Director of Economic & Business Development, Mr. Mike Dougherty. *Mr. Dougherty's presentation was PowerPoint. Complete copies of all PowerPoint presentations are in the office of the City Clerk.*

General Economic Conditions:

Slowdown in industrial and commercial activity from June of 2008-November of 2009  
Uptick in activity since late 2009

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- Actual/Potential Expansions
  - Distribution
  - Logistics
  - Manufacturing
  - Government contract operation (KDH)
- New prospects
  - Wood related operation
  - Call Center
- Most county industrial activity has been in Eden for the last year
  - Recent expansions in other areas of county

#### Rockingham County Partnership Project Report

<u>Year</u>	<u># of Projects</u>	<u>Investment</u>	<u>Jobs</u>
2004	9	\$41 million	861
2005	5	\$80 million	283
2006	4	\$40 million	280
2007	7	\$74 million	463
2008	2	\$711 million	40
2009	2	\$13 million	72
2010 (thus far)	2	\$8 million	60
2010 (pending)	4	\$12 million	130

He then presented the Mega-site Project Map, the site's location to airports, the Virginia Port Authority, the employment and economic radius, existing site information, graded pads and existing water.

#### Water Source Options

Water Source	Capital Cost	Cost/MGD	Capacity
From Danville	\$22,400,000	\$3,733,000	6 MGD
From Eden	\$22,300,000	\$3,717,000	6 MGD
From Danville Non-potable	\$34,430,000	\$4,303,000	2 MGD Potable from Danville 6 MGD Non-potable
Combined	\$25,280,000	\$3,160,000	8 MGD

#### BENEFITS

- Lower operational cost
- System redundancy
- Larger ultimate capacity
- Increased funding / grant opportunities
- Lowest capital cost per 1 MGD

He then presented existing sewer locations.

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Sewer Service Options

Sewer Options	Capital Cost	Cost/MGD	Capacity
Danville	\$15,081,000	\$5,027,000	3 MGD
Eden	\$9,612,000	\$3,204,000	3 MGD

BENEFITS

- Larger ultimate capacity
- Increased funding / grant opportunities
- Lowest capital cost per 1 MGD

He then presented maps of natural gas locations, power, offsite road improvements, and offsite and onsite rail.

Total Project Cost

Site Certification/Due Diligence	\$2,000,000
Property Cost	\$13,100,000
Water Cost	\$25,280,000
Sewer Cost	\$9,612,000
Power Cost	\$33,000,000
Gas Cost	\$5,400,000
Road Cost	\$49,600,000
Rail Cost	\$26,000,000
Total Cost	\$163,992,000

Phase I, II, III and IV Water

Phase	Description	Additived Capacity (MGD)	Off-Site Cost	On-Site Cost	Project Cost	Cost/MGD
I	16" WL along Berry Hill Rd from Hwy. 58	1.0	\$1,510,000	\$1,910,000	\$3,420,000	\$3,420,000
II	20" WL from Eden, 0.75 MGD Tank and 2.0 MG Tank	4.0	\$6,450,000	\$6,066,000	\$12,516,000	\$3,129,000
III	Reinforce Eden system with new 16" and 2 MGD booster station and 0.75 MG	1.0	\$1,113,000	\$2,801,000	\$3,914,000	\$3,914,000

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IV	tank Reinforce Danville system back to Robertson St. Bridge and Booster Station	2.0	\$5,430,000		\$5,430,000	\$2,715,000
Total		8.0	\$14,503,000	\$10,777,000	\$25,280,000	\$3,160,000

Phase I and II Sewer

Phase	Description	Additived Capacity (MGD)	Project Cost	Cost/MGD
I	1.0 MGD Sewer Pump Station and 16" FM to Eden 16"	1.0	\$3,909,000	\$3,909,000
II	2.0 MGD Sewer Pump Station and 14" FM to Common 16" FM	2.0	\$5,703,000	\$2,851,500
Total		3.0	\$9,612,000	\$3,204,000

On Site Rail

Phase	Description	Length	Project Cost
I	New Rail Access ( ±6,300 lf) and Rail Spur ±3,600 lf)	±9,900 lf	\$4,200,000
II	New Rail Access (±4,000 lf) and Rail Spur (±2,300 lf)	±6,300 lf	\$2,800,000
III	New Rail Access (±7,500 lf)	±7,500 lf	\$4,000,000
Total		±23,700 lf	\$11,000,000

Mega Park

Power company is a key to generating water usage

- Company is considering locating at the park to supply electricity
- Proposed utility rates will be presented to Dewberry & Davis

Dewberry & Davis Engineering Consultants

- Contracted with City of Eden to:

Determine costs of running water and sewer utilities to the Virginia Line

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- Facilitating the coordination of the utility park development with the Virginia and North Carolina partners
- Facilitating meetings with federal elected officials to seek grant funding in coordination with City of Eden Economic Development office

#### Securing grant funding

- Met with Billy Ray Hall of The Rural Center-January of 2010
- Met with elected officials on February 15, 2010
  - Congressmen Tom Perriello (VA) and Brad Miller (NC)
  - Kay Hagan's Grant Facilitator Chris Sgro
  - Richard Burr's Grant Facilitator Ryan Combs
- Earmark applications being submitted for Congressman Miller and Senators Hagan and Burr
- Meeting with USDA is being scheduled
- Pursuing meeting with Governor Perdue to seek influence over Golden Leaf Foundation
- Federal Economic Development Administration grant is being written by Skip Green, expert in EDA grants

Mr. Dougherty then moved on to the Correctional Facility (Project 2015).

#### Project 2015-Correctional Facility

##### NC Sentencing Commission Population Report-2010

- Population will increase by 8,053 from June 2010 to June 2019
- State prison system will have to add 8,533 beds in 10 years
- System will have 42,776 inmates by June of 2010 but capacity limited to 39,332
  - System poised to house excessive 3,444 inmates in existing facilities
  - Past experience has shown this not to be a very effective solution
- Department of Corrections will complete a "10 Year Capacity Plan" to explain how they can accommodate the additional 8,533 beds within the next 10 years and present it to the legislature

On-going discussions have taken place with local representatives

Committee assignments are being made now

Short session convenes in May of 2010

Lobbyist has been employed for the balance of this year.

Continuous contacts will be made with key legislative representatives when short session begins and prior to that time with lobbyist.

Either state will build facilities or contract out to a "build to suit" company and lease

- Contacts are being maintained within NCDOC to determine the most likely course of action

He moved on to the campaign for large water users in Eden.

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## Water User Campaign

### 310 Marketing Campaign

- Proved to be ineffective-consumed over ½ of 2009

### Austin Consulting-Frank Spano

- Specialize in food processing
- Completing a market analysis of Eden and Rockingham County in February-March of 2010
- Will supply us with action plan on how to attract a water user

### NC Department of Commerce

- Met with Melissa Smith in November of 2009 to encourage her to include food processors in target industry group

### NC Department of Commerce

- Presentation to Raleigh office is being scheduled
- Inform them of county and city water resources

### Piedmont Triad Partnership

- President and staff have been lobbied to seek water users

### Mega Park

- Excellent opportunity to compensate for lost revenue
- Most tangible, potentially immediate impact

## Existing Industry

### MillerCoors

- \$150 million in plant investment
- Two products made exclusively at Eden facility
- 150 retirees in next year-creating job opportunities

### Loparex Expansion-53 jobs

- One of the state's best projects for the year

### Karastan Rug Mill

- Continuous contact with plant manager
- Incentive plan implemented to bring jobs to Eden
- Restructuring eliminated 141 jobs, but plant remained open

### Gildan

- Monitoring opportunities
- Attempting to assist them with workforce development

### Duke Energy

- Working with Shaw Power Group to find housing for 500-600 workers expected to be in Eden for plant construction
- Convening meeting with area realtors and property owners to facilitate housing so revenue remains in Eden

### Mabe Trucking

- 148 employees in January of 2009
- 190 employees in January of 2010
- 42 new jobs in last 12 months

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- Transport and backhaul product from across the Triad
- Millis Trucking
  - 25-30 new trucking jobs
- Fleetmaster Trucking
  - Positive plans for future
  - Strong alliance with MillerCoors

#### Product

- Former Hanesbrands Facility
  - Will be subdivided into smaller facilities
  - Dept. of Commerce reports 80% of prospects want existing buildings
  - L & M Associates have track record of filling buildings
    - Work with regional developers on such projects
- Former Karastan Service Center
  - Working with Mohawk on sale/lease of property
  - At least one prospect thus far
- Ready to Go Site
  - Increased interest of late

#### Existing Industry

- Participated in Partnership for Economic Development
  - Roundtable meetings
  - Existing industry appointments
  - Industry Appreciation Day
  - Special sub-committee meetings
    - Have been dormant since summer of 2009, but will resume shortly

#### Call Centers

- MOHR Partners Eden Evaluation
  - Community is favorable to call centers
  - Study circulated to site selection consultants
  - Eden is currently in play for a call center
  - Continuing relationship with MOHR Partners is being cultivated
    - Significant consulting group in call center industry

#### Commercial Recruitment

- Since the fall of 2008:
  - Closings of retail establishments at unprecedented levels
  - Many pipeline projects stopped
  - Banking regulations and tight credit have hampered projects
- Eden projects
  - Sheetz—Opened in summer of 2009 after 4 year process

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- Grocery store will open in central area by spring  
Two year project
- Dollar Store  
Cook Block site approved  
Financing continues to be a roadblock to project completion
- New commercial project negotiations have begun

Target Business Categories	Retail Gap
○ Grocer (west end)*	\$15,195,094
○ Clothing	\$ 2,550,937
○ Shoe	\$ 412,619
○ Building materials	\$ 4,142,123
○ Furniture	\$ 2,262,812
○ Book	\$ 325,072

\*Winston-Salem grocer currently reviewing west end Eden market

#### Main Street Downtown Revitalization

##### Eden Main Street Program Update-2003-2009

- 34 façade improvements
- 47 building renovations
- 99 net new jobs
- 37 net new businesses
- 10 business expansions
- \$4,474,826 in public and private investment
- 4 Main Street State Awards
  - Draper Memory Day
  - Veteran's Day Parade
  - RiverFest (2006 and 2009)

#### Main Street Downtown Revitalization

##### Recent Façade Improvements

- 5 new projects since January of 2010
  - 2 Draper Village
  - 3 Olde Leaksville

##### Building renovation

- Former Bank of America facility on Washington Street
- ##### Rural Center Building Re-use Program
- Researching applicability to downtown buildings
    - Central Hotel
    - Former Bank building in Draper Village

#### Main Street

##### Twin Rivers Downtown Development Corporation



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- 11 Board members attended Annual Main Street Conference  
RiverFest received state award
- Board retreat on February 8<sup>th</sup>-facilitated by NC Main Street Director Liz Parham  
Goals for program and sub-committees were determined  
Subcommittees established:  
Economic Restructuring                      Promotions  
Organization                                  Design
- Promotions Committee  
Olde Leaksville—Annual special events selected in January

### Small Business Development

Business Mentoring—Critical to success of new businesses

- RCC Small Business Center  
Discussions with new Dean Richard Jarrett about importance of this program, especially *How to Succeed in Small Business Class*
- Rockingham Business and Technology Center and SCORE Chapter  
Work with small businesses on multitude of areas...business loans, inventory control, Quickbooks, etc.
- The Shallert Group  
Community Reinvention Program  
Creating a Destination Downtown One Business at a Time
- Building identification and acquisition assistance-Provided by City

Business Support

- Marketing-Provided by City and partners  
Weekly Business column with Eden Chamber of Commerce  
Bi-monthly column in Eden's Own Journal  
Destination Downtown Internet Newsletter  
Explore Eden Facebook Page...1,400 fans  
LinkedIn  
Email collection and alerts  
Publicity for new businesses in local and regional newspapers
  - Sheetz opening in Eden News
  - Home Savings Bank feature in *The Business Journal*

### Community Alliances

Eden Chamber of Commerce

- Member of Chamber Board of Directors
- Chamber President Jean Ann Wood is on Twin Rivers Downtown Development Board of Directors

Rockingham County Partnership for Economic Development

- Work cooperatively on existing industry calls/ expansion projects/new prospects
- NC Department of Commerce

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#### Piedmont Triad Partnership

- Lobbying efforts for water users and to keep Eden ‘Top of Mind’
- Henry/Pittsylvania County/City of Martinsville/City of Danville
- Relationship has been established for mega park and creating a regional identity

Mr. Dougherty showed a map of the proposed Farmers Market Facility (former Grogan’s property).

#### Greenway Farmers Market

Entire complex cost: \$300,000 +(pre-flood)

- Considered for Senior Center, other location of non-profits
- Difficult to obtain grant funding to cover acquisition costs
- Requires construction of two, handicapped access restrooms
- Flooding is a serious issue

Former Grogan’s Garden Center

- 3.1 acres
- Existing building, restroom and outside structure
- \$100,000 + asking price

Grant Sources

- Golden Leaf-Does not fund farmers markets
- Tobacco Trust Fund-Not enough connection to lost tobacco farmers
- NC Trails Grant Program-Submitted application on January 29<sup>th</sup>
- Clean Water Trust Fund-Researching (20% match)
- PARTF-Researching (50% match)
- USDA-Cannot fund due to flood plain issues
- Farmer’s Market Promotion Program-Researching (Federal Grant)
- Grant writing assistance provided by federal agencies—USDA and Piedmont Conservation Council

Other Investors

- Reidsville Area Foundation
  - Seeking \$10,000 grant
  - Letter of interest submitted
- Financial Institution
  - Seeking \$20,000
  - Recent heavy rainfall
- Parking area flooded
- Building and facility did not

#### Greenway Farmers Market-Questions

Does City Council wish to pursue this venue via grant funding?

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Will City Council allocate funds for a potential match if 100% of the funds cannot be acquired by grant funding?

## 2010-2011 Action Plan

Existing Industry—Creates 80% of new jobs

- MillerCoors

Work with H. R. to determine if RCC can provide training so jobs can be filled with Rockingham Count residents

- Trucking Firms

Determine what training is needed at RCC to supply mechanics and driver needs

- KDH Defense Systems

Continue lobbying efforts at federal level to ensure this company is viewed favorably for military contracts

- Karastan Rug Mill

Continue monitoring restructuring plan for job potential

Existing Industry—cont'd

- Duke Energy

Identify available housing to assist workers of Shaw Power Group

- Industry Roundtables

Identify workforce education needs that will benefit local companies (Gildan) to promote advancement opportunities

- Industry Calls

Each area company is visited at least once annually to determine how we can fulfill its needs

Industrial Recruitment

- Water User Campaign

Complete Austin Consulting recommendations

Continue relationship with Austin Consulting to promote Eden

Pressure NC Department of Commerce and Piedmont Triad Partnership to pursue water users

Obtain grant funds for mega park to supply water and sewer services

- Data Centers-Eden has been a finalist for 3 recent projects

Work with utility companies to determine where Eden is lacking and correct

Lobby state on tax incentives required to close the deal

Fill former Hanesbrands facility

- Promote facility with NC Department of Commerce

- Market on City of Eden and Partnership web sites

- Work with L & M Associates on identifying users

- Mega Park

- Work with granting agencies to obtain necessary funds

- Project 2015

- Continue lobbying efforts for facility

Commercial Recruitment

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- Attend ICSC Idea Exchange in Charlotte in March to identify potential businesses to come to Eden
- Focus on filling retail gaps
- See dollar store project to completion on Cook Block
- Main Street
- Focus on Rural Center Building Re-use Program to fill buildings
- Recruit specific business needs via internet (Craig's List) and sales data
- Manage TRDDC Board sub-committees to promote growth opportunities

#### Small Business

- Continue Business Mentoring and Marketing efforts to encourage entrepreneurs
- Seek lending options which are critical to the establishment of small business
- Continue Rockingham County Business Coalition to promote small business growth in Eden and Rockingham County

#### 2010-2011 Budget Needs

\$15,000 for consultant fees/ED meetings

- Austin Consulting-water campaign
- Correctional Facility Lobbying efforts
- MOHR Partners
- NC Department of Commerce
- Piedmont Triad Partnership

\$30,000-\$40,000 for Farmers Market grant match

- Only if grants/donations do not cover match requirements

#### Why Eden Economic and Tourism Development?

Eden is a North Carolina Main Street Community

- 61 NC Main Street Communities
- 28 NC Small Town Main Street Communities
  - 89 NC Communities see benefit in downtown revitalization
- Since 1980 NC Main Street has produced:
  - \$1.1 Billion in new investment
  - 13,000 jobs
  - 3,000 building renovations
  - 3,1000 new businesses

*“ Main Street has changed the definition of ‘economic development.’ Today, it is widely understood that the reason we do downtown revitalization is the same reason we do industrial parks—jobs, new businesses, expanded businesses, loan demand, increased tax revenues and additional local income.”--Donald Rymkema, Principal, Place Economics*

#### Commercial Recruitment

- 18 new businesses producing over 800 jobs
- Relationships with shopping centers resulting in:
  - Kingsway 4 Cinema re-opening
  - Peeble's Department Store relocation and center renovation

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Piedmont Pottery Festival and Chamber of Commerce Business Expo locations

- Special events produce an economic boon for the city

Cook Out Restaurant

Former Wal-Mart no longer a vacant building and community eye sore

Initiatives spearheaded by Eden

- Water user campaign
- Eden's participation in the Mega park
- Project 2015 correctional facility campaign
- Call Center study and recruitment
- Many existing industry calls
- MillerCoors Golden Leaf Foundation Training Grant
- Millis Trucking expansion
- Pursuit of data centers
- Securing of New Street potential industrial site

- Other initiatives....

Creation of Regional EDA Economic Development District for federal funding

River Development Committee leading to two river access points by Parks and Recreation Department, promoting river tourism

Local Motel Occupancy Tax, leading to Eden Tourism Development

Rockingham County Business Coalition

Eden Minority Business Association

Home Savings Bank 100 Year Recognition Campaign

Economic Development Strategy:

- Think regionally, but lead the regional initiatives

Mr. Dougherty then opened the floor for questions.

Council Member Tuggle stated that he thought that preliminary estimates to fund the mega park were \$7.9 million and if they moved forward with this and spent that kind of money, with the debt service they already had, he wanted to make sure that they get some kind of return. He added that he knew that decisions that they (Council) make may impact people twenty years down the road and the last thing he wanted to do was spend this much money on something and not get a return on their investment. He also added that he was not sure short term they can always tell because if they build a mega park they may not build a power company today, they might do it ten years from now and it might be a return to the city's water and sewer revenue ten to fifteen years down the road. He asked how they would approach something like that and he thought everything was a crapshoot a lot of times when you talk about investments.

Mr. Dougherty replied that he had discussed that with the City Manager and they would put in some safeguards, kind of like they put in place with HanesBrand.

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Mr. Corcoran added that Danville and Pittsylvania County said that if the electric company were to say they were ready to relocate from Indiana to Pittsylvania County, then they have already done the lead work so that in a period of 18 months Eden could do what it had to do and Danville and Pittsylvania County could do what it had to do.

He stated that he and Mr. Asbury just received some information from Dewberry concerning some recommendations they have in terms of bulk rates for the power company. He pointed out that if they were going to come, they would probably want to peruse some type of take or pay agreement just like they did with HanesBrand. Again a lot of that depends on how much local tax money they have to use in the end versus grants. If they were fortunate enough to get a federal earmark and they come forward with the money and in the end they need a taxpayer investment of \$1 million or \$2 million that was a whole lot different than if they did not get any money and the Council decided to pull the trigger and borrow \$8 million. He added that he would certainly not recommend spending any money without some type of assurances.

Mr. Corcoran noted that there was 3,500 acres there and with the commitment that Danville, Pittsylvania County and the State of Virginia has made there was no doubt that development was going to occur out there. So if they (Eden) were the provider of the water and sewer utilities as the other companies come in they would benefit as well. He also pointed out that there was a four mile section of property in North Carolina that would open up for potential development.

Council Member Tuggle commented that was why he asked. The power company was the key and if that did not work out, they still have a possible dilemma, but the future development might be good twenty years down the road.

Mr. Corcoran agreed and the power company right now was the key and that was what has driven Pittsylvania County and Danville in terms of the projected estimates in terms of water.

Council Member Burnette asked if the power company was an IPP. He asked Mr. Corcoran to help him understand what they were projecting as a timeline.

Mr. Corcoran replied that was actually asked by one of the congressmen at the meeting and the answer they gave them was that there was really no set time frame and a lot of it would be driven on demand. They wanted to have all the plans in place and all the agreements from the railroad company if they would extend the lines and things of that nature. So that if they talked about this huge auto type industry coming in and if that came to fruition they wanted to be in the position that they could get everything that needed to be out there to fit the timeline for that industry but the way they made it sound at the meeting was that basically they have already spent \$15 million, they own the land out right and they have already spent \$2 million in due diligence work. Obviously they were committed to it but he did not honestly think they had a specific time frame and they were going to keep chipping away at it. He added that they get a large percentage of tobacco money in Danville and Pittsylvania County from the Golden Leaf Foundation that unfortunately Eden and Rockingham County does not get. He thought that it really just depended upon if someone says "yes we are coming". He thought that if American Electric Power made the decision that they were coming that they would see a ramping up very

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quickly of what was needed to at least get some utilities and what was needed for that site that they were looking at.

Council Member Tuggle stated that they must be considering it at this point and Mr. Corcoran replied they were seriously considering it.

Mr. Dougherty added also that as opposed to upgrading an Ohio plant they were looking at putting a new one in and one of the things they have said was that they were getting inquiries on this and they were actually running out of space in the Danville industrial area they have now.

Council Member Tuggle stated that he knew an article was in the paper on 2/26 that said that first phases under bid should wrap up by summer and it said the second phase was at a design stage and could involve 20" waterlines for Eden's site at the cost of \$20.5 million and he knew they could not believe everything they read in the paper, but this second phase it looks like at least the design stage was there.

Council Member Hagood stated that in the design, it appears that pushing water was a nice clean operation and they would really be in control of that. The other phase of that, the sewer line coming down, he asked if he anticipated they would be able to control or regulate the industries that may come in there. He stated that they did not want to really be a dumping ground and whatever comes down the pipeline was really hard to treat and they were not in control of that unless they really protect themselves.

Mr. Corcoran explained that they have some very specific and strict standards.

Mr. Asbury added that he thought that, just like talking about trying to recover costs by entering into a contract that contains a take or pay agreement, the contract would also have to contain an agreement that they would abide by the rules to the plant that they were discharging to which would be the City of Eden issuing them a permit to discharge and the requirements for monitoring and they would subject themselves to those rules.

Mayor Grogan also pointed out, as well as additional costs.

Council Member Burnette stated that they all have to meet pretty much the same standard but they have different regulations basically for each of those industries to meet that standard for sewage.

Mr. Asbury agreed and some industries were more detrimental to the biological process than others as Council Member Hagood has said. He added that one thing, initially on this, was the wastewater coming back from the power plant would be very much benign, just basically cooling water and it would be a hydraulic loading not an organic loading on the plant, no metals or that kind of thing. Still, whatever happens to that other 3,000 acres...

Ms. Melinda Ward also pointed out that the Sewer Use Ordinance was in place and that spells out everything, and that was what the pretreatment rules were based on.

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Council Member Hagood questioned that there was no problem with those crossing the State lines to which Ms. Ward replied no, it was just the cooperation with Pittsylvania County.

Mr. Corcoran asked if there were any more questions about the mega park or were there any other thoughts or ideas concerning economic development in the upcoming budget. He asked what their thoughts were on the farmers market and would they like to see that in the budget.

Council Member Ellis replied that he would like to see it included in the budget as well as Council Members Epps and Turner. Council Member Ellis stated that he had said he had \$20,000 in the city alone that he could possibly put his hands on.

Mr. Dougherty replied that he thought they had a good shot with the Reidsville area foundation for \$10,000 and he thought they had a very good shot with the financial institution for \$20,000. They also have a grant of \$74,000 so there was going to be a gap there. They were looking at some other potential grant applications that they can submit so it may be less of a burden on the city.

He stated that they just needed to determine if the Council wanted to go forward on this and then they have someone waiting to help with the grant immediately so they would try to use as little city money as they could. He added that it would take some expense to create the extension over to the Greenway and they just have to operate, depending upon what kind of grant they would get to update, there was one bathroom in that building, they may have to upgrade it or do an outside entrance so there would be some cost.

Council Member Ellis pointed out that they could use it for other things during the winter time and Mr. Dougherty agreed it was just a nice place, it was shaded and would be really good in the spring and fall and a good source of revenue to charge just as they did for the other Eden facilities.

Council Member Tuggle asked if the price could be negotiated.

Mr. Dougherty replied that it was \$120,000 and he (owner) said that a church wants this property too but he was holding it for the city. He added that the owner really thinks very highly of this property.

Council Member Hagood stated that he knew that it was early, but he did not see any reference to ongoing operating costs and Council Member Ellis asked about the empty gas station next door.

Mr. Dougherty replied that for the gas station, he could look into that. He had thought about that if they owned it, there was a road next to that but it was like \$120,000 to build a road into it and it gets real dicey and by doing it this way you go through an existing parking facility. To answer Council Member Hagood's question he referred to Mr. Johnny Farmer.



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Mr. Farmer replied that as far as staff time it would probably be very minimal, kind of like what they do with the Greenway, check every day to make sure it was clean, whatever the electrical would be and that would probably be less than \$100 a month.

Council Member Epps commented that the rental rates may offset that to which Mr. Farmer agreed that they could do that.

Council Member Turner questioned if the building was air conditioned.

Mr. Dougherty replied that it was and they could have educational programs there and there were also a lot of things they could do as it was a nice piece of property.

Mayor Grogan asked if it was the consensus of the group that they put it in the budget as they could always take it out to which it was decided that they put it in the budget.

Mayor Grogan asked if there were any other questions.

Council Member Turner asked if they were looking at anything with marketing that particular group of people who are retirees, to come to an area like this. She stated that she kept reading that people were leaving the north and looking for places like this.

Ms. Stultz commented that a company bought the R.B. Davis property and a facility will be built that will have residency levels, Alzheimer's units, etc., and they would be trying to get State approval.

Council Member Turner stated that she was thinking that as they come up with ideas and brainstorming that they include that segment of the population.

Mr. Corcoran pointed out that the biggest thing to be cognizant of and the biggest potential impact to the budget in terms of economic development during the next couple of years was the mega park. He added that it was really an unknown quantity now because it depends upon funding they can secure. He stated that he could tell them however that they keep running up against a lot of roadblocks in North Carolina even when they met with their congressman and representatives from the senator's office and it was because the tunnel vision that it was "well it was in Virginia". He noted that they could go to Miller today and they would find just as many cars with Virginia (license plates) as if they would go to Goodyear they would find as many cars from North Carolina and that being a border county to a State presents new characteristics. It was still a very hard sell. One of the angles they tried to take was for them to look at the potential development of the four miles where Eden's line ends and the State line and that if the Rural Center would participate in that then there would sure be development which would be some type of investment and maybe job creation but it was very difficult. When they met with the congressman (from Virginia) they found out that the delegation from Virginia had already put in and earmarked over \$3 million in the Federal budget. When they initially met with the North Carolina people first, they did not even suggest that. It was like pulling teeth without Novocain. It was not until Mr. Dougherty got a copy of a document in Washington that showed

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the Virginia request and they submitted it to the North Carolina delegation that they finally said “oh yes I guess we can try to do this too”.

Council Member Turner asked if there were any kind of coalition along the borders, all those North Carolina counties bordering Virginia.

Mr. Corcoran replied that first of all, he would just remember there was so much potential in this mega park, even if the power company did not come there was so much potential because the economic development climate in Virginia was so much more lucrative than it was in North Carolina. He stated that they just lost a major household name that will soon be announced in Roanoke and as soon as it was announced all of them would know that that company was here in this room and Eden was one of its 3 top choices. Another choice of the three was another North Carolina community so they had 3 top sites, 2 in North Carolina and again they lost to Virginia because the incentive package that Virginia offers was much more significant. Until that gets changed in Raleigh they were going to continue to lose future industries to Virginia so if they can partner with a park in Virginia that needs Eden’s water and sewer then that was great because that allows them to avoid rate increases on the customers here.

Mr. Dougherty added that he had been talking about this for a while, to get a coalition of all the border counties and go to the Golden Leaf, for example Pittsylvania County was more than 20 counties that their tobacco commission identified as really needing help. Their Governor realized that Southside Virginia really needed some assistance so they have been pouring money into their projects. He stated that here they sit, and he could tell them that by trying to get money for Miller for training, this was excruciating. He thought there had to be a coalition and they also have to have a coalition with the Virginia counties for their workforce and there was power in numbers. They just need to be able to talk with Golden Leaf and say “you have got to help us”. There has to be a discussion and Nelson Cole says that he would to try to set up a meeting.

Mr. Dougherty then turned the presentation over to Ms. Cindy Adams, Coordinator of Tourism Development.

\*\*\*\*\*

Ms. Adams presented the following:

Eden Tourism Development & Special Events:

#### EDEN INTIATIVES

- Strategic Planning Session
- New logo
- Two stock ads
- [www.ExploreEdenNC.com](http://www.ExploreEdenNC.com)
- Destination Downtown
- Facebook page – over 1,400 fans!
- Promotional materials – Kayaker, stadium cups, mailing materials, gift bags

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- Travel South participation
- F A M Tours
- Hospitality Training sessions
- Eden Photo Collection – includes Eden Historical Museum collection, events, people, historical properties, wildlife, etc.
- Historical Marker Project
- New event flyers
- RiverFest marketing package
- Enhanced Candlelight Downtown
- Enhanced Veteran's Day Parade & Ceremony
- Ladies Night Out
- Bringing the Beach Downtown
- Quilt Festival
- Treat Street
- Member of the North Carolina Association of Festivals & Events
- Video camera project
- Argus Camera Convention
- Quarterly meetings with hotel / motel owners and operators
- Advertising – Explore Rockingham County
- Advertising – Discover the Piedmont
- Co-Op advertising – Our State Magazine
- Co-Op advertising – North Carolina Heritage Guide
- Eden Farmer's Market
- New Charlie Poole Festival marketing materials
- Clean Up Projects – partnered with Piedmont Natural Gas

#### NATIONAL TRENDS

- National indicators show that leisure travel is on the rise again after a 15-month decline.
- While leisure travel is the bright spot among the U.S. travel industry, business travel is still predicted to plummet due to the sluggish economy and current negative public perception of business meetings and corporate events.

#### NORTH CAROLINA TRENDS

- Tourism continues to be a vital industry in North Carolina and it ranks among the state's top 10 largest industries.
- Leisure travel continues to be the top reason people visit North Carolina.
- The majority of visitors in North Carolina are residents. Next, visitors mainly come from Virginia, followed by South Carolina, Georgia and then Florida.

#### ROCKINGHAM COUNTY TRENDS

- Rockingham County has consistently ranked in the middle out of North Carolina's 100

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counties for travel impact over the last five years.

- Business travel contributes to stays in local hotels / motels.
- Local events that result in hotel bookings are Morehead High School wrestling tournaments, Eden YMCA tennis & swimming events, baseball and softball tournaments at Freedom Park, Charlie Poole Music Festival, RiverFest, Piedmont Pottery Festival and the Argus Camera Convention.

## OCCUPANCY TAXES

For the first 6 months of the 2009-10 fiscal year, Eden's occupancy tax revenues are **up \$3,226** or **11.6% compared to the prior year.**

*Rockingham County reports a decrease of 3.7% compared to the prior year.*

## WHERE DO OUR REPEAT GUESTS COME FROM?

- Local companies (*Miller, Weil-McLain, Duke Energy, Morehead Hospital*)
- Martinsville racing
- Churches
- Family reunions
- Canadian golfers
- Sporting events
- Special events

## MOST REQUESTED INFORMATION

- Restaurants
- Attractions
- Shopping venues
- Recreational activities
- Businesses / companies
- Other: Directions to the rivers, boat rentals, etc.

## EDEN'S TOURISM MARKETS

- Triad region
- Triangle region
- South Central Virginia
- Charlotte Metro area
- Northeast "Snow Birds"
- Canada

## AUDIENCES

- Baby boomers (35 – 54 years old)
- Outdoor / paddling enthusiasts

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- Group tour operators
- Retirees
- Local and regional residents

#### ADVERTISING

- Local publications
- North Carolina Heritage Guide
- Our State Magazine
- AAA Magazine
- Outside Magazine

#### PUBLIC RELATIONS

- Media river tours
- Press releases
- Speaking engagements

#### INFORMATION OUTLETS

- Web
- Facebook
- YouTube
- E-mail newsletter
- Visitors centers

#### TOUR PACKAGES (FAM TOURS)

The first of three will be conducted on May 13 & 14. Ten to 12 tour bus operators from all over the Southeast will spend a 2-day adventure in Rockingham County.

May 14 will be dedicated to Eden. The Eden tour will include:

- Soft Adventure Trip down the Smith River
- Lunch by the historic Barnett Canal
- Tour of Karastan and Downtown Leaksville including the Eden Historical Museum
- Modified tour of Miller Brewing Co. with a visit to the "Pub"
- Dinner at Whistle-Jacket Grille
- Tickets to Eden Drive-In

#### ENHANCING THOSE IN HOSPITALITY INDUSTRY

Hospitality Training:

- This 3-part series is held in conjunction with the N.C. Cooperative Extension and the Rockingham County Tourism Development Authority.

Quarterly meetings with the Hotel / Motel Operators:

- Keeps communication lines open

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- Great sounding board for common problems / successes
- Provides for training opportunities

#### SPECIAL EVENTS which have an Economic Impact

RiverFest	\$1,296,000
Piedmont Pottery Festival	\$250,000
Charlie Poole Music Festival	\$131,000
Ladies Night Out	\$ 45,000
Bringing the Beach Downtown	\$ 45,000
Candlelight Downtown	\$ 27,000
Argus Camera Convention	\$ 15,000
Dixie Youth Baseball Tournament	\$725,000

#### SPECIAL TOURISM VENUES & PROJECTS

Eden Historical Museum

Tuttle's Farm & Corn Maze

- This is becoming a field trip destination
- Tuttle's will be adding Summer Day Camps on the farm this year
- Far exceeded their expectations in the first year

Eden Farmer's Market

Historical Marker Project

This project is in conjunction with the Eden Historic Preservation Commission. It was developed as a way to promote historic tourism in the area. The purpose of the program is to recognize and identify historic or architecturally significant buildings in the community in order to make the public aware of the importance of the structures to the history of the city.

*The first phase included the following properties:*

- Superintendent's House – 141 Main St.
- Imperial Trust and Savings Bank – 414 Church St.
- Spray Mercantile Building – 413 Church St.
- Roberts Café – 656 Washington St.
- Carter-Moir Hardware – 624 Washington St.
- Harrington House – 650 Washington St.

Freedom Park

Other Sporting Events & Tournaments

Smith & Dan Rivers

THREE RIVERS OUTFITTERS put over 800 paying customers on the river in the year 2009.

- 78% of that number was enthusiasts from outside of Rockingham County and that number was made up of the following:
  - 34% from Virginia
  - 14% from Greensboro Area
  - 18% from other parts of North Carolina – More than 40 miles away
  - 12% from more than 250 miles away

Specialty Shopping

- Kings Chandelier

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- Karastan Rugs  
Eden Drive-In  
Chinqua Penn Plantation

## NEW INITIATIVES

### All-America City Award

- Work will begin immediately to prepare for the 2011 application
- The All-America City Awards is the original and oldest local community recognition program for cities, counties, neighborhoods and regions
- Finalists and winners receive national attention, a boost for the recruitment of industry, jobs and investment
- Promotes hope and energizes people with a can-do spirit
- Winners have also seen an increase in tourism, grants and bond ratings

### Lego Build-Off

Slated for October 2, 2010

- “Eden’s Children Creating a Cleaner Environment”
- Proceeds will fund new decorative trash receptacles throughout the city

Council Member Ellis questioned the age limit to which Ms. Adams replied it was capped off at age 18. He asked where they planned to put it.

Ms. Adams replied it would probably be held at the Osborne (Osborne Baptist) gym.

Council Member Ellis suggested Morehead High School’s gym to which Ms. Adams replied that it could be held anywhere as it was set in stone.

Council Member Turner also pointed out that there was a rental structure in place.

Council Member Epps commented that he was recently in Wilmington and in the waterfront area they have restored the old buildings into shops. He asked why they could not do that at the Spray circle area.

Council Member Turner agreed as she was recently at the City Market at Roanoke. You could navigate it very well and all of their promotional material was on the internet and she had a list of 15 things she wanted to see in a matter of minutes. She pointed out that this was in 27 degrees and people were walking the street and stepping over snow piles. She asked if there was any thought to increase the Pottery Festival to 2 days.

Ms. Adams replied that years ago they tried it and they found that people really did not buy on Friday they just came and looked and came back on Saturday to buy. Also a lot of the potters like it as a one day event. Mr. Dougherty added that people plan their vacation around this too.

### Video Camera Project

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Created to highlight local businesses, events and much more

- Will be posted on our website, Facebook and YouTube

#### Eden Cruise

Classic car cruise in the Olde Leaksville Shopping District

- From May to October, held the second Saturday each month
- Organized by the Three Rivers Car Club
- Merchants extending hours on “cruise days”

#### Quality of Life Publication

*This new publication will feature:*

- Exciting overview of our community
- Highlight attractions
- List our events and festivals
- Show our location and contact information
- Highlight our river recreation, Freedom Park and historic downtowns

#### Promotional Materials

T-shirts displaying our new logo

Council Member Ellis questioned how much she really looked at the finances when doing promotions. He explained that a lot of times they just go to Steve Rippey.

Ms. Adams replied that the thing that she looked at with that, and she had labored over it, but she figured that coming from the city, she had to get with someone at least in their area. She added that there were not many people who do that kind of work anymore and of course she could find it online cheaper but she refused to do that as she felt like she needed to help Eden’s folks.

Council Member Ellis stated that if they were going to do that then they needed to do it for everybody to which Council Member Hagood added, within reason.

Council Member Epps noted that a few years back they had complaints about buying from Lowe’s and not using Builders Mart.

Council Member Ellis explained that he saw it as, could they not buy it themselves without having to go through a middleman.

Ms. Adams replied that it required going online and she might be dealing with somebody in Los Angeles or Minnesota and she just thought it went against ethics.

Mr. Corcoran added that basically the policy that everybody followed was that they try to shop Eden first. If they were buying something and a vendor in Eden offered that service then they would ask them for a price. If that price was a little bit higher than what you could buy somewhere else, they typically would still buy in Eden to give them that business. But, if it was a no brainer and the cost was so much higher they do go outside of Eden because of the fiduciary responsibility they have to their taxpayers. Now having said that their second line was



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Rockingham County so if they cannot buy it in Eden then the next group of vendors they look for is in Rockingham County and if they cannot buy it in the county then they try to find it in the State of North Carolina. He also noted that on a monthly basis Ms. Church will prepare a voucher list and she will send a detailed report of anything bought at Lowe's or Reidsville Grocery in the event that one of them see it on the vouchers and question why it was bought there. They do try to shop Eden as long as the price was reasonable.

Ms. Adams added that Mr. Rippey does spend hours trying to find the best price.

#### Batteau Project

The historic batteau is one of our most unique tourism tools. We would like to partner with DRBA and the Rockingham County Tourism Development office to purchase or build a new batteau for recreational use. The approximate cost of having a new batteau constructed will be \$5,000 to \$6,000. The special wood alone will cost approximately \$3,000.

#### Charlie Poole River Ramble

Event package includes river excursion, lunch, a museum visit, a wine tasting and concert at the Charlie Poole Music Festival

- Marketed to Raleigh / Durham area and Dan River Basin Association members from all over North Carolina and southern Virginia

You can see how tourism & special events are helping drive economic development in the City of Eden. Sports tourism, cultural heritage tourism, nature-based tourism and agri-tourism all play a big part in this effort.

Our department has been and will continue to be very active in the pursuit of new and exciting ways to deliver our information and create an experience for both our citizens and visitors alike that will ultimately "Tell Eden's Story."

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Review & Consideration Of Resolution In Support For Extension Of Eden's Water & Sewer Utilities To The Danville/Pittsylvania County "Mega Site":

**RESOLUTION IN SUPPORT FOR  
EXTENSION OF EDEN'S WATER  
AND SEWER UTILITIES TO THE  
DANVILLE/PITTSYLVANIA COUNTY  
"MEGASITE"**

**WHEREAS**, the Danville/Pittsylvania County "Megasite" will create job opportunities and investment throughout the City of Eden and four surrounding counties, and;

**WHEREAS**, the City of Eden's utilities appear to be the most cost efficient way to extend water supply and sewage disposal to the "Megasite," and;

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**WHEREAS**, the development of the “Megasite” is an extraordinary opportunity for regional, interstate cooperation,

**NOW, THEREFORE, BE IT RESOLVED**, that the City of Eden respectfully requests that all cognizant Federal and State Agencies in Virginia and North Carolina provide technical assistance and financial support to this project.

This resolution was adopted by the Eden City Council on the 27<sup>th</sup> day of February 2010.

John. E. Grogan  
Mayor of Eden

ATTEST:

Sheralene Thompson  
City Clerk

A motion was made by Council Member Epps seconded by Council Member Burnette to accept the resolution to support for extension of Eden’s Water and Sewer Utilities to the Danville/Pittsylvania County Megasite. All Council Members voted in favor of this resolution.

BREAK

Review & Consideration Of Water & Sewer Infrastructure Improvement Projects:

After the break, Mr. Dennis Asbury began the meeting with a PowerPoint presentation of current and future projects.

Water & Sewer Fund

Current & Recent Projects

Mr. Asbury presented 6 maps that listed all current and recent projects.

Special Order by Consent

- Sewer Rehabilitation Project
  - Special Order by Consent
    - Terminated October 6, 2009
    - 30,000 Feet of Sewer Line Replaced/Renewed with numerous point repairs and manhole rehabilitations
    - 4 Sewer Pump Stations Upgraded
    - Total Cost for Sewer Linework - \$6,091,400
    - Total Cost for Pump Stations - \$3,882,900

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- Rural Center Grant -\$500,000

He presented photographs of the following projects: Meadow Greens, Covenant Branch, Dan River, and Kuder Street. The slides included before and after photos.

Council Member Burnette commented that he did not realize that they did not have back up power supplies. He asked if they had back up power supplies now for all the critical stations.

Mr. Asbury replied that he did not think they have them for all of them yet but they do for the larger stations and certainly the ones they were required to do by the State. He added that the Railroad Pump Station did not and it was the one that served HanesBrand. That was one of the things that they have talked about, trying to determine a bulk rate to sell water and sewer, that was one of the things that they included in that bulk rate, the payback for uninterruptable power there.

#### Smith River Bridge Upgrades

NCDOT Project B-3509  
Bridge #75 Replacement  
Bid date: May 16, 2006

- Bid price: \$5,473,583.73
- Contractor: Smith-Rowe, Inc. of Mount Airy, NC
- Estimated W&S related costs (based on bid prices) to be reimbursed to NCDOT after completion of project: \$657,263.00
- Revised completion date: April 1, 2009
- Actual reimbursement to the NC Department of Transportation (DOT) was \$676,548.16 for the water and sewer items removed and installed by the project's W&S sub-contractor, Garner-Murphy Construction

#### Waterline Improvements

Constructed projects:

(Red water complaints started July 10, 2008)

- Loftus St.- completed March 2009
- Shamrock Rd – completed June 2009
- Shannon Dr – completed July 2009
- Roberts St & Lawson St – completed June 2009
- Scott St – completed August 2009
- Greenway Dr & Mebane St – completed Oct. 2009
- Wilson St & Dogwood Dr – installation complete; testing in progress Feb. 2010
- Design in progress:
  - French St & Ridge Ave (plans being revised, construction to begin April 2010)
  - Dillard Ct & Boyles Cir (plans being revised)
  - Henry St & Taylor St (plans to be revised, construction planned for FY 11-12)
  - Glovenia St (plans being reviewed, construction to be completed prior to paving)

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- Lake Dr & Beech St – (plans under final revision, construction to be completed June)
- E. Stadium Dr & Dishmon Lp (plans to be completed by July 2010)

PWS Authorization to construct received:

- Chatham Ct – construction to begin March 2010 after easement acquired
- Elm St – constructed planned for FY 10-11

Future projects being considered:

- Holland Street (CDBG project)
- Thompson Street, Neil Street loop connector
- Front Street / Burgess Street
- Lawson Street extension – loop to Apt. feed
- Coleman Street (Irving Ave to Center Church Rd)
- Price Street loop connector (Lawson St to Lewis St)
- First Street (S. Hamilton St to Cedar St)

Future projects being considered

- Ray Street (minimum 550 LF of 6” with a FH)
- Jackson Street (minimum 670 LF of 6” with a FH)
- Sunset Drive (Conover Dr to Knollwood Dr)
- Stuart Street (Lloyd St to Dameron St)
- Grand Oaks area Booster Pump Station upgrade
- Caleb Street (Flinchum St to Hudson St)
- Haled Street (S. Hamilton St to Glenn St)
- NC 14 (off ramp to Mabel St)
- Gresham Street (Victor St to Hay St)
- Highland Drive (end 6” WL to Lynrock St)
- Lynrock Street (Highland Park Dr to Bridge St)
- Circle Drive (Osborne/Pitcher to Hunter St)
- Wilson alley (east of The Boulevard; Oak - Hollingsworth)
- Knott Street (Hairston St to S. New St)
- Maryland Avenue (Bay St to S. Rickman St)
- Maple Street (Irving Ave to Williams St)
- Martin Street (Harris St to south end)
- Camellia Lane (S. Edgewood Rd to end)
- Length of projects (incl. Elm, Henry & Stadium): 4.54 miles
- Estimated cost (incl. Elm, Henry & Stadium): \$2,543,500
- Estimated 2” galvanized WL after these projects: 10.2 miles

Northern Smith River & Dry Creek

- American Recovery & Reinvestment Act
  - \$714,903 (50% principal forgiveness/50% 0 interest loan)
- Northern Smith River Phase 1
- Dry Creek Phase 1

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- Total Estimated Project Cost - \$997,000
- Estimated Funds Spent as of 01/31/10 - \$868,000
- Estimated Costs to Complete - \$129,000

#### Northern Smith River Phase 1

- Description – Replacement of high priority sewer across the Barnett canal; replacement of 600 linear feet of problematic sewer and manholes adjacent to Smith River just below Aiken Road
- Current status – Substantially Complete
- Remaining work/phases – Security fence around one end of the canal crossing and use of remaining funds to correct additional problems
- Timeline/projected completion date – April 2010

Mr. Asbury then presented a photograph of the Northern Smith River Project – Phase I and the old sewer line crossing the Barnett Canal along with the new sewer line crossing. Another photograph presented a view of the work done by the contractor on a problematic section of sewer adjacent to Smith River just below the Aiken Road bridge. He also presented a photograph of a completed section of sewer adjacent to Smith River just below the Aiken Road bridge.

#### Dry Creek Phase 1

- Description – Replacement of deteriorated section of Dry Creek Outfall and Meadow Road sewer that were imminent sources of SSOs; numerous point repairs throughout the Draper area and two manhole repairs
- Current status – Substantially Complete
- Remaining work/phases – Asphalt overlay on Meadow Road
- Timeline/projected completion date – April 2010

Mr. Asbury presented a view of the replacement manhole and sewer on the Dry Creek Outfall just behind the Draper baseball field.

#### Biosolids Project

- After working through several issues, the project was finally begun in 2008. Completion was not until November 2009 with a test run on December 8, 2009.
- The Operation's Contract has been rewritten due to the lower volumes resulting from the Hanes' closure.
- Regular operation of the dewatering facility began January 20, 2010 with no problems. The product is 16% - 20% dried solids as compared to the average 4% solids that were produced.

*Final cost \$2,492,414.57*

#### AC Furniture Sewer Main Relocation

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- Feb. 2008 – Feasibility study prepared by Anderson & Associates, with alternatives ranging from \$175,000 to \$799,000
- June 2008 – Anderson & Associates began design work for Alternative One-B with an estimated construction cost of \$175,320.96
- July 2008 – Cost estimate revised to \$130,735, plus contingency items; rough plans received
- Jan. 2009 – Preliminary easement plat received
- Duke Energy right-of-way requirements required redesign and additional easement revisions
- Permit approval received Jan. 2010
- Easement acquisition ongoing
- Contract documents revised
- Proposed bid date of late March
- Proposed completion by end of June 2010
- Current estimated construction cost \$???,???
- Design costs to-date: \$??,???

#### Cargill Pump Station & Force Main

- Description – 80 gpm submersible pump station and 2,500 linear feet of 4-inch force main to divert Cargill's flow from DCWWTP to Railroad Pump Station enabling the City to abandon DCWWTP
- Current status – Design is 90% complete
  - Regulatory Approvals Received
- Remaining work/phases – Bid, award and construction
- Timeline/projected completion date – Rerouting flow by June 30, 2010; project fully complete by October 2010
- Total estimated project cost - \$378,040
- Estimated funds spent as of January 31<sup>st</sup> - \$50,320
- Estimated remaining funds to be spent to complete project - \$327,720
- Funding sources approved/anticipated
  - 1) Rural Center Grant - \$340,240 (90%)
  - 2) Local/Cargill Match - \$37,800 (10%)

Mr. Asbury presented a view of the existing private (substandard) pump station to be replaced with publicly owned pump station.

#### Dry Creek WWTP Closure

- Due to extra requirements for the treatment at the Dry Creek plant, as well as the plant's deteriorating state, we have determined that it would be more economically feasible to close the facility and divert the flow to our Mebane Bridge facility.
- We will be saving in operating costs from this closure without any effect on the existing costs at our Mebane Bridge Facility.
- The only other flow into the plant comes from Cargill. As of June, 2010, a new pump

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station will be complete enough to transfer the industry's flow to the Railroad Pump Station.

- At this point, the existing line to Dry Creek will be closed allowing for all flow to be diverted to the Railroad Pump Station. We will then have to comply by any measures deemed necessary by the regional NCDENR office (unknown at this time) to complete this closure.
- We are unsure of all of the cost that will accrue from this closure, but it will pay for itself in a short time.
- An estimated \$85,000 will be needed to remove all of the built up solids in the basins. Some of this would have been needed regardless of the closure.
- All other costs should be supplemented by scraping the old unusable metal.

#### Leak Detection Program

- Description:
- Current status: In progress
- Remaining work: Completion of field work and submittal of findings in final report.
- Start date: September 2009
- Projected completion March 2010
- Total estimated project cost \$40,000
- Rural Center Grant \$29,600
- Local Matching Funds \$10,400 from W&S Revenues

#### Future Projects

##### Sanitary Sewer Evaluation Study

- Description – Complete Bridge Street subsystem conditional assessment of 70,000 linear feet of 8-inch to 24-inch problematic sewers including cleaning and CCTV inspection; initiate flow monitoring to capture wet and dry weather flow data
- Current status – Completed all other investigative work and published report with findings and recommendations including Kuder Street and Dry Creek subsystems
- Remaining work/phases – Pipe condition assessment, flow monitoring and implementation of recommendations

##### Bridge & Kuder Sewer Subsystems

- Recommended Timeline/projected completion date – TBD (was FY 09/10)
- Total estimated project cost - \$860,024
- Funds spent as of January 31<sup>st</sup> - \$535,024
- Estimated Cost to complete Bridge Street subsystem project - \$325,000
- Further work delayed because of economic issues
  - HanesBrands closure
  - CWMTF's loss of anticipated funding

##### Bridge Street Subsystem Snapshot

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- 49 Broken clean out caps
- 94 Broken clean out cap assemblies
- 6 Broken clean out assemblies
- 35 Damaged service lines
- 66 Manholes that have open joints, cracks and holes
- 18 Manholes that have their rim off center and or loose
- 15 Manholes that have a broken lid and frame
- 322 Vented manhole covers in high runoff areas
- 20 Broken mains
- 33 Open service connections and or improperly abandoned services to vacant lots
- 69,790 Linear feet of sewer with excessive infiltration
- 3 Roof drain systems illegally connected to a public sanitary sewer
- 9 Substandard manholes adjacent to Karastan
- 6 Loose manhole rims located in yards/farm land that are subject to heavy runoff
- 33 Manhole rims located in flood prone areas and subject to right of way maintenance
- 28 Manholes with heavy build up of debris
- 24 Manholes with  $\frac{3}{4}$  or 1-inch flush valves
- 2 Surface drains within carwash bays that are subject to parking lot and street runoff
- 37 Covered manholes (8-inches below grade) in right of ways/easements/streets

791 Documented Defects contributing an estimated 2.375 Million Gallons of I&I

Mr. Asbury then presented photographs of examples of problems in the Bridge Street Subsystem.

Council Member Tuggle asked if this was a microcosm of what he would find in all of the subsystems they have done. He pointed out that when looking at this there were 791 defects and that was a massive amount of money that they have put in this. He asked if it was like \$22 million over the last 5 years and SOC was like \$10 million. He asked if this was typical of what he would find with all the subsystems.

Mr. Asbury replied that he thought it was and he would hope that those areas...to which Council Member Tuggle stated that he knew they had improved, at least it was like this before but have they not corrected some of it. Mr. Asbury replied that was correct and doing I&I abatement, that was very tricky. It was not hard science, you start out by going out during summer months when it is dry and you blow smoke into the sewer pipe and you watch where it exits. You will find a depression in a front yard with a lot of it with smoke just rolling out of their yard. The owner did not know there was a hole there and every time it rains everything flows right into it and channeled into the city's sewer system. He explained that long story short, you can only find so many of those, and even with the \$10 million they spent, there was more I&I still in those subsystems because they (only) did what was required. He asked them to recall they had talked about the fact that it was a special order by consent. The City Council agreed that rather than having a judicial order imposed on them that they would negotiate what needed to be done.

Council Member Tuggle stated that what bothered him was that they have spent this much money on it and it was just a massive undertaking to even think about, that they could get back



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into the same situation if they did not continually upgrade and spend money on these massive problems.

Mr. Asbury replied that it was true but to also keep in mind that \$10 million was primarily spent east of Pierce Street and south of Stadium Drive so they could have a feel for what was left in the system that they have not even touched.

Council Member Tuggle agreed and every year that they do not do anything to repair it, it gets worse and worse.

Mr. Asbury stated that he was just thinking this morning that it was about 20 years ago that he had recommended to the Council that they budget half a million a year to do nothing but inflow and infiltration sewer rehabilitation. They spent that \$10 million in the matter of about four years. The unfortunate fact of that was they had to spend it in a very compressed timeframe with the State's gun at their head and they had to do it on their time table. He stated that they would see in a few minutes a "find it and fix it" program they would be recommending where they did not have to go out and hire a contractor and be under the gun to complete all of the SOC line work and SOC pump station work within a compressed time.

Council Member Burnette commented that he was beginning to talk about things they were going to have to do. He questioned the Dry Creek closure and if out in the far future would there ever be a scenario where they would need that facility again or would he just redesign things around it.

Mr. Asbury replied that he did not see it being needed but who could say what would happen in the future, but in looking at the recommendations of two separate consultants giving a recommendation ten years apart, both said it was not economically feasible to continue to run the plant. The cost per 1,000 gallons of treatment there was much higher than it was at the Mebane Bridge Plant where you have the capacity of 13.5 million gallons.

Council Member Burnette asked that if they did have to reopen it, he understood that he would have to do the upgrades or whatever, but would the permitting be easier in that it has been an existing facility as opposed to a new facility.

Mr. Asbury replied that he did not believe it would because once it was closed it was not on the State's radar anymore. He also noted that once closed they would be hauling in dirt, filling in the basins and then it would not be a viable treatment plant in the future.

Council Member Tuggle questioned that they would still be better off with that treatment plant not being there, even with the possibility of the mega park.

Mr. Asbury replied that was his recommendation. He also asked them to keep in mind that they have a 5 million gallon pump station within easy walking distance from it. That station used to handle almost nothing but HanesBrand and now they would be converting all the flows from the northern section of the Draper community. He added that it was a little cheaper to pump it than it was to aerate it and do the treatment work. He asked them to also keep in mind that they have

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to do the upgrades required by June 30<sup>th</sup> of this year.

Mr. Corcoran noted that the Railroad Pump Station was also the key to the mega park.

Council Member Ellis questioned how easy would it be to expand that Railroad Pump Station.

Mr. Asbury replied it would probably not be easy. It was designed when Pannill Knitting first came here and wanted to use that plant and it was designed in a very fast manner. The pump station and the force main were laid. He did not think that the capacity of that pump station would handle the significant amount beyond the 5 million gallons. He added that he knew they had talked about a parallel force main at best and a new pump station.

#### Dry Creek Phase 2

- Description – Replacement of Dry Creek Outfall from Main Street to Railroad Pump Station (Approximately 6,000 Linear feet of 12-inch to 18-inch gravity sewer replacement)
- Current status – Design is 90% Complete; Project put on hold
  - HanesBrand closure
  - CWMTF's loss of funding
- Remaining work/phases – Permit/Bid/Award/Construction
- Recommended Timeline/projected completion date – TBD (Was slated for FY 08/09)
- Total estimated project cost - \$1,271,000
- Estimated Funds spent as of January 31<sup>st</sup> - \$98,000
- Estimated costs to complete project - \$1,173,000
- Funding sources approved/anticipated
  - 1) CWMTF application and reapplication submitted to fund majority of project. CWMTF are unlikely for the foreseeable future given lack of funding to the agency.

Mr. Asbury presented a photograph of a pipe collapse that resulted in untimely repair here and also a photograph showing a significant source of I&I (> 1.5 MG) that can result in overflows.

Council Member Tuggle questioned the depth.

Mr. Asbury explained that gravity sewers are as deep as they need to be. They get deeper the farther you go because you have to have a slope on them.

Council Member Tuggle explained that he was just curious, how easy it is for cars or something to run over them and crush them...to which Mr. Asbury pointed out that these were sewer outfalls and they keep them cleaned and mowed, you may have some four wheelers out there.

#### Fix It Program

- Description – Annual renewable contract with “Excavation” Contractor and “Trenchless Technology” Contractor to complete identified and prioritized problems/repairs that are

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deemed permitted as system maintenance as identified in SSES documents (Backlog of work exists for the Dry Creek, Kuder Street and Bridge Street subsystems)

- Current status – Problems identified and prioritized.
- Remaining work/phases – Develop Bid Package/Bid/Award/Construct
- Timeline: This is an ongoing and recurring annual operation to maintain the collection system.
- Total estimated project cost to complete known inflow sources repairs in Dry Creek, Kuder Street and Bridge Street and Dry Creek sewer lining - \$3,787,000 (Does not include Kuder Street sewer lining)
- Funds spent as of January 31<sup>st</sup> - \$0
- Estimated cost to complete project - \$3,787,000
- Funding sources approved/anticipated
  - 1) Possible second round of ARRA

Northern Smith River Phase 2 and 3

- Description – Elimination of inaccessible and deteriorated high priority sewer adjacent to Smith River between Aiken Road and Warren Avenue by rerouting sewer and installing a pump station and force main and replacing the deteriorated sewer between Aiken Road and the recently completed Barnett Canal crossing
- Current status - Design is 90% Complete; Project put on hold due to lack of grant funds (CWMTF).
- Remaining work/phases – Permit/Bid/Award/Construction
- Recommended Timeline/projected completion date – TBD (Was slated for FY 08/09)
- Total estimated project cost - \$1,793,000
- Estimated Funds spent as of January 31<sup>st</sup> - \$144,000
- Estimated costs to complete project - \$1,649,000
- Funding sources approved/anticipated
  - 1) CWMTF application and reapplication submitted to fund majority of project. CWMTF funding is unlikely for the foreseeable future given lack of funding.

Mr. Asbury then presented a photograph of a manhole and sections of pipe damaged by a fallen tree. Damaged manhole and pipe removed and replaced with PVC cleanout and pipe, (location above Aiken Road Bridge).

He also showed a photograph of an exposed sanitary service lateral. The service lateral was replaced recently. (Abandoned piece of ductile iron appears to be a part of the original service.) (Location above Aiken Road Bridge.)

He also showed photographs revealing the lack of access and why it is classified as a High Priority Sewer. (Location above Aiken Road Bridge.) Another photograph showed the outfall and concrete pier perilously close to the Smith River. Undermining was occurring at the pier exposing the outfall to collapse and imminent overflows into the river. (Location above Aiken Road Bridge.)

Mr. Asbury showed the SSO that was reported while conducting an investigation of this high

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priority sewer. SSO was precipitated by surcharging and line blockages. (Location above Aiken Road Bridge.)

Council Member Tuggle stated that of course when these things were put in place, he did not realize, (but) Fieldcrest did a lot of things and (many) were really not (under) EPA standards at the time. Even to put sewer lines close to a river, obviously that would never be done now.

Mr. Asbury asked them to keep in mind; their first pump station was built in the 1960s. They had it in a pipe, but they were collecting it and the pump stations were all there for a reason, (located) at the bottom of the gravity sewer.

Council Member Tuggle asked if this structure was like this with all the rivers and if this was typical of what they see in Eden, beside of the rivers or in just a few places.

Mr. Asbury replied no and pointed out that if you look at this area, it rises very sharply from the bottom of the river.

Council Member Tuggle asked if it was really not that common place, if you go up and down the river, sewer lines beside the river to which Mr. Asbury replied no, but you do have some.

#### Additional Projects on the Horizon

- Rerouting of High Priority Sewer under and within Karastan's Facility (This project could become included in the Fix It Program or become separate CIP) – Estimated Cost - \$280,000
- Kuder Street Sanitary Sewer Improvements
  - 1) Phase 1 – Immediate Repairs – Ideal for inclusion in Fix It Program - Estimated Cost \$169,000
  - 2) Kuder Street West Improvements including replacement of Park Road Sewer and other replacements – Will be separate CIP project due to size and permitting issues – Estimated Cost \$2,615,000
  - 3) Kuder Street East Improvements – Ideal for inclusion in Fix It Program – Estimated Cost \$1,677,000
- Replacement and or Relocation of High Priority Aerial Sewer Crossings
  - 1) Continuation of replacement of Barnett Canal Crossings – Estimated at \$536,000
  - 2) Replacement or rerouting of Smith River Crossing – Estimated at \$730,000 (Replacement value but rerouting may be preferred)
- Junction and Bridge Street Pump Station Rehabilitation – Rehab of these stations to replace dated controls, valves and appurtenances to improve reliability and performance issues including screening or grinding unit at Bridge Street – Estimated Project Cost \$2,600,000
- Junction SSES to complete City wide SSES Program – Estimated Project Cost \$165,000
- Odor and Corrosion Control for Railroad and Industrial Pump Stations – Liquid phase system to protect wet wells and force mains from corrosion given significantly lower flows and longer residence time of wastewater – Estimated Project Cost \$270,000

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Water & Sewer Fund - Project Priority List FY 2010-11:

Project	Priority	Cost	10-11	11-12	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
Backflow Preventer Project	(1)	\$27,500	\$27,500					Wastewater	The original unit is not operational. It is required by State Plumbing codes.	Any major problems could contaminate the City's Water Supply and result in hefty fines.

Council Member Burnette stated that he had listened to him on some of the things and he had some ideas of what he used to prioritize this but what were the criteria, because this was massive.

Mr. Asbury agreed and replied that he wished he could tell him that they have a very scientific answer, but basically, Mr. Shelton, Ms. Ward and Mr. Bullins, they all sat around the table and they individually identified the projects within their area of responsibility that they thought was important and they gave them a priority and part of that priority was to say, "I need to fund it this year in 2010-2011". So, they indentified 60 some lines on this spreadsheet and they identified everything that they had money funded for in 2010-2011 and then they discussed the individual issues. He added that he would see that the very first one (priority) was a Backflow Preventer. He explained that they had a sewer plant and a waterline and they had nothing to prevent the water from the sewer plant from backing up, it was a health issue.

Project	Priority	Cost	10-11	11-12	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
Compliance Study/Long-Term Disinfection Byproducts	(2)	\$95,000	\$45,000	\$50,000				Water Filtration	We need to begin preparation for compliance with new regulations beginning in 2013 now.	Although this deadline is three years away, achieving compliance must begin now to allow time make improvement if needed.

Compliance Study DBPs

Although this deadline is, over three years away achieving compliance must begin now to allow time make improvements if needed. Beginning October 1, 2013, regulatory requirements will tighten significantly for the trihalomethanes and haloacetic acids allowed in water that is distributed to customers. Meeting the compliance requirements for these parameters will be challenging and may require considerable changes in how we treat water as well as engineering and physical changes to our facilities.

The requested funding for this engineering study is to evaluate what needs to be done to insure that we can be compliance and specify whatever changes or improvements will need to be made

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to achieve that compliance. If facility improvements are required, it may take up to two years to complete regulatory approval and construction.

We are requesting up to \$45,000 to begin this study during the coming year. The study will cost \$30,000 and will explore the many technologies currently available to remove the organic carbon precursors that create trihalomethanes and haloacetic acids when chlorine is applied as a disinfectant. Once one of these technologies is selected as the most feasible to use, a pilot study will be run to verify the effectiveness of that technology on our water. One of the most promising technologies is the MIEX ion exchange system. A full-blown MIEX pilot study will cost between \$12,000 and \$15,000. If other technologies are deemed acceptable to address our organic carbon precursor levels, the pilot study of other technologies are likely to be much less expensive than a MIEX system.

Depending on the conclusions of the study in the 10-11 budget, we will adopt the treatment strategies we found in the study or make plans to design and build new processes as the study recommends. If design and construction is needed it will be proposed in the 11-12 and 12-13 budgets. If we should go pass the October 1, 2013, deadline for compliance, we can be granted additional time into the 2014 year to complete the construction on new processes that are under construction.

The goal of this study is to identify our course of action to reduce our organic carbon precursors or other solutions that ultimately insure that water delivered at our customer taps is compliant with regulatory levels for trihalomethanes and haloacetic acids.

Council Member Tuggle asked if this was typical unfunded mandates that come down that used to not be in place that they have to come up with money somewhere to make sure they meet some type of standard. It was constant and it was more and more and you cannot keep up with all these unfunded mandates.

Mr. Asbury replied yes he was right, they were unfunded and everybody hates the term mandate.

Mayor Grogan pointed out that if you look through this Mr. Asbury has a five year plan.

Council Member Turner asked if they were still referring back to that big plan that was done, the big 20 year plan.

Mr. Asbury replied yes, they were still looking at that. They were looking at it from a distance and trying to figure out what they would likely have to do.

Council Member Turner added, that was the general and he was talking about the specifics.

Council Member Epps questioned if they were using the most up to date technology on replacements so that 15 years down the road they would not have to come back and redo everything.

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Mr. Asbury replied that they were putting the required material in as there were rules and regulations and all of those things have to be turned into the State.

Project	Priority	Cost	10-11	11-12	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
Dry Creek closeout	(3)	\$85,000	\$85,000					Wastewater	The plant is closing in June and needs all solids removed to prevent future contamination	The state requires that any solids be removed once the plant closes

### Dry Creek Closeout

The state requires that any solids be removed once the plant closes. We will have the plant's flow diverted in June. Removal of any solids or liquids should proceed fairly quickly to prevent odors and insects as well as keep the solids consistent enough to remove easily.

Project	Priority	Cost	10-11	11-12	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
Dry Creek Sewer Basin Phase 2 Outfall Replacement	(4)	\$1,173,200	\$608,100	\$565,100				Sewer Construction	This is needed to regain capacity at Railroad Pump Station	The system will be unable to supply needed capacity for expansion

Dry Creek Wastewater Collection Subsystem Improvements - \$1,173,200 (Remaining, Does not include Phase 3 since its cost is included in the Find and Fix It Program.

The City completed closed circuit television inspection of approximately 33,700 linear feet of problematic sewers in the Dry Creek subsystem. Given the condition of these sewers, the City needs to implement a multi-phased sewer renewal program within the Dry Creek Wastewater Collection Subsystem. The recommended rehabilitation plan consists of three phases and should be phased over a four to five year period. These phases include the following improvements to the sewers classified as immediate, high and moderate priorities:

Phase 1(Substantially Complete) – Immediate repairs to the most severe and problematic sewers and manholes found in the inspection. It consisted of a combination of replacement and point repairs and responding to and correcting the most severe service defects. The repairs were made as part of other crucial sewer line repairs to take advantage of economy of scale including the proposed Phase 1-Initial Improvements to the Smith River Outfall.

Phase 2 – Replacement of 5,650 linear feet of 18-inch gravity sewer (part of the Dry Creek Outfall) from Mill Avenue to the Railroad Pump Station. Given the condition of these sewers, the replacement should be completed as soon as funding can be secured.

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Design is 90% complete and plans and specifications can be can be readied quickly for regulatory submission and subsequent approval. This phase should be programmed with Phase 2 and Phase 3 of the Northern Smith River Outfall Improvements to take advantage of economy of scale.

Phase 3 – Renewal (Cured in place sewer lining and cementitious lining of manholes) of 19,250 linear feet of sewers ranging in size from 8-inch to 18-inch and mainly located underneath NCDOT and City paved streets and roads. The renewal should be completed over the final three years and has been integrated as part of a Find and Fix it Program (See Response to Sanitary Sewer Evaluation Studies).

The City received American Recovery and Reinvestment Act (ARRA) funding for Phase 1 which included a principal forgiveness and 0% interest loans from Construction Grants and Loans Section from the North Carolina Department of Environment and Natural Resources.

A grant from the CWMTF has been pursued to reduce the financial commitment from the City for Phase 2; however, given lack of funding to this state agency, the City should not anticipate any grants within the short term.

Project	Priority	Cost	10-11	11-12	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
Sewer Fix It Program	(5)	\$2,052,216	\$491,605	\$659,810	\$548,139	\$202,262	\$150,400	Sewer Construction	An ongoing program for identifying and abating inflow and infiltration sources through out the collection system.	SSOs and civil penalties

Find it and Fix It (Response to Sanitary Sewer Evaluation Studies; Sewer Repairs)

The proposed project will expedite repair to sewer system defects and deficiencies identified by the ongoing Sanitary Sewer Evaluation Studies (SSES) as well as problems identified by the Collection and Distribution Department. The City has completed SSES in the Meadow Greens, Covenant Branch, Dan River, Dry Creek and Kuder Street subsystems. The City has completed the SSES in Bridge Street subsystem except for the sewer conditional assessment (cleaning and closed circuit television inspection).

The studies have revealed numerous common problems such as damaged cleanouts on sanitary sewer services, leaking abandoned sanitary sewer services, vented manhole lids in high runoff



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areas, misaligned manhole frame and covers in flood prone areas, manholes in low lying and flood prone areas, cracks in manholes, partial sewer main collapses near storm drains, etc. These problems are often straightforward repairs that can eliminate significant inflow.

The City has addressed significant problems in the Meadow Greens, Covenant Branch and Dan River subsystems but similar problems exist in Dry Creek, Kuder Street and Bridge Street subsystems. Repairs in these subsystems are inevitable.

The City has been successful in identifying problems but repairs have often lagged due to competing interests and other critical funding needs. This project will provide the City funds to address these problems in a timelier manner by adopting a common strategy known as Find and Fix.

This strategy will ideally reduce design costs and expedite fixes. The execution of the tasks or the “Fix” part of the strategy will revise from a traditional approach (Design-Bid-Construction) to the following:

- ◆ Find problems by ongoing investigations (SSES, CCTV inspection and flow monitoring)
- ◆ Procurement of two specialty contractors (Point Repair/Small Replacement/Manhole Rehabilitation Contractor and Cured in Place Pipe, CIPP, Liner Installer) for a specified interval such as annual, two year, four year, etc.
- ◆ Issuance of Work Orders and oversight with program management in lieu of detailed plans
- ◆ Confirm results by post-flow monitoring

The “Find” part of the program has been done by the previous SSES and CCTV work in the Dry Creek subsystem and is well underway in the Bridge Street subsystems. The “Fix” part can be implemented by development of bid documents for the two components of work (point repairs/small replacement/manhole rehabilitation and CIPP liners) and procurement of the two most responsive contractors.

The City will then budget not-to-exceed amounts as part of an annual program and issue work orders based on the priority of problems already identified and or that have yet to be identified.

The project will be expected to consist of the following priorities:

- ◆ Development of Renewable Annual Unit Price Task Order Contract (Find/Fix Strategy) – Preparation of Specifications, Details and Contract
- ◆ Development of Renewable Annual Unit Price Task Order Contract (Find/Fix Strategy) - Bid and Award Phase
- ◆ Task Order 1 - Dry Creek Subsystem Repairs to Inflow Sources
- ◆ Task Order 2 - Kuder Street Subsystem Repairs to Inflow Sources
- ◆ Task Order 3 - Bridge Street Subsystem Repairs to Inflow Sources
- ◆ Task Order 4- Phase 3 of Dry Creek Subsystem Repairs (Lining)
- ◆ Task Order 5 – Kuder Street Phase 1 (Immediate Repairs)
- ◆ Task Order 6 – Kuder Street Phase 3 (Lining on East Side)

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- ◆ Easement and Land Acquisition and Legal for Task Order 4, 5 and 6
- ◆ Annual Program Management

The Priority List summarizes the expected project schedule and budget needs.

Project	Priority	Cost	10-11	11-12	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
Northern Smith River Phases 2 & 3 Gravity Sewer Improvements	(6)	\$1,648,800	\$867,000	\$781,800				Sewer Construction	Replacement, rehabilitation and redirection of wastewater collection is need to address existing inflow and infiltration issues.	Exposure to civil penalties and SSOs.

**Northern Smith River Outfall Improvements Phase 1, 2 and 3 - \$1,648,800 Remaining**

As part of the ongoing SSES in the Kuder Street subsystem, the problematic Smith River outfall from the abandoned railroad trestle to its terminus near Warren Street and Caleb Avenue was evaluated. The evaluation included preparation of a detailed technical memorandum that provides a summary and recommended plan of action. The evaluation of this sewer is summarized below:

Continuation of the operation and maintain of the existing northern section of the Smith River Outfall is not viable.

The replacement of this portion of the gravity sewer is not feasible due to limited access; environmental concerns related to setback and buffer requirements; constructability concerns related to geological and topological conditions; and stringent maintenance requirements related to the high priority sewer classification.

The only viable alternative to eliminating the problematic and high priority sewer will be to abandon the section of sewer from the West Aiken Road Bridge to West Caleb Street/Warren Avenue and install a pump station and force main. It will also entail modifications to the existing sewer system including new sewers to divert flow from the outfall to be abandoned to the new pump station.

Options were investigated to eliminate the lower portion of the Smith River Outfall from the West Aiken Road bridge to the abandoned railroad trestle; however, the most effective plan was to make needed repairs on the Smith River Outfall between the bridge and trestle and keep it in service.

The Smith River Outfall between the West Aiken Road bridge and the trestle contain three distinct areas of improvement. The immediate areas of repair are at the upper and lower ends including KSW582 to KSW555 and KSW 557 to KSW554 and KSW543 to KSW540. The middle section from KSW554 to KSW543 is less of an immediate priority but cannot be ignored.

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The preferred method of repair to the Smith River Outfall between the bridge and trestle is a combination of replacement and relocation.

The proposed improvements to the Northern Smith River Outfall have been separated into the following phases:

Phase 1 – Initial Improvements to the Smith River Outfall – This phase is substantially complete and included the replacement of the upper section and relocation and replacement of the lower section of the sewer between the bridge and trestle.

Phase 2 – Abandonment of the Northern Smith River Outfall – This phase will include the abandonment of the sewer from the bridge to Caleb Street/Warren Avenue and the installation of the pump station and force main and modifications of the existing sewer to divert flow to the new pump station. Design is 90% complete and plans and specifications can be readied for regulatory submission and subsequent approval in short order.

Phase 3 – Final Improvements to the Smith River Outfall – This phase will conclude the project and involve the replacement of the middle section of the outfall between the bridge and trestle. Similarly to Phase 2, design is 90% complete and plans and specifications can be readied quickly for regulatory submission and approval.

The project phasing (scheduling) is recommended to be span over a two year period. Phase 1 had the highest urgency since it rectified defects that were imminent threats to sanitary sewer overflows and civil penalties.

Phase 2 also has a high priority and needs to be completed as soon as funding can be secured. In the meantime, the City will continue to frequently conduct a visual inspection of the sewer to identify problems before they result in overflows.

Phase 3 has a moderate priority and given economies of scale and since it is contiguous to Phase 2 is recommended to be scheduled for implementation with Phase 2. Frequent cleaning is recommended on the entire section to minimize blockages and surcharging until all improvements are completed.

The City received American Recovery and Reinvestment Act (ARRA) funding for Phase 1 which included a principal forgiveness and 0% interest loans from Construction Grants and Loans Section from the North Carolina Department of Environment and Natural Resources.

A grant from the CWMTF has been pursued to reduce the financial commitment from the City for Phase 2 and Phase 3; however, given lack of funding to this state agency, the City should not anticipate any grants within the short-term.

#### Proposed Implementation Plan

Complete Phase 1 – April 2010

Complete design and permitting for Phase 2 and Phase 3 – Late Fiscal Year (FY) 2009-2010

Secure easements for Phase 2 and 3 – FY 2010-2011

Bid, Award Contract and Begin Construction for Phase 2 and Phase 3 – FY 2010-2011

Complete Construction for Phase 2 and Phase 3 – FY 2011/2012

Conduct Post-Construction Flow Monitoring – FY 2011/2012

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Waiting to address these problems will expose the City of Eden to a failure of this section of sanitary sewer and overflows to the Smith River. A reactionary approach would put the city at the mercy of contractors due to the difficulty involved in construction in this area.

Project	Priority	Cost	10-11	11-12	12-13	13-14	14 - 15	Fund/Division	Why needed	Consequences of delay
Henry St/Taylor St. WL Project	(7)	\$165,000	\$165,000					Water Construction	Rule.0902(b); fire protection	Possible fines; flushing due to complaints
Sanitary Sewer Evaluation Studies for Bridge Street & Junction Sewer Basins	(8)	\$510,060	\$172,530	\$172,530	\$82,500	\$82,500		Sewer Construction	There has been a series of SSOs during storm events at the pump stations for each of these basins.	The City of Eden will continue to be exposed to SSOs and civil penalties.

Continuation of Sanitary Sewer Evaluation Study - \$510,060

The Continuation of the Sanitary Sewer Evaluation Study is needed to complete work in the Bridge Street subsystem and conclude its City-wide assessment in the Junction subsystem. The study will entail the following additional services:

1. Clean and inspect by closed circuit television (CCTV) approximately 70,000 linear feet of sewer in the Bridge Street subsystem previously identified as problematic sewer
2. Review CCTV videos and prepare strategic repair plan for the Bridge Street subsystem so City can prioritize and budget sanitary sewer improvements
3. Conduct flow monitoring in the Bridge Street subsystem to define peak dry and wet weather flows and issue flow monitoring report
4. Perform SSES of Junction subsystem including manhole numbering, ground-truthing, smoke testing, above ground (visual) manhole inspections and below ground manhole inspection of the problematic manholes identified in the above ground (visual) inspection and conduct night-time flow isolation tests in Junction subsystem to confirm sewers that are problematic (exhibiting infiltration rates of 1,500 gallons per day per inch diameter mile of pipe) and issue Progress Report
5. Perform steps 1 and 2 for the problematic pipes in Junction subsystem
6. Issue Final Report for Junction subsystem

The study is expected to be completed over the next four years. Pipe cleaning and inspection in the Bridge Street is slated to begin in Fiscal Year (FY) 2010/2011 and be completed by FY 2011/2012. The SSES for Junction subsystem is proposed to begin in FY 2012/2013 and be completed in FY 2013/2014.

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Project	Priority	Cost	10-11	11-12	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
Plant Drain Pump Station repairs	(9)	\$42,000	\$42,000					Wastewater	The pipes and one of the pumps has been damaged from age and chlorine exposure	Damage is threatening use of the other pump which needs to be operational for all of the plant drains

Council Member Tuggle questioned if this was the whole list that he had talked about that it would possibly be \$24 million dollars of immediate need.

Mayor Grogan pointed out it would be over the next five years. He suggested they go to the bottom line.

Mr. Corcoran explained that basically their goal here was, even though they were just getting started in terms of the budget process for the next year, to go ahead and update the five year CIP on Water & Sewer projects now, have them prioritized along with justifications and explanations of why they needed to be done so that they would just have that information at their disposal now. Again, they have spent a lot of money over the last five years and there were still tremendous needs. So, as a result of their efforts they see that they have identified \$24.3 million worth of need over the next five years and that was broken out by each year.

Council Member Hagood asked if he was looking at \$2,925,000 in the upcoming budget.

Mr. Asbury replied yes, that was those first 20 items at the very top of the list.

Mr. Corcoran also pointed out that it did not include anything with the mega park.

Mr. Asbury added that it did not pay fully for all those 20 because some of those were multi-year projects.

Mr. Corcoran explained that as they know and what they have done over the years, the staff did a great job of trying to get as much grant money as they could for those projects, so hopefully they will have success and a portion of this \$24.3 million will come from different sources. He added that it was not going to go away.

Council Member Hagood asked if that five year plan changed any with the release of the Clean Water Fund...to which Mr. Asbury recommended that they delve deeper into the list and go beyond the first 20 projects that were in there. Council Member Hagood noted that they become more aggressive to which Mr. Asbury agreed. Council Member Hagood asked if had made any assumptions now like where it was currently at or any previous experience with Clean Water Fund in making up that 5 year plan.

Mr. Asbury replied no, the only assumption was that they get more money or stimulus.

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Mr. Corcoran added that one of their previous problems was that they did not meet the 1.5% median household income requirement to even be eligible for Clean Water Management funding. So that was why they have no past history with them.

Council Member Burnette asked how comfortable they feel on this five year plan if they did implement it and they were totally able to fund it, that they would stay compliant.

Mr. Asbury replied that he thought they were compliant today. He explained that what they were trying to do was prevent another special order or judicial order that causes the city to have to spend money at a more rapid rate.

Council Member Burnette stated that then the converse of that was that he felt that if they did not basically fund this they would become noncompliant enough that there could be another SOC.

Mr. Asbury replied that was true, if they did not continue to maintain their system then it would not get better.

Council Member Tuggle commented that they were already red-flagged to which Mr. Asbury agreed that they were but they do have a good reputation with the State and they put in a good honest effort to execute this special order and complied with all the dates and since then they have seen SSES and they have had overflows a few months ago due to rain in the systems they just repaired. He explained that a lot of citizens get really outraged whenever there comes a 4" rain and all of a sudden the storm drains back up. You did not design for a torrential type thing.

Council Member Ellis stated that he commented a few months ago about the past Councils not doing anything. He asked that if they (present Council) turn around and take this on within the next five years how much should they plan for in the future to invest 20 years down the road after this was repaired.

Mr. Asbury replied that he did not have an answer as it was an ongoing problem.

Mr. Corcoran pointed out that one way to look at it, WK Dickson in their master plan allowed for inflation over the period realizing that you could not do it all at once. They said that it would be in excess of \$100 million in need by 2020. If you have already spent \$16 million on water and sewer and the other \$6 million of that \$22 million in the last several years was General Fund type items, the downtown revitalization, the greenway, rolling stock replacement, if you spend the \$16 million, and he just outlined for \$24 million, that was \$40 million, that means that you still have \$60 million worth of needs.

Council Member Burnette asked if there was anything major that has surfaced in this five year plan but was not identified by WK Dickson in their plan to which Mr. Asbury yes, he thought there has been.

Mr. Corcoran added that the results of the SSES was that they noted that you needed to go do a lot of these sanitary sewer evaluation studies but they had no idea what you were going to find

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unless you do these studies and then you identify problems and then it creates more, so there was probably more need now than there was at that point in time.

Council Member Burnette stated that he guessed his point was that they were not roughly 40% of the way (even) if they did this.

Council Member Epps commented that (at least) they had a plan.

Mr. Corcoran agreed and noted that two of the things that they included, they had to remember, HanesBrand was going strong, they had Parkdale and Liberty Embroidery and the possible uplift expansions of their facilities based on their capacity today that demand was not there so some things may be pushed off to the backend.

Mr. Asbury described it as a moving target because something will arise and you may be working in some area and all of a sudden you have a sink hole in another development.

Council Member Burnette stated that the key to it was it was a five year plan, you cannot predict what will happen in five years but it was a plan which was much better than no plan at all.

Mr. Corcoran recalled that last year when they were here and Mr. Asbury presented the Northern Smith River and the Dry Creek Project, they had already met with the Clean Water Management people and the indications they received was that they would probably receive the funding but look how quickly that changed and then all of a sudden all they could afford to do last year was Phase I and they tried to do it over a couple of years instead of all at once.

Project	Priority	Cost	10-11	11-12	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
Lower Lagoon Closeout	10	\$60,000	\$60,000					Wastewater	This is an unlined earthen basin that poses a risk for leaks	Any leaks would lead to violations and possibly fines if sludge reaches the river.

#### Lower Lagoon Closeout

Any leaks would lead to violations and possibly fines if sludge reaches the river. If this lagoon continues to be used, it would either have to be lined or redone with concrete. Now that we have the Dewatering Facility in use, we no longer need a second lagoon for storage. Once it is emptied, it will pose a hazard with having an open, empty pit with biohazardous residue. Once it is cleaned and closed out, this will allow for extra space for future possible projects.

Project	Priority	Cost	10-11	11-12	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
Elm St WL Project	11	\$75,000	\$75,000					Water Construction	Muddy water; galv.	Possible fines; flushing due to complaints.

Harris to Manning										
Solarbee Mixers	12	\$163,500	\$163,500					Wastewater	Inadequate mixing in the aeration basins	Improper mixing causes solids to settle out and accumulate in basin.

**Solarbee Mixers**

Improper mixing causes solids to settle out and accumulate in the basin. The aerators are running more than needed just to keep the solids in suspension. With proper mixing, the aerators could be operated less without causing the solids to settle. This would also lower the electrical costs, especially since these mixers are run completely on solar energy. Also, if the mixing isn't improved, the solids will settle out again causing the aeration basins to need to be emptied out again.

Project	Priority	Cost	10-11	11-12	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
Chemical Feed Pump Replacement (Alum, Flouride, Caustic)	13	\$11,000	\$5,300			\$5,700		Water Filtration	Of the original five chemical feed pumps, three are still in service. They are now 32 years old.	The pumps are extremely reliable and can be rebuilt many times, but this model is now discontinued.

**Replacement Chemical Feed Pump**

These pumps are extremely reliable and can be rebuilt many times. Unfortunately, the manufacturer no longer offers repair parts for the old model that we have, such that when a major part failure occurs, they cannot be rebuilt any longer. These are precision industrial metering pumps that deliver a precise amount of chemical per minute and they are controlled by our plant computer. This repair or replacement is in keeping with the requirement to maintain our water system as per the original design specifications and State approvals to construct.

Project	Priority	Cost	10-11	11-12	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
South Aeration Basin Cleanout	14	\$125,000	\$125,000					Wastewater	Full capacity is not being reached due to large amounts of buildup.	The basin cannot handle the normal flow when close to half is built up with sludge.

**South Aeration Basin Cleanout**



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The basin cannot handle the normal flow when close to half of the basin is built up with sludge. When higher than normal flows go through the plant, it can also stir up some of the compacted sludge and carry it through the plant. This could potentially cause the plant issues with solids being carried through the final clarifiers and out the effluent, which could lead to permit violations. We are also not getting as much treatment as we would need if our flows increase just a little. Depending on temperatures and the amount of flow, a decreased detention time could harm the biological treatment process. Once the basin is cleaned, it will operate as designed.

Project	Priority	Cost	10-11	11-12	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
Thompson St/Neil St WL Project	15	\$141,000	\$11,000	\$130,000				Water Construction	Loop needed; fire protection	Reduced fire fighting capacity.
Front St/Burgess St WL Proj	16	\$153,000	\$23,000		\$130,000			Water Construction	Rule .0902(b); fire protection	Reduced fire fighting capacity
Coleman St WL Project	17	\$95,000	\$10,000		\$85,000			Water Construction	Galvanized WL	Possible fines; flushing due to complaints
Price St WL Project	18	\$84,500	\$7,500			\$77,000		Water Construction	Loop needed	Reduced fire fighting capacity
Effluent Weir replacements	19	\$15,900	\$7,950	\$7,950				Wastewater	The aluminum material has deteriorated	Weir imperfections result in improper flow readings
Lawson St Ext Project	20	\$25,500	\$3,500		\$22,000			Water Construction	Loop needed	Reduced fire fighting capacity.

Project	Cost	10-11	11-12	12-13	13-14	Fund/Division	Why needed	Consequences of delay
Kuder Street Sewer Basin Phase 2 Pipe Replacement	\$2,615,000	\$480,540	\$1,387,400	\$747,060		Sewer Construction	Reduce inflow and infiltration through sewer renewal	Exposure to civil penalties and SSOs.

Kuder Street Sanitary Sewer Improvements Phase 1, 2 and 3 - \$2,615,000 (Phase 1 and Phase 3 Costs excluded as they are part of the Find and Fix Program)

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Based on engineering judgment, experience and the criteria used during the conditional assessment of the inspected sewers, the City needs to implement a multi-phased sewer renewal program within the Kuder Street Wastewater Collection Subsystem. The recommended rehabilitation plan consists of three phases and should be phased over an 5 year period. These phases include the following improvements to the sewers classified as immediate, high and moderate priorities:

Phase 1 – Immediate repairs to the most severe and problematic sewers and manholes found in this inspection. It consists of a combination of replacement and point repairs and responding to and correcting the root intrusion concerns. These repairs are ideal for inclusion in the Find and Fix Program.

Phase 2 – Kuder Street West Improvements consisting of the Park Road Outfall Replacement and Renewal from its tie into the Smith River Outfall to its terminus at Landfall Drive and renewal of miscellaneous sections of sewer including parts of the Hollingsworth Street, Vine Street and Riverside Drive sewers. This phase will involve a combination of replacement and cured in place sewer lining and cementitious lining of manholes. Given the condition of these sewers and budget availability, this phase should be completed within two to three years. Depending on the success of the Northern Smith River Improvements funding request to the Clean Water Management Trust Fund (CWMTF), this agency should not be ruled out as a possible funding source to assist with the construction costs.

Phase 3 – Kuder Street East Improvements consisting of cured in place sewer lining of 19,250 linear feet of sewers ranging in size from 8-inch to 18-inch including the Virginia Street Outfall, Creekridge Outfall, Cox Street Outfall and Peter Hill Road Outfall and miscellaneous sections of sewer. The renewal should be completed over the final five years and could be integrated as part of the Find and Fix Program.

Phase 1

Phase 1 consists of the following repairs:

Park Road Outfall (lower section) – Temporary repair of the Tackett Branch crossing between Manhole KSW48 to Manhole KSW50. The temporary repair is recommended to be a repair saddle over the 12-inch hairline fracture to prevent exfiltration during dry weather and inflow during wet weather or when the stream flow is elevated. A permanent fix is part of Phase 2 and will consist of replacing the crossing with a standard aerial sewer crossing consisting of an encasement pipe, pipe piers and carrier pipe.

Park Road (upper section) – Replacement of section to remove inconsistent pipe size that poses a hydraulic restriction between Manhole KSW211 to KSW212. Segment is short and numerous other structural problems justify replacement instead of point repair.

Park Road Outfall (upper section) – Point repair to remove obstruction and clear (chip and grind) easement between Manhole KSW255 and Manhole KSW256. Given the depth of

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upstream end (greater than 20 feet) and the lack of any other defects that justify excavation, this section will be lined in Phase 2 to seal the joints and fractures.

Point repair to remove large obstruction between Manholes KSE430 and KSE404.

Raise several manholes including Manholes KSW54, KSE16A and KSE123, which are subject to significant inflow. These problems were not identified in the Sanitary Sewer Evaluation Study.

Enhance the aerial sanitary sewer lateral that serves the mobile home sales center near Cox Street and Van Buren Road by replacing it with an encased aerial crossing.

Replace Manhole KSW15 which contains a defect in the external drop exposing the system to exfiltration.

Remove heavy roots in various mains.

## Phase 2

Several sections of sewers in Phase 2 have been determined to be suitable for lining and numerous sections require replacement.

Sections recommended for lining include the following:

Lower and upper sections of the Park Road Outfall, specifically KSW46 to KSW48 and KSW50 to KSW125 and KSW239 to KSW256

Vine Street Outfall from KSW8 to KSW19

The following physical attributes of these sewers make lining the most optimal technique:

Void of large structural defects that restrict lining or require separate point repairs.

Void of large sags that otherwise would need to be straightened out by replacement.

Depth of sewer (on average greater than 12 feet deep) that greatly enhances the economics of lining.

Sections recommended for replacement include:

Aerial crossing of Tackett Branch in the lower section (KSW48 to KSW50)

Middle section from KSW125 to KSW241)

Hollingsworth Street Outfall from KSW72 to KSW75

Riverside Drive Outfall (both lower and upper sections)

These sections of outfall are reasonably shallow in depth and located in a maintained corridor or easement. (Easement is referenced loosely since the City may or may not have a recorded easement.) Ample room is available for stockpiling excavated material and storing pipe and

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ancillary material and equipment with little to no clearing. Rock excavation should be minimal since the vertical alignment will be unchanged.

Restoration will be minimal consisting of seeding and mulching the disturbed area. While bypass pumping will be required, it will require small pumps to handle the upstream flow. Therefore, the bypass pumping system will be easily setup, managed and operated. In summary, removing and replacing the sewer will be uncomplicated and routine.

One challenge with removal and replacement of the sewer is its proximity to Tackett Branch. Erosion and sedimentation control requirements will be stringent and subject the work to a greater amount of protection and safeguard and perhaps more stringent setbacks from the creek bank (minimum of 15 feet) than what was originally provided. In most cases, the existing alignment should provide the minimum buffer. If not, the impact will be minimal involving an alignment adjustment. The corridor is fairly wide and should accommodate this type of alignment shift. Furthermore, such an impact will provide long term benefit for both the City's investment (the sewer will be further from the creek and potential eroding bank) and the environment.

### Phase 3

Phase 3 will consist of pipe renewal by cured in place pipe (CIPP) liners and manhole rehabilitation using cementitious liners. The current condition of these sewers and manholes is suitable for these proven trenchless techniques.

Additionally, numerous environmental and social factors support the use of CIPP liners and manhole rehabilitation. Some of these sewers are located under paved streets. Lining will avoid disturbance of pavement and minimize traffic concerns and surface impacts to private property and ensuing restoration. It will also reduce opposition from the public since lining has minimal environmental and social impacts (minimal impact to streets, vegetation, services and properties and minimal noise).

Phase 3 is recommended to be completed as part of a Find and Fix Strategy. This strategy would ideally reduce design costs and expedite fixes. Many of the current tasks would still be required including locating the problems and determining the repairs. The execution of the tasks or the "Fix" part of the strategy would revise from a traditional approach (Design-Bid-Construction) to the following:

- Find problems by ongoing investigations (SSES, CCTV and flow monitoring)
- Procurement of two specialty contractors (Point Repair/Small Replacement/Manhole Rehabilitation Contractor and CIPP Liner Installer) for a specified interval such as annual, two year, four year, etc.
- Issuance of Work Orders with program management in lieu of detailed plans
- Confirm results by post-flow monitoring

The "Find" part of the program has been done by the previous SSES and CCTV work in the Dry Creek subsystem and Kuder Street subsystem and is well underway in the Bridge Street

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subsystem. The “Fix” part can be implemented by development of bid documents for the two components of work (point repairs/small replacement/manhole rehabilitation and CIPP liners) and procurement of the two most responsive contractors.

The COE could then budget not-to-exceed amounts as part of an annual program and issue work orders based on the priority of problems already identified and or that have yet to be identified.

The priority of order for the lining is as follows:

1. Virginia Street Outfall
2. Creekridge Outfall
3. Peter Hill Road Outfall
4. Cox Street Outfall
5. Miscellaneous sewers including Elam Road Outfall and Walter Chambers Street sewer

If improvements are delayed, the worsened condition could result in numerous point repairs prior to lining or even full replacement. Therefore, delays could subject the City to greater project complexity and costs.

Project	Cost	10-11	11-12	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
Junction and Bridge Street Pump Station Rehab	\$2,600,000		\$390,000	\$1,105,000	\$1,105,000		Sewer Construction	These pump stations have dated controls, valves and appurtenances and they need to be rehabilitated to improve reliability and performance	The City of Eden will continue to be exposed to SSOs and civil penalties.

#### Junction and Bridge Street Pump Stations Rehabilitation

These pump stations have dated controls, valves and appurtenances and they need to be rehabilitated to improve reliability and performance. The controls are old technology that may not be repairable in the near future.

Possibility of instrument failure in pump stations, requiring immediate attention and the possibility of SSO and more costly from the perspective of regulatory fines and emergency repairs as opposed to a planned upgrade.

Project	Cost	10-11	11-12	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
E. Stadium Drive WL Project	\$80,000		\$80,000				Water Construction	Rule .0902(b); fire protection	Possible fines; flushing due to complaints
Rebuild One Raw	\$70,400		\$70,400				Water Filtration	The raw water pumps were	There are three raw water pumps

Water Pump								installed in 1994. Wear rates are high for pumps that pump river water due the abrasion from sand.	available. These are two 13 MGD and one 10 MGD. Two pumps typically run together to pump water in off peak periods for cost savings.
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**Rebuild One Raw Water Pump**

The raw water pumps were installed in 1994. Wear rates are high for pumps that pump river water due the abrasion from sand. Fifteen years is often an expected service life for this type of pump. There are three raw water pumps available. These are two 13 MGD and one 10 MGD. Two pumps typically run together to pump water in off peak periods for cost savings. The twin pump number 2 to this one proposed for rebuild (number 1) was rebuilt in 2010. The time and wear on this pump number 1 would indicate that a failure could occur within the next few years. We have placed this repair in the 2011-2012 budget year. The pump will be evaluated as to whether there is a need to rebuild it at that time.

This repair or replacement is in keeping with the requirement to maintain our water system as per the original design specifications and State approvals to construct as referenced in the State regulation shown below.

**Rules**

Project	Cost	10-11	11-12	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
PLC upgrade	\$54,300		\$54,300				Wastewater	Current system is outdated and spare parts are not available	If PLC goes down and cannot be repaired plant controls will have to be handled manually and cannot be monitored.

**PLC Upgrade**

If PLC goes down and cannot be repaired, plant controls will have to be handled manually and cannot be monitored. We would have no way to identify when flows have increased and need operator attention. Also, if problems occur, such as pumps shutting off or equipment breaking down, we would not be alerted quick enough to prevent any resulting problems. With only one operator at the plant on nights and weekends, there is no way to keep up with all areas of the plant at all times. The PLC serves as a means to monitor most of the occurrences throughout the shift. We are currently keeping the unit operational with leftover parts from the Water Plant's old system. This will only last so long before we have to do something different.

Project	Cost	10-11	11-12	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
Demolition of Byrd	\$45,000		\$45,000				Water Construction	Byrd Street Tank is no	This tank is now off

Street Tank								longer usable and will become a liability.	of our contract service schedule and the tank will deteriorate over time.
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Demolition of Byrd Street Tank

Byrd Street Tank is no longer usable and will become a liability if it is not torn down in the future. The tank has been drained and is no longer used in our distribution system. The tank has always been 30 feet below the operating level of the rest of the City’s tanks and never opened up unless there was fire or serious water main break. It has been difficult at times over the years to keep up the water quality in this tank because of the low water turn over in the tank. When the Freedom Park was completed, it was no longer necessary keep the Byrd Street Tank on line even for fire protection with the large volume of water available from the Freedom Park Tank. This tank is now off our contracted maintenance schedule and the tank will begin to deteriorate over time. Currently, the tank is in good condition and it would last at least five years with the current paint coatings without significant corrosion. The salvage value of steel is currently very low and not enough to offset a significant amount of the demolition costs. When the value of recycled steel is higher, it will be a much more favorable time to do this demolition.

Project	Cost	10 - 11	11-12	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
Dishmon Loop PH1 WL Proj	\$40,000		\$40,000				Water Construction	Rule .0902(b); fire protection	Possible fines; flushing due to complaints
Vehicle Replacement Vehicle WR2	\$25,000		\$25,000				Water Resources	This is a 1993 model vehicle with very high mileage	Risk of failure at critical times when vehicle is needed for response.

Replacement of Vehicle WR2

Age is a growing risk of failure at critical times when vehicle is needed for response. Our vehicles must be able to response at critical times when the weather is at its worst to keep the utilities operating. This vehicle carries all the equipment, safety gear, and tools used by our electrical/electronic technicians. High mileage and age are beginning to sideline the vehicle more and more frequently for repairs. The cost and magnitude of the repairs is also escalating with time. It is believed that the vehicle can be maintained for one additional year, but will likely need replacement in the 2011-12 budget.

Project	Cost	10 - 11	11-12	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
Grand Oaks area BPS	\$385,000		\$20,000	\$35,000	\$165,000	\$165,000	Water Construction	Improve fire flows & reduce	Reduced fire fighting capacity

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Upgrade								maintenance	
Rework Digester	\$2,200,000			\$2,200,000			Wastewater	The basin is undersized and damaged	Further damage is inevitable and with no backup, solids' handling issues arise.

**Rework Digester**

Further damage is inevitable and with no backup, solids' handling issues arise. One wall has already collapsed and had to be pieced together as a temporary solution. Several cracks can be seen along the walls and it is unclear how much damage is present below the water surface since the basin cannot be taken out of service. If problems do arise, there is not a good way to bypass the digester to handle the daily solids' wasting requirements. This basin is not a reliable unit anymore and needs to be corrected before we are stuck with a major problem that cannot be fixed quickly. It has also been noted in previous studies that the digester is improperly sized for the plant's full capacity. If our average flow returns to anything above 7 MGD, we could see problems reaching complete digestion of the solids. If this occurs, we will not be able to meet compliance with the EPA 503 regulations.

Project	Cost	10-11	11-12	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
Dry Creek Sewer Basin Phase 3 Pipe Lining	\$1,766,050			\$588,683	\$1,177,367		Sewer Construction	Reduce inflow and infiltration through sewer renewal	Exposure to civil penalties and SSOs

**Dry Creek Sewer Basin Phase 3 Pipe Lining**

*Why Needed*

Reduce inflow and infiltration through sewer renewal in Dry Creek Subsystem based on SSES Conditional Assessment (Approximately 19,200 linear feet of 8 to 18-inch sewers to be lined)

*Consequences of Delay*

Exposure to civil penalties and SSOs

Project	Cost	10-11	11-12	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
Monorake Replacement	\$158,200			\$76,000		\$82,200	Water Filtration	Four of the original plant monorakes will be 35 years in 2012. Corrosion of the mild steel in the structures occurs as most	The monorakes are critical to the function of removing sludge from the sedimentation basin at the water plant. A failure of this equipment will leave basin without



								of this equipment is submerged in water all the time.	continuous cleaning.
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**Monorake Replacement**

Four of the original plant monorakes in the sedimentation basins will be 35 years in 2012. Corrosion of the mild steel in the equipment structure occurs as most of this equipment is submerged in water all the time. The monorakes are critical to the function of removing sludge from the sedimentation basin at the water plant. A failure of this equipment will leave basin without continuous cleaning. The basin would need to be clean manually until the monorake could be repaired. Continuous cleaning of the basin is necessary for the best water treatment and to keep sediment from carrying over into the filters. Sediment that contains organic carbon can pass into the filters and is then exposed to the chlorine applied to the filter. Disinfection Byproducts are created when organic carbon is exposed to chlorine used for disinfection. This makes our water have higher concentrations of trihalomethanes and haloacetic acids which makes it difficult to maintain regulatory compliance.

This repair or replacement is in keeping with the requirement to maintain our water system as per the original design specifications and State approvals to construct as referenced in the State regulation shown below.

Project	Cost	10-11	11-12	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
Rebuild Water Plant Filters 5, 6, & 7 (One Per Year)	\$216,400			\$69,000	\$72,000	\$75,400	Water Filtration	Fifteen years is the generally acceptable life of a filter. These are approaching 19, 20, and 21 years in service.	Filter media wears out with time and the ability to filter the highest quality water deteriorates. The filters experience difficulty meeting turbidity requirements as the media loses efficiency.

**Rebuild Water Plant Filters**

Filter media wears out with time and the ability to filter the highest quality water deteriorates. The filters experience difficulty meeting turbidity requirements as the media loses efficiency. The service life of filter media is stated to be fifteen years by most experts in water industry. Our original four filters were in service for 28 and 29 years. These filters were still doing a good job, but the media that was removed was severely worn and obviously in need of replacement. Filters 5, 6, and 7 are currently scheduled for rebuilding at 19, 20, and 21 years of service. We believe

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this is a good compromise between cost and maintaining good efficiency in the filters' operation. Forthcoming stricter regulations and possible reduction of the filtered water turbidity limits within the next eight to ten years makes it critical that our filters be maintained in best condition possible.

This repair or replacement is in keeping with the requirement to maintain our water system as per the original design specifications and State approvals to construct as referenced in the State regulation shown below.

Project	Cost	10 -11	11 -12	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
Holland St WL Proj. (CDBG)	\$60,000			\$60,000			Water Construction	Muddy water; galv.	Possible fines; flushing due to complaints
Odor and Corrosion Control for Railroad and Industrial Pump Stations	\$270,000			\$40,500	\$229,500		Sewer Maintenance	Liquid Phase Odor and Corrosion Control at Railroad and Industrial Pump Stations	Emergence of odor, customer complaints and corrosion.

#### Odor and Corrosion Control for Railroad and Industrial Pump Stations

Railroad Pump Station has three pumps with equal capacity. Peak capacity is determined by the largest single pump out of service. Therefore, Railroad Pump Station has a peak design capacity of 3,425 gallons per minute, gpm, (or approximately 5,000,000 million gallons per day) with two pumps running. Its minimum pump capacity is 1,745 gpm (or approximately 2,500,000 million gallons per day).

Industrial Pump Station has two pumps with equal capacity. Using similar criteria, it has a peak design capacity with one pump running of 2,100 gpm (or approximately 3,000,000 million gallons per day). Its minimum pump capacity is also 2,100 gpm.

These stations share a long, common 16-inch diameter force main that carries the flow to the Mebane Bridge Wastewater Treatment Plant. This force main is ductile iron and presumably does not have a special interior corrosion resistant coating. Further inspection is needed to determine if the force main is equipped with a liner that is resistant to hydrogen sulfide corrosion.

Both these stations are equipped with Variable Frequency Drives so the actual minimum pump capacity may be lower. The recommended minimum flow from these pumps is likely 1,250 gpm in order to maintain 2 feet per second (fps). 2 fps is the minimum required velocity in a force main to keep organics and solids in suspension.

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Concerns have emerged about longer residence time of wastewater in the force main system that serves Railroad and Industrial Pump Stations. This concern has been precipitated by significant reduction in tributary industrial flows to the Railroad and Industrial Pump Stations. The closure of Hanesbrand, Inc. has resulted in the loss of 3.5 million gallons per day of flow to Railroad Pump Station. The closures of Pluma and most recently Liberty Screen Printing has had similar consequences on flows to Industrial Pump Station.

A recent snapshot of pump runtimes at both stations shows the following:

Heavy influence of inflow and infiltration (I&I) at Railroad Pump Station is likely supporting pump operation that is allowing the force main to turnover regularly; however, during sustained dry periods, minimal flow at this pump station results in sparse pump operation (less than 3 hours of operation per pump) and infrequent force main turnover

Minimal flow at Industrial Pump Station and little I&I given the small tributary collection system has resulted in sparse pump operation (less than 3 hours of operation per pump) and infrequent force main turnover

As the City continues to reduce I&I to recover capacity within the Dry Creek subsystem and the uncertainty of when and what will redevelop at the former Hanesbrand and Liberty facilities, septic conditions with the wastewater and undesirable long residence times in the 16-inch force main and wet wells will occur. This condition is not acceptable since the wet well is likely standard concrete and ductile iron force main is presumed to have a standard, cement mortar lining. Minimum design criteria as enforced by NCDENR-DWQ-PERCS is noted below:

1.03.B.1.c Pump station cycle and pump run times, including an evaluation of any depressed sections of the force main to determine if the pump station is capable of completely flushing the force main section being evaluated in a single pumping cycle.

3.03.A.2 Material selection for pump station structures shall be based on installation and operating factors including, but not limited to, the following:

- a. Physical, chemical, and biological wastewater characteristics.
- b. Corrosive gas production.
- c. Soil characteristics.
- d. Groundwater presence.

4.01.B.1.e Consideration shall be given to the existence of or the potential for development of corrosive environments within and outside the force main shall be performed. Sources of corrosion may include: acidic soils, septic wastewater, and air entrainment within the force main. Where corrosion is deemed to be a serious problem, DI pipe shall be provided with cathodic protection or an internal/external encasement, lining, or coating appropriate for the pipe material and situation. Such encasements, linings, and coatings shall be manufactured or applied in accordance with the appropriate ANSI and AWWA standards.

A liquid phase odor and corrosion system is recommended given the following factors:

Replacement and/or lining of the existing force main and wet wells are cost prohibitive

The stations are in remote locations and do not require a more complex odor and corrosion control system such as vapor or air scrubbing. Any odors that result from long residence time are not likely to result in customer complaints.

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The use of liquid phase feed system will be the most effective means to mitigate the odor and corrosion at this time. Bioxide is the recommended liquid phase since it is already being fed at the Dan River subsystem.

The additive of bioxide upstream to the pump stations will allow a non-hazardous biological process to occur. The process removes dissolved hydrogen sulfide and prevents its formation through the addition of nitrate oxygen.

The City is recommended to conduct a more detailed evaluation during dry, warm weather as hydrogen sulfide emergence will be more prevalent. The City should check sulfide levels just upstream of each wet well and in the force main just upstream of its confluence with the WWTP. Depending on these results and a better understanding of the actual flows and pump runtimes, the City will be able to establish final project objectives and its implementation.

Failure to implement this plan could result early deterioration of downstream sewer structures due to the excessive production of hydrogen sulfide gas and that gas converting to sulfuric acid upon contact with water, creating a hostile environment for metals and cement structures as well as for personnel needing to do work.

Project	Cost	10 -	11 -	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
Rebuild/Replace Main Wash Valve	\$23,600	11	12	\$23,600			Water Filtration	The main wash valve will 35 years old in 2012. The valve is starting to show signs of wear.	The service life of a valve is very long. The serviceability of this type valve deteriorates very slowly and is generally not subject to rapid failures.

### Rebuild/Replace Main Wash Valve

The main wash valve will 35 years old in 2012. The valve is starting to shows signs of wear. The service life of a valve like this is very long. The serviceability of this type valve deteriorates very slowly and is generally not subject to rapid failures. This valve has been evaluated annually for many years to insure that it is capable of sustained operation for the next year to come. The Five Year Capital Improvements plan includes this wash valve as this valve may reach it end service life during this budget period. This valve is critical to the washing operation of filters at the water plant. This valve controls the backwash flow rate of all seven filters at the water plant.

This repair or replacement is in keeping with the requirement to maintain our water system as per the original design specifications and State approvals to construct as referenced in the State regulation shown below.

Project	Cost	10 -	11 -	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
First St WL	\$72,500	11	12	\$7,500	\$65,000		Water	Galvanized	Possible fines;

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Project							Construction	WL	flushing due to complaints
Jackson St. WL Project	\$61,000			\$6,000	\$55,000		Water Construction	Fire protection Rule .0902(b)	Reduced fire fighting capacity
Rework North Aeration Basin	\$3,500,000				\$3,500,000		Wastewater	The walls are cracked and the bottom is uneven, damaged clay	Continued use could lead to more damage and possible leaks to the ground water
East Kuder Street Sewer Basin Phase 3 Pipe Lining	\$1,404,000				\$702,000	\$702,000	Sewer Construction	Reduce inflow and Infiltration through sewer renewal in Kuder Street Subsystem	Exposure to civil penalties and SSOs.

**East Kuder Street Sewer Basin Phase 3 Pipe Lining**

*Why Needed*

Reduce inflow and Infiltration through sewer renewal in Kuder Street Subsystem (east side) through SSES Conditional Assessment (Approximately 16,500 linear feet of 8 to 12-inch sewers to be lined)

*Consequences of Delay*

Exposure to civil penalties and SSOs

Project	Cost	10-11	11-12	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
Replacement of High Priority Aerial Crossings on and at the Smith River Trestle Crossing	\$1,266,000				\$80,400	\$1,185,600	Sewer Construction	Replacement of High Priority Canal Crossings	Increased maintenance.

**Replacement of High Priority Aerial Crossings on and at the Smith River Trestle Crossing**

*Why Needed*

Replacement of High Priority Canal Crossings that are unprotected and subject to failure from erosion, vandalism, and strikes by floating debris during flood conditions.

*Consequences of Delay*

SSOs and potential civil penalties plus costly emergency repairs.

Project	Cost	10-11	11-12	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
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Rebuild High Service Water Pump	\$65,000				\$65,000		Water Filtration	High Service Pumps have a long service typically because they pump clean water and have low rate of abrasion wear. Pump number 4 will have been service 25 years in 2014.	After 25 years of service, the likelihood of a failure grows greatly. This pump is one of three high service pumps. Pump Number 4 is a Variable Speed Pump that is a critical part of our two primary pumps.
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**Rebuild High Service Water Pump**

Typically, High Service Water Pumps have a long service life because they pump clean water and have little wear from abrasion. Pump number 4 will have been service 25 years in 2014. After 25 years of service, the likelihood of a failure grows greatly. This pump is one of three high service pumps. Pump Number 4 is a Variable Speed Pump that is a critical part of our two primary pumps. This pump will not be rebuilt until wear indicators show that failure or damage is imminent. The pump could very well remain serviceable beyond 2014, but because of the high rebuild cost planning prudence dictates that this pump rebuild to be part of the capital improvement budget.

This repair or replacement is in keeping with the requirement to maintain our water system as per the original design specifications and State approvals to construct as referenced in the State regulation shown below.

Project	Cost	10-11	11-12	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
Ray St WL Project	\$45,000				\$45,000		Water Construction	Rule .0902(b); fire protection	Reduced fire fighting capacity
Karastan Sewer Relocation	\$280,000				\$42,000	\$238,000	Sewer Construction	A public sanitary sewer line is located under a private industry.	Liability and exposure if sewer collapsed or SSO emerged inside building.

**Karastan Sewer Relocation – \$280,000**

As part of the inspection phase of the Sanitary Sewer Evaluation Study (SSES) in the Bridge Street subsystem, additional attention was given to the sewer that carries sewer from the Leaksville downtown area to the Bridge Street Pump Station. This sewer is routed under and inside Karastan’s manufacturing facility and presents an undesirable exposure including:

- Sewer backups inside the building

- Line failure resulting in possible settlement of the building and foundation damage

Its location also makes maintenance difficult and emergency maintenance via excavation impossible.

A preliminary engineering estimate and route was developed for a relocated sewer to reroute sewer around the Karastan facility. The estimate assumed that the stores and businesses adjacent to Washington Street are served by the sewer in Washington Street and not by the sewer from Manhole BSE270 to BSE272. Additional field investigation including dye testing the affected businesses is recommended before initiating design of the diversion sewer.

Project	Cost	10-11	11-12	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
Sunset Dr. WL Project	\$78,500				\$8,500	\$70,000	Water Construction	Galvanized WL	Possible fines; flushing due to complaints
Stuart St WL Project	\$74,500				\$7,500	\$67,000	Water construction	Muddy water; galv.	Possible fines; flushing due to complaints
Dredge Presettling Impoundment	\$45,000					\$45,000	Water Filtration	Build up of silt in the presettling impoundment occurs over time as mud is pumped from the river.	The silt settlement build up over time will take up volume needed for water storage capacity.

### Dredge Presettling Impoundment

We pump water from the river to the Presettling Impoundment behind the Water Plant. The Presettling Impoundment has been in service since the water plant was built in 1978. Silt and sand in the river water settles out in the Presettling Impoundment and reduces the turbidity in the water that will be treated. The settling process allows the water plant to use less chemical to treat the water and thereby save money. The silt builds up over time in the impoundment and will take up volume needed for water storage capacity. When the impoundment is filled to a level even with the top of the intake structure, the impoundment will need to be dredged to remove the years of settlements. Failure to perform this dredging operation when the appropriate time comes could impede the flow of water from the impoundment. The depth of the Presettling Impoundment is monitored annually to track process of the silt buildup.

Project	Cost	10-11	11-12	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
Utility Tractor/Loader Replacement Vehicle M11	\$41,600					\$41,600	Water Resources	This tractor is critical to the functions of the wastewater plant	Age is becoming a factor in the ability of this vehicle to perform as required at the facility.

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M11 Tractor Loader

The tractor is a vital part of the Water Utilities operation for Wastewater, Water Plant, and Water Resources. It is used for moving material dumpsters, as a small forklift, placing gravel and dirt, snow removal, lifting heavy equipment, and bushhog mowing around the plants. The replacement of the tractor has been scheduled for 2015 when the tractor will be 28 years old. The tractor is currently in good condition and meets all the needs made of it. The tractor will be closely evaluated as we approach 2015 to see if its usable life has been reached or if it can continue in service.

Project	Cost	10-11	11-12	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
Replace Caustic Storage Tank	\$28,600					\$28,600	Water Filtration	Fiberglass storage tanks deteriorate with time. Two of the tanks were installed in 1993.	Small age cracks in the gel coat of fiberglass can allow caustic to attack the actual fiberglass fibers that destroy the strength of a tank. Failure of a tank can be the result.

Replacement of the Caustic Storage Tank

Tanker truck delivered Caustic (Sodium hydroxide) is used by the Water Plant to adjust pH of the water we treat. This caustic storage tank will have been in service for 21 years when we budget to replace it in the year 2014. The fiberglass that this tank is made of does age with time. Small age cracks in the protective gelcoat of fiberglass can allow caustic to attack the actual fiberglass fibers that destroys the strength of a tank. Failure of a tank can be the result from the deterioration of caustic reacting with the fiberglass. It is therefore prudent to plan for its replacement and to evaluate the condition of the tank annually to be proactive before a failure can occur. Previous caustic tanks have begun to show signs that the fiberglass was breaking down with damage that could soon lead to leakage.

This repair or replacement is in keeping with the requirement to maintain our water system as per the original design specifications and State approvals to construct as referenced in the State regulation shown below.

Project	Cost	10-11	11-12	12-13	13-14	14-15	Fund/Division	Why needed	Consequences of delay
NC 14 WL Project	\$13,000					\$13,000	Water Construction	Rule .0902(b)	Reduced fire fighting capacity
Haled St WL Project	\$10,000					\$10,000	Water Construction	Rule .0902(b)	Possible fines; flushing due to complaints



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Caleb St. WL Project	\$8,500					\$8,500	Water Construction	Galvanized WL	Possible Fines; flushing due to complaints
Gresham St WL Project	\$5,000					\$5,000	Water Construction	Galvanized WL	Possible fines; flushing due to complaints
Highland Dr WL Project	\$4,500					\$4,500	Water Construction	Galvanized WL	Possible fines; flushing due to complaints
Lynrock St WL Project	\$1,500					\$1,500	Water Construction	Galvanized WL	Possible fines; flushing due to complaints
Circle Dr WL Project	\$0						Water Construction	Galvanized WL	Possible fines; flushing due to complaints
Wilson alley (east of The Boulevard) WL Project	\$0						Water Construction	Leaks	Continued maintenance
Knott St WL Project	\$0						Water Construction	Galvanized WL	Possible fines; flushing due to complaints
Maryland Ave WL Project	\$0						Water Construction	Galvanized WL	Possible fines; flushing due to complaints
Maple St WL Project	\$0						Water Construction	Galvanized WL	Possible fines; flushing due to complaints
Martin St WL Project	\$0						Water Construction	Muddy water; galv.	Possible fines; flushing due to complaints
Camellia Ln WL	\$0						Water Construction	Odd-sized	Reduced fire fighting

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Project								WL	capacity
Totals	\$24,361,326	\$2,995,485	\$3,572,430	\$6,466,322	\$8,433,789	\$2,893,300			

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Review & Consideration Of Implementing An Automated Meter Reading System (*Follow-up From Last Year's Retreat*)

Ms. Tammie McMichael came forward with the Automated Meter Reading System presentation.

Automated Meter Reading

- Solving Tomorrow's Problems With Today's Technology
  - Utilities today are being challenged with maintaining and managing an efficient water system in the face of
    - Declining revenues
    - Increased operating costs
    - Infrastructure improvement needs

Current Problems

- Prolonged leak detection
- Tamper detection
- Inaccurate meter readings
- Resolving billing issues
- Time restraints due to monthly billing for both meter reading & billing

Current Meter Reading Schedule

- Two Monthly Billing Cycles (15<sup>th</sup> & 30<sup>th</sup>)
  - 3 Meter Readers
    - Read 8,413 meters per month
      - 6 days to read 4,200 accounts each billing cycle
    - Handle an average of 406 work orders per month
      - Processed every day from 3:00-5:00
    - Rereads an average of 50 per month
    - Leave an average of 30 door hangers per month
    - Check stop meters an average of 50 per month
- Two Monthly Billing Cycles (15<sup>th</sup> & 30<sup>th</sup>)
  - 3 Meter Readers
    - Cutoffs/Reconnects for non payment an average of 150 per month
    - Pull meters for non payment (lock or pull) an average of 50 per month
    - Replace old meters an average of 5 per month (since we have gone to monthly billing)

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- Allow for weekends, holidays, weather, and personal time off
- Two Monthly Billing Cycles (15<sup>th</sup> & 30<sup>th</sup>)
  - 2 Billing Clerks
    - After readings submitted-
      - Run reports for no reads, rereads
      - Bills Processed for 7,027 accounts per month
        - 3,513.50 bills each cycle
        - Reviewed
        - Continuous bill forms folded/burst
        - Stamped and mailed
- Two Monthly Billing Cycles (15<sup>th</sup> & 30<sup>th</sup>)
  - 2 Billing Clerks
    - Reminder notices processed for 800-1,000 accounts per month
      - 400-500 reminder notices each cycle
      - Reviewed
      - Continuous forms folded/burst
      - Stamped and mailed
    - Cut off list
    - Pull meters list
    - Stop meters list
- Two Monthly Billing Cycles (15<sup>th</sup> & 30<sup>th</sup>)
  - 2 Billing Clerks
    - Handling customer service telephone calls-everyday
    - Collecting & Posting payments-everyday
      - Approximately 50% of our customers come in the office to pay
    - Issue and update work orders-everyday
- Two Monthly Billing Cycles (15<sup>th</sup> & 30<sup>th</sup>)
  - 2 Billing Clerks
    - Balancing cash drawers and making deposits-everyday
    - Other responsibilities
      - Large Customer W&S Billings
      - Billing for Waste Management Services approximately 297 bills per month
- As you can see we cannot afford to let one day pass us by.....there is a lot involved in monthly billing and the collection process

#### Comprehensive Technology Solution

- Automated Meter Reading
  - Orion meter reading technology from Badger Meter
    - Offers modules that can be fitted to our existing meters
    - Brad Bersch with Carolina Meter assisted with information being

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presented

- Meet the Demands
  - Meter reading
  - Data analysis

Business operation

Ms Michael then presented a picture of a meter reader reading meters and the picture was an advertisement for the Orion AMR system.

The Depth of Our Meter Reading Technology

- There has to be a better way.....

She then presented a similar photograph of our meter reader depicting his head in a meter hole. This is the depth of our meter reading technology! AMR is the solution to our current meter reading problems. Actual picture of what our meter readers have to deal with .....

Features/Benefits of AMR

- Payback/Opportunity Analysis System
  - Actual report provided by Brad Bersch with Carolina Meter was provided to you as a hard copy
- Meter reading efficiency
- Product capabilities
  - Promotes efficiency and conservation
- Ability to be retrofitted

Warranty of Radio Read

- Old meters = lost revenue on water and sewer bills
- Solve the timing issues related to monthly reads
- Leak Detection, Data Profiling (over 2 ½ years of hourly reads stored in Radio Transmitter)
- Transmits data every 4 seconds
- Identification of leaks on a more timely basis will provide us and our customers with more opportunities to notice leaks and get them repaired before they lead to large financial losses
- Utilize a portion of our existing meter base
- Not something you will need to come back to you in a few years to upgrade the technology
- 1000 utilities currently using AMR

ORION® Transmitter Features

- Unparalleled protection against water intrusion
- Factory pre-wired, assembled and tested
- No field programming required
- Ready to install!

Ms. McMichael presented a Date Profile Viewer - Bar Graph for the Council to view.

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### ORION® Drive-by

- Wireless Bluetooth® GPS Navigational System
- Touch screen operation
- Load account via 3.5" floppy, memory stick or direct connection to network
- Receiver passes readings directly to PC

### ORION® Reading Software (ORS) Premium Kit

### ORION® Water Meter Monitor

- Promotes efficiency and conservation.
- Displays consumption reads along with tamper and leak indication data.
- Optional customer service tool for all end water users.

This is an optional feature that is not currently included in the current pricing. The monitor cost approx. \$85.00. It is recommended that we purchase approximately 6 monitors. The Orion Water Meter Monitor is an additional customer service tool for all end water users.

Council Member Burnette asked if you just go and install those in the house for a period of time and you just monitor to which Mr. Taylor replied that it was magnetic and it interfaces with that radio transmitter from their meter and they will get a continual readout of how much water is going through that meter, and they can also offer them for purchase.

### Others' Experience with AMR

- North Wilkesboro, North Carolina
  - Increase in revenue and cash flow
  - 92% meter accuracy
  - Moved to monthly billing creating smaller customer bills
  - Reading time decreased 90%
  - Financed AMR for 7 years with payback ahead of schedule-projection by Carolina Meter-actual additional revenue not available

We actually did a site visit in North Wilkesboro in May 2008 to see the AMR system in action. North Wilkesboro was chosen due to their use of Logics Financials for billing. The Utility Billing Clerk stated that the integration with Logics went very smoothly. They use their own personnel who performed the actual retrofit and installation of the AMR system on their meters. They completed approximately 2,000 meter in the space of six months while still performing manual reads and maintaining the system. They were extremely pleased with the features of the automated read system, especially the leak detection and tamper detection system. Perhaps the most telling demonstration of the day was the live demonstration of the drive-by reads. The meter readers setup the laptop in their truck and we rode along with them as they drove around a few neighborhoods. The speed of reading was amazing. We read almost 400 meters in less than an hour of driving with several meters being flagged with potential leaks and a few flagged as

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having been tampered with. The visual feedback from the application on the laptop was impressive. As meters were read, they changed color on the map and disappeared from the list of meters on that route.

The general consensus by the staff and the Town Manager, Hank Perkins, is that the AMR system was the best investment they had made in their utility infrastructure to date. Mr. Perkins especially expressed that the improvements in customer service, billing accuracy, and leak detection are the key features that have convinced them they made the right choice. The added efficiency of the AMR system also allowed them to cut one and a half positions from their staff through attrition.

Taylor – pointed out that they actually went to North Wilkesboro and saw the system and rode with one of their meter readers in the truck and with just about an hour they read 400 meters.

- Pulaski, Virginia
  - Increase in revenue and cash flow
  - 10% accuracy gain
  - Increased meter reading efficiency
  - Installation 4-6 months
  - Payback 3.11 years-projection by Carolina Meter-actual additional revenue not available
  
- Baton Water Company, NC
- Conover, NC
- Franklin, NC
- Moore County, NC
- Mount Airy, NC
- Mulberry-Fairplains, NC
- Pfeiffer-North Stanly Water Company, NC
- Siler City, NC
- Appomattox VA
- Campbell Co VA
- Loudon Co VA
- Lynchburg VA
- Aiken SC
- Beaufort-Jasper Water Authority SC
- SJWD (Spartanburg, SC area)
- Southside Rural Water District SC
- Northeast Knox Utility District TN
- Springhill TN

Need and Desire for the Automated Process

- Constant vision of the future
- Automation
- Revenue Management

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- Integration of billing and information management systems
- Resource management
- Conservation
- Non-revenue water
- Demand response
- Customer service
- Need to maximize efficiency
- Valid reads every time
- Greater number of reads

#### Strategy for Implementing AMR

- Operational standpoint
  - One reader (with back up from Collection & Distribution)
  - One survey reading
    - Visually confirming while collecting data on leaks or illegal connections
- Logistical standpoint
  - Long lasting technology
    - Warranty of radio read units 20 years

-It would be my recommendation to reduce staff through attrition

-Radio read units – 20 years (10 yrs full replacement, 11-20 yrs pro-rated)  
(transmitters, batteries, and encoder)

-Average life of a transmitter is 17 years

- Financial standpoint
  - Revenue losses are typically due in part to a combination of the following:
    - Meter failures
    - Meter inaccuracies
      - We have approx. 8,238 (3/4” and 1”) meters
      - We have approx. 163 (1/4” up to 10”) meters
      - We have 12 large meters assigned to contract customers
- Financial standpoint
  - Revenue losses are typically due in part to a combination of the following:
    - Misapplication
    - Incorrect meter sizing
    - Undetected leaks
    - Unauthorized use or theft

Mr. Corcoran noted that one of the reasons why that statistic was important, if you look at the information presented by Mr. Bersch, he notes in there that his estimates were primarily based on the smaller meters and he really has not analyzed any larger meters and he makes the note in there that if you have larger meters with the larger quantity of those that you have, his numbers were going to get even better for you.

- Bare Minimum Savings

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- Time and labor savings
  - 4,000 meters can be read daily with AMR
  - Staff reductions approx. \$80,267- 2 FTE positions
  - Uniform cost approx. \$1,000
- Repair & Maintenance
  - Stopped Meters approx. \$500
  - Meter replacement program approx. \$15,000

-The initial cost can be absorbed through long term advantages and savings that would be significant from reduced staffing requirements as well as the potential added revenue generated by new meters and the early leak detection.

-Salary & Benefits Meter Maintenance/Reader  $\$39,658.49 \times 2 = 79,316.98$  plus other misc. benefits \$80,267

-Replace an average of 5 meters per month that have actually stopped at \$48.00 each plus a possible new riser \$87.40 each or a ford meter wheel \$12.56 each and the washers cost about \$0.10 each.

-Appropriated 15,000 annual for the meter replacement program (approx 400 meters)\*we have not been able to utilize the full amount due to cost reduction measures that have been implemented for the last couple of years.

We have been budgeting approx. \$15,000 per year for the meter replacement program-due to the 10 year 100% warranty would should be able to save this money.

From July 1, 2009 thru January 30, 2010 we have spent \$9,172.90 for 3 trucks and 1 car. This extrapolates out to \$15,724.97 for 12 months. If you divide this by 3 since the car is only driven daily for deposits and mail runs it equals \$5,242. We should be able to save about \$10,00 in vehicle r&m and fuel costs.

- Bare Minimum Savings
  - Repair & Maintenance
    - Handheld replacement cost approx. \$563
    - Vehicle replacement cost approx. \$3,000
    - Vehicle repair & maintenance & fuel approx. \$10,000
- Total Annual Savings Projected \$110,330
  - Based on current salaries and related costs

From July 1, 2009 thru January 30, 2010 we have spent \$9,172.90 for 3 trucks and 1 car. This extrapolates out to \$15,724.97 for 12 months. If you divide this by 3 since the car is only driven daily for deposits and mail runs it equals \$5,242. We should be able to save about \$10,00 in vehicle r&m and fuel costs.

Council Member Burnette stated that he knew they have replaced some meters but they were not going to be compatible with the new system.

Mr. Taylor replied that they actually were. He explained that it was as simple as taking the dial off the top and putting the new unit on it.

Council Member Burnette asked if there would be any less replacement of meters and questioned



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why they replaced the meter today. Would there be any less replacements by going to this system.

Mr. Taylor explained that if they go into it assessing the number of meters they have that were older than 5 to 10 years, instead of retrofitting them go ahead and replace them, then they were looking at a 20 year span where these meters should be accurate enough so that at the end of that 20 years they could look at replacing those meters. But, in that situation they have increased the life on the transmitters as well.

Council Member Ellis stated that he saw where most of the counties they checked out were in the western part of the state and if temperatures would bother these.

Mr. Taylor replied that North Wilkesboro was at a higher elevation and they would definitely have a lot more winter weather and they said that they really had not had any issues with the meters.

Council Member Hagood stated that he had visited a site close by that had AMR and they go a couple of steps further even with their automation. They take the AMR data and transmit that to a bulk mailer and they have their statements outsourced and have a very good rate and as a continuation to that project they intend to go to maybe an email billing to cut down on the traffic, but even that they had the AMR installed before they entertained going to monthly billing they avoided adding the labor and people.

Mr. Taylor pointed out that by getting into email billing and the online drafting, there were a lot of compliance issues that can get very expensive for a small IT shop. He explained that if you were processing credit cards onsite and showing credit card data onsite you have to be PCI compliant. Part of that compliance was a yearly security scan of the network which would cost you up to \$25,000.

Council Member Hagood agreed that was why they had not gone to email billing yet but they had used the bulk mailer.

- Opportunity Analysis Data Provided by Brad Bersch with Carolina Meter (provided to you as a hard copy)
  - Assuming a 1 year change out period
    - Increase in revenue and cash flow
      - Average additional annual revenue \$296,941
    - Increase in meter accuracy
    - Manage monthly billing more effectively and efficiently
    - Reading time decreased 90%
    - Reduction in repair & maintenance costs
    - Leak detection

-We as staff are not advocating this information.....it is based on research that was done in FY 07-08

-Is designed to show how Badger products can help our utility enjoy improved financial

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performance through:

- Revenue gain by increased meter accuracy
- Meter repair and field service cost savings through installing new meters, and
- Cost savings through automated reading collection
- On all of the meter types and sizes in our system

Expected Results for the COE

- Opportunity Analysis Data Provided by Brad Bersch with Carolina Meter (provided to you as a hard copy)
  - Assuming a 1 year change out period
    - Increase in revenue and cash flow
      - Average additional annual revenue \$296,941
    - Increase in meter accuracy
    - Manage monthly billing more effectively and efficiently
    - Reading time decreased 90%
    - Reduction in repair & maintenance costs
    - Leak detection
  - Assuming a 1 year change out period based on 5/8X3/4” and 1” meters
    - Payback approx. 5.2 years- the calculation was based on research that was done in October 2008

This is the most conservative approach that Brad Bersch with Carolina Meter can offer...any meters 1 1/2” and larger that are not contract meters would help reduce the payback number as those meters are most likely not registering 100%. Any revenue increase could go to the bottom line (payback #).

Other assumptions made:

Pricing stays identical (Brad Bersch can guarantee that until Dec. 31, 2010...maybe longer).

Since we started this process appx. 18-24 months ago, I have reduced the accuracy of the meters from 90% to 89%....system has gotten older over this time period.

Bronze bottom meter, data profiling, and a mixture of Integral mount type and Orion Transmitters that have a wire (recommended for deeper meter boxes or one's that have a tendency to flood).

Orion Transmitters carry a warranty of 20 years (10 year complete replacement and years 11-20 are pro-rated). With a 5.2 year payback, the system still makes sense.

Also, total project cost will be 1.85 million....that is a ballpark number. Most likely + or - \$100K. Still alot of variables to consider, but this is as close as we can get under the current circumstances.

Primary Reasons Other Utility Providers Implement AMR

- Inaccurate meters

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- Transition from a quarterly to monthly reads
- Growth in that area that may require more time/personnel
- Elimination of pencil/paper reads
- Features and benefits
  - Leak detection
  - Data profiling

I have not been able to verify actual payback periods and actual additional revenues due to the implementation of AMR

#### Cost Analysis for AMR

- Preliminary Estimated Project Cost
  - \$1,850,000 (+/- \$100,000 per Brad Bersch with Carolina Meter)
    - Includes:
      - Start up fee \$23,500
      - Handheld device \$4,500
      - Installation set up fee \$5,000
      - Retro fitting approximately 1,204 meters \$201,389
      - Replacing approximately 7,209 meters \$1,615,611

-This is a very conservative estimate.....approximate pricing is based on a “systemwide” conversion. Once a decision is made to move forward with the project and we can establish exact quantities.....a formal quote or proposal will be issued. Pricing is usually extended for a 12 month period.

#### Payment Options for AMR

- Water & Sewer fund balance
  - \$5,212,020 was available for appropriation as of June 30, 2009
  - Funding opportunities through the American Recovery and Reinvestment Act (Economic Stimulus Bill)-not a very promising option at this point still being debated by Congress
    - Jobs for Main Street Bill-anticipate having more negative interest/principle forgiveness State Revolving Fund money (i.e. grant) to offer out

\$8,489,594 is the fund balance as of June 30, 2009; however, \$3,277,574 is restricted by State Statute & City Council

-Grant dollars sounds like a promising option but not always reliable

We did not get selected for the first and second round of ARRA funding...they funded smaller systems first

-We have been told by Ron Lilly at Cavanaugh & Assoc. that AMR water meter conversion project is eligible under the “water efficiency” portion of the bill currently being debated by Congress

-The House and Senate conferees have come to an agreement on the \$790 billion economic

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stimulus bill

-Staff is currently searching the details/availability of these grant opportunities

Potential half 0% interest loan and half subsidized loan

Drinking Water State Revolving Fund

Application due by February 27, 2009

Clean Water State Revolving Fund

Project letter due by February 20, 2009

Application due by March 30, 2009

According to Mark Fisher with W.K. Dickson.....no one is holding their breath that the second bill will actually materialize that would cover "Investments in Water Infrastructure Improvements"

- The Rural Center
  - Researching Grant Possibilities
    - Application process in August 2010
    - Reviewed October & November 2010
    - Not a lot of applications for AMR being submitted
  - We are currently working with W.K. Dickson aggressively to develop a funding plan for this project
  - Also, Brad Bersch & Ron Lilley with Carolina Meter are keeping us informed of any potential funding options

-Currently having discussion with Mark Fisher and others at WK Dickson to develop a funding plan. Also, Brad Bersch & Ron Lilley with Carolina Meter are keeping us informed of any potential funding options. Mr. Lilley previously worked for Cavanaugh & Associates who assisted with the ARRA grant applications in 2009.

- Long Term Borrowing
  - Interest rate estimated at 3.70% based on recent financing
  - Terms of repayment will equal 3 years
  - Annual debt service payment is expected to be approximately \$662,853
  - Bank Qualified (the loan is under \$10,000,000; therefore, is tax exempt)

The interest rates were estimated/provided by HSB Feb. 2010. You can see the debt service payment for a 3 year installment purchase....

- Long Term Borrowing
  - Interest rate estimated at 4% based on recent financing
  - Terms of repayment will equal 5 years
  - Annual debt service payment is expected to be approximately \$415,560
  - Bank Qualified (the loan is under \$10,000,000; therefore, is tax exempt)

You can see the debt service payment for a 5 year installment purchase.

Current Interest Rates Earned

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- Operating account 0.60%
- Cash Management 0.12%
- 60 day CD 1.2%
- 90 day CD 1.5%
- 180 day CD 1.8%

Based on the interest rates being earned compared to interest rates paid on an installment loan....paying cash for AMR does make the most sense.

#### Conclusion

- We must remember resource management is the single most important issue facing our community.
- We must account for every drop and manage it wisely.

In addition to greatly reducing our meter reading costs, AMR will help us track our water, better manage conservation programs, enhance customer service and optimize our infrastructure

-However, the initial investment is by no means cheap.....the potential benefits and increased revenue potential make this a technology we cannot afford to ignore.

#### Recommendation

- Total projected annual savings \$407,271
  - We have identified bare minimum annual savings \$110,330
  - The consultant projects additional annual revenue \$296,941
- Based on the projected savings it would only cost the tax payers an additional \$8,289 per year.
  - \$415,560 loan payment for 5 years
- We recommend protecting the W&S fund balance for W&S capital projects. We will continue to aggressively pursue grants for the AMR project and hold off until December 1, 2010 to make a final decision since our prices are guaranteed thru December 31, 2010. If there is further interest, we will schedule a formal presentation given by Brad Bersch with Carolina Meter.

Dennis mentions.... \$24.2m in 5 years of W&S capital project needs.

Ms. McMichael asked if there any questions.

Council Member Hagood questioned if the number that she had for new meters was retrofitting.

Ms. McMichael replied no, the new meters would be actual new meters with the transmitter and everything already attached.

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Mr. Taylor added that approximately 1,200 would be retrofitted and they were less than 7 years old.

Ms. McMichael also added that from what she remembered, any Badger meters 1985 and current could be retrofitted. The question was, you have an old meter, whether it was 7 years or 10 years old, to invest in a project like this, does it not make more sense to make sure that your technology was the newest, and when it comes to a price that you want to do that so you do not have to come back and deal with this same project sooner.

Council Member Turner asked if there was anything automated for people who were coming in paying bills and if they could place something there like a computer bill pay or little ATM.

Council Member Burnette added that they have something like that at the Verizon store but he did not know what the expense of something like that would be.

Mr. Taylor explained that again they would be getting into a PCI compliance issue. What they were doing now with the readers on the desk, with credit cards, that information never touches the city's network, if that information touches their network it would require a separate internet connection and that would be an additional ongoing expense

Mayor Grogan added that they would probably have to give every customer a card.

Mr. Taylor stated that they would have to pull up the bill and it would go to a barcode on the bill and they scan the barcode and it pulls it up and they cash or key in their credit card.

Mayor Grogan pointed out that they installed glass in there.

Ms. McMichael agreed that it did create a barrier and distance and it did help keep people under control and of course it does make employees feel safer.

Mr. Corcoran explained that they were physically limited in terms of how they were set up. He noted that Reidsville has a drive-thru and when you have that especially in cold or hot, people will use the drive-thru. They did discuss doing something like the post office and if there was a way of erecting a mailbox where you could drive up. He stated that it was a possibility but how people would use it, the key was the places that have the drive-thru as it would really expedite the process. He explained that the way he would approach this for the budget, they would probably include the money they think would be necessary if Council decided to do this in January next year assuming they got no grant money. That way if they did make that decision the money has been allocated.

He added that he did not know how quick Carolina Meter could ramp up such a thing or how much could be done in a five or six month period but in a budget perspective they would probably see something included with a caveat in the budget message with the understanding that that money was included and the project would receive a formal approval by Council before it proceeded and again hopefully they would find some grant money. One of the encouraging things they found was that although no one would tell them what the payback was, everyone that

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Ms. McMichael talked with told her that they were exceeding the estimates from Brad Bersch. So, although he could not promise them that the payback will happen in 5.2 years he could tell them that other communities have reported that their payback has occurred quicker than what this consultant said it would.

Council Member Burnette stated that he would like to see them afford to do this.

Mr. Corcoran stated that another thing, as they get closer they would ask Brad Bersch to come to a meeting so that as Council reviewed his analysis they could ask him some questions and how he came up with those figures.

Council Member Burnette agreed that was the key because he was not comfortable with those numbers.

Mr. Corcoran added that once he updates from 2008 to 2010 what would be his new numbers and once he knows how many larger meters they have, how would that impact those numbers.

It was the consensus of the Council to go ahead and they would have another meeting and at that time see the presentation. Nothing would be in concrete until the final budget comes around.

#### LUNCH BREAK

#### Review & Consideration Of Pedestrian Plan & Connectivity Issues – Greenways & Sidewalks

Ms. Kelly Stultz began by presenting the Pedestrian Plan & Connectivity Issues and a map of the Greenways and Sidewalks. She had also given the Council a hardcopy of the plan. (*A copy of this plan is located in the Planning & Inspections office*).

Mayor Grogan asked if she was talking about requiring developers to put in sidewalks.

Ms. Stultz replied that she was sure that there could be circumstances where the Council might choose to not require it. She noted that they did not have to be concrete sidewalks as they have all seen with the Greenway how well it has functioned. There were many kinds of paths that can be made for pedestrian travel that do not include expensive concrete.

Council Member Epps asked if they would take the responsibility, maintaining them once in place.

Ms. Stultz replied that would be her assumption, it was like they do with streets, when a new development was done and streets, water and sewer lines were put in then once they have met all the State and City requirements they get accepted for maintenance by the city should the Council so choose.

She explained that parts of their community have no access to sidewalks and the Central area has no sidewalks that have not been built in the last 20 years. They have sidewalks down here at

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Pierce Street and Kennedy Avenue that the City Council was involved with but for the most part the development was done before World War II. Ms. Stultz asked if anyone had questions about the pedestrian plan.

Mayor Grogan stated that it looked like it was going to hook up there on Bridge Street and asked which side of the road it was on.

Ms. Stultz replied that it would be on the Kings Highway Church side.

Mayor Grogan asked how far it would go up to which Ms. Stultz replied that it would not make it all the way to the bridge. The Feds gave the money for that bridge 50 years ago and it was not wide enough for a pedestrian way so they would not build the sidewalk up to it. NCDOT could not build all the way to the bridge using stimulus money but what they would do on the other side was pick back up and go up to where the sidewalk is on Kennedy.

Council Member Burnette asked if it would basically be from the intersection to the bridge.

Ms. Stultz explained that there would be a gap.

Council Member Tuggle commented that he actually went through the plan and looked at specific things and there was tremendous information in it. They were talking about walking and when he thought about greenways and sidewalks and those things you can really extrapolate a lot of the information from this and it gives you an idea of where they need to go as a Council to try to address some of these things. Greenways and sidewalks are really important and it makes a healthy community and people do not do those types of things as a population anymore.

He asked if any Council had ever seriously spent time on following these recommendations. He knew they pick and choose sidewalks to do but it was like water and sewer, there was absolutely no question that they had to fix water and sewer. If you have low pressure at your house or bad water at your house it was serious if it was you. He asked if they had ever seriously looked at what they need to do with a plan that has really been implemented or had she ever really seen this other than picking out a few things here and there.

Ms. Stultz replied no. She was hoping that the Council would adopt this plan today but other than the fact that they had no plan, there were bits and pieces, there were some sidewalks recommended as part of the Greenway master plan, but this was the first real pedestrian plan they have had.

Council Member Tuggle asked if they have ever used any Powell Bill money for this to which Ms. Stultz replied not in the 20 years she had been there. Council Member Tuggle explained that was why he said it; he knew that it could be used for that. He added that he understood that they get further and further behind on the streets but he did notice that Powell Bill money can be used for some of these things as long as it runs parallel to the individual roads. He also noticed an action plan on page 87 and that there should be a subcommittee on the planning board. He asked if they had that and have they ever really done these types of things to address these issues.



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Ms. Stultz explained that until today they had no authorization to begin that process and without a commitment from Council to at least look at these issues and consider them, then there was no need to set these things up.

Council Member Tuggle asked, so it has never really been addressed with a real plan to which Ms. Stultz replied no today is the day. Council Member Tuggle added that he knew the problem with Powell Bill money as well, that it was like \$76,000 less this year than it was last year.

Ms. Stultz explained that they were going to have to do some things and in fact later in this presentation they were going to talk about some recommendations to try to get some things done that may not be cost prohibitive that they can manage under their current circumstances. One of the problems that they had was that they have lots of State maintained roads in the community and DOT would like to give them all of them. But the problem was Transportation Enhancement Funds, which if you go to Danville and you see all of the pedestrian ways they have and the Greenways, the State of Virginia gets their Transportation Enhancement money and they give it back every year and it was spent and used for these type projects. The State of North Carolina has not had a call for bid in 6 years. None of that money has been spent on any eligible projects in that time, a few of the entitlement cities have gotten money but the rest of them have not gotten a dime because the State holds it to do other things with. She thought there was a movement in Washington to stop them from doing that because it defeats the purpose of the funding. They did obviously get money from DOT to help with Kings Highway but that was the only help they had. When they did the Downtown Revitalization project, the Streetscape Project in Olde Leaksville and Draper Village, the City Council budgeted to pay for that out of the city's own funds and they did not get assistance from anywhere for any of that.

Mayor Grogan pointed out that they got assistance for this roundabout at Pierce Street.

Ms. Stultz replied that they have but not for a pedestrian way. There was a plan and they all have a copy and they can look at it and it shows things were proposed, things that need to be done and some information on the sidewalks in their community. The very first part of this pedestrian plan was that the Piedmont Triad Council of Governments did an inventory of their community of sidewalks and their conditions and then Mr. Asbury and Mr. Gatewood (Street Superintendent) and their staff did another one after that.

She then began explaining the presentation.

#### Sidewalk Replacement

2008 – Contracted & completed 10,023 LF of sidewalk repair (Yates Construction)

2008-09 – Completed 1,604 LF of sidewalk repair in-house

Goal of 3,300 linear feet of sidewalk repairs per year

Total remaining sidewalk to be repaired = 6,164 linear feet (6,164 lf / 3300 ft/yr = 1.87 years to complete)

May not be attainable due to other Street Department responsibilities as well as assistance provided to other departments, for example:

- Concrete pads at rifle range for leaf collection

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- River access points at NC 700 & Smith River Greenway

**Sidewalk Repairs Completed in 2008-09**

Street	Side	From	To	Total Length	Category	Length to be Repaired	Status
Washington	North	Forbes	Elm	332	1	135	Completed
Henry	West	Jay	Moncure	500	3	30	Completed
Henry	West	Moncure	Taylor	820	3	24	Completed
Early	South	Patrick	Henry	342	4	180	Completed
Warehouse	North	Morgan	Armfield	303	5	148	Completed
Warehouse	North	Armfield	End	270	5	76	Completed
Armfield	West	Morgan	Warehous e	350	5	32	Completed
Riverside	East	RR Tracks	RR Tracks	1689	5	356	Completed
Stadium	North	Hale	Hundley	810	5	235	Completed
Stadium	North	Hundley	Byrd	696	5	103	Completed
High	East	Ridge	Stadium	405	5	285	Completed
<b>TOTAL</b>						<b>1604</b>	

**Sidewalks Still to be Repaired (2009 Reassessment)**

Street	Side	From	To	Length	Category	Needs Replacing
West	W	Washington	Westwood	656	3	51
West	W	Westwood	Harris	300	3	21
West	E	Burton	Washington	656	3	80
Central	N	West	End	182	4	42
Central	S	West	End	595	4	9

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McConnell	W	Washington	Burton	490	3	40
McConnell	E	Harris	Burton	450	3	57
McConnell	E	Burton	Washington	640	3	20
Harris	N	McConnell	Martin	1525	2	177
Hamilton	E	Harris	Washington	725	3	35
Hamilton	E	Washington	Jay	700	3	70
Hamilton	E	Jay	Lindsay	1245	3	265
Hamilton	E	Lindsay	Early	940	3	44
Hamilton	W	Haled	Galloway	735	4	49
Hamilton	W	Seymour	Washington	710	4	10
Seymour	N	Hamilton	End	380	4	8
Seymour	S	Hamilton	End	665	2	146
Jay	S	Monroe	Bridge	315	4	55
Patrick	W	Harris	Washington	610	3	38
Patrick	W	Washington	Jay	673	3	74
Patrick	W	Jay	Lindsay	1245	3	5
Patrick	W	Lindsay	Early	975	2	153
Patrick	E	Early	Moncure	1695	3	50
Patrick	E	Jay	Washington	675	3	40
Patrick	E	Washington	Harris	600	3	50
Henry	W	Harris	Washington	985	3	34
Henry	W	Washington	Jay	680	3	12
Henry	W	Moncure	Taylor	820	3	68
Henry	E	Early	Taylor	845	2	162

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Henry	E	Taylor	Moncure	1000	3	20
Henry	E	Jay	Washington	668	3	11
Henry	E	Washington	Harris	893	3	22
Monroe	W	Jay	Moncure	370	3	21
Monroe	W	Moncure	Taylor	383	3	53
Monroe	E	Washington	Jay	679	3	43
Monroe	E	Moncure	Taylor	580	3	36
Taylor	N	Bridge	Mori	352	3	15
Taylor	N	Moir	Greenwood	365	3	20
Taylor	S	Bridge	Moir	340	3	49
Taylor	S	Moir	Greenwood	365	3	26
Early	S	Greenwood	Glovenia	336	4	10
Irving	N	Greenwood	Boulevard		3	160
Bridge	W	Early	Taylor	885	3	101
Bridge	W	Taylor	Moncure	1000	3	100
Bridge	W	Moncure	Jay	360	3	8
Bridge	W	Jay	Washington	370	3	91
Bridge	W	Washington	End	1065	3	86
Bridge	E	Kings Hwy	Boone	780	3	11
Bridge	E	Boone	Jay	528	3	43
Bridge	E	Jay	Moncure	422	3	91
Bridge	E	Moncure	Taylor	995	3	40
Bridge	E	Taylor	Early	870	3	25
Moir	W	Early	Taylor	880	2	114
Moir	W	Taylor	Moncure	995	2	44
Greenwood	W	Early	Taylor	888	3	105
Greenwood	W	Taylor	Reeves	1030	2	54
Greenwood	E	Reeves	Taylor	641	2	90
Greenwood	E	Taylor	Early	886	3	38

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Cedar	W	Lawson	Center Ch.	1470	3	40
Center Ch.	S	Givens	Price	527	3	10
Church	N	Greenwood	Primitive	262	3	60
Church	S	Greenwood	Primitive	255	2	87
Boulevard	W	Primitive	Manley	366	3	6
Boulevard	W	Manley	Oak	532	3	15
Boulevard	E	Chestnut	Howe	466	3	6
Boulevard	E	Howe	Carroll	366	3	36
Boulevard	E	Carroll	Hollingsworth	424	3	32
Boulevard	E	Oak	Manley	528	4	6
Boulevard	E	Manley	Primitive	406	4	6
Chestnut	W	Glovenia	Ash	269	4	5
Chestnut	W	Ash	Highland	552	3	17
Boone	N	Reeves	Glovenia	790	4	20
Boone	S	Bridge	Glovenia	1827	4	55
Boone	S	Walker	Kuder	566	4	20
Boone	S	Kuder	Meadow	1686	4	24
Glovenia	W	Boulevard	Morehead	354	3	50
Glovenia	W	Morehead	Early	345	3	35
Glovenia	W	Early	Taylor	750	3	31
Glovenia	W	Taylor	Boone	826	3	11
Glovenia	W	Boone	College	1054	4	6
Glovenia	W	College	Highland	780	4	47
College	W	Glovenia	Dumaine	330	3	110
Highland	E	Boone	End	91	2	46
Highland	E	Glovenia	A	255	3	146
Highland	E	A	B	507	3	58
Highland	E	B	Dumaine	1827	3	113

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Morgan	N	Lee	Vinson	320	4	13
Morgan	S	Church	Warehouse	662	3	42
Morgan	S	Reservoir	Grove	650	4	88
Warehouse	N	Morgan	Armfield	303	3	32
Warehouse	N	Armfield	Grove	270	3	95
Armfield	W	Morgan	Warehouse	350	3	71
Aiken	S	Washburn	Turner	390	3	67
Aiken	S	Turner	Thacker	640	3	28
Aiken	S	Thacker	Gordon	400	3	21
Aiken	S	Gordon	Riverside	509	4	31
Riverside	E	RR Tracks	RR Tracks	1689	3	160
Moore	N	Pierce	Harrison	1553	4	68
Main	W	Meadow	End	264	3	18
Main	E	Meadow	End	624	3	41
Stadium	N	Hale	Hundley	810	3	66
Stadium	N	Hundley	Byrd	696	3	30
Stadium	N	Byrd	Slayton	250	3	207
Stadium	N	Slayton	Center	245	3	73
Stadium	N	Fieldcrest	High	310	3	65
Stadium	N	Bethel	French	678	3	43
Hundley	W	Stadium	Ridge	405	3	80
High	E	Ridge	Stadium	510	3	65
Fieldcrest	S	Hale	Hundley	901	3	33
Fieldcrest	S	Hundley	Byrd	686	3	94
Fieldcrest	N	Byrd	May	444	3	5
S. Fieldcrest	W	Ridge	Stadium	508	3	42
S. Fieldcrest	W	Stadium	Maryland	220	4	7
S. Fieldcrest	W	Maryland	Delaware	410	4	18

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S. Fieldcrest	E	Woodrow	Fourth	230	4	71
					TOTAL	6164

### Kings Highway Sidewalk Project

Ms. Stultz then presented the map of the Kings Highway Sidewalk Project.

Extends from Bridge Street to Highland Park Drive and from Smith River Bridge (east side) to Kennedy Avenue. Project to be funded with federal stimulus money. Work to begin March 1, 2010.

Mayor Grogan questioned the sidewalk not going up to Kennedy to which Ms. Stultz explained that they could not because it drops off in a hole. They could only go as far as the other sidewalk. At first they thought it would go from Bridge all the way to NC Highway 14 but they would not fund that.

Council Member Burnette questioned what would the cost be for that section they were not doing.

Ms. Stultz replied that she had not figured that, someone from DOT explained that they could not do anything with it out of stimulus money because of the rules. But they may be able to help them try to find some money to do that and if not they have some charts that they have gotten from DOT out of the pedestrian plan that they can come up with a number of what it would cost for us to build it.

Council Member Tuggle asked if they could prepare it and get it in shape to have stimulus money pay for the sidewalk to be done the rest of the way.

Ms. Stultz replied that there will be another round because DOT tells her that there were not that many communities who had projects that you did not have to require a right of way. The sidewalk has to be at least 5' and usually 6' to 8' wide. At some point they can decide they want to fill the gap.

### Greenway Expansion – Phase II

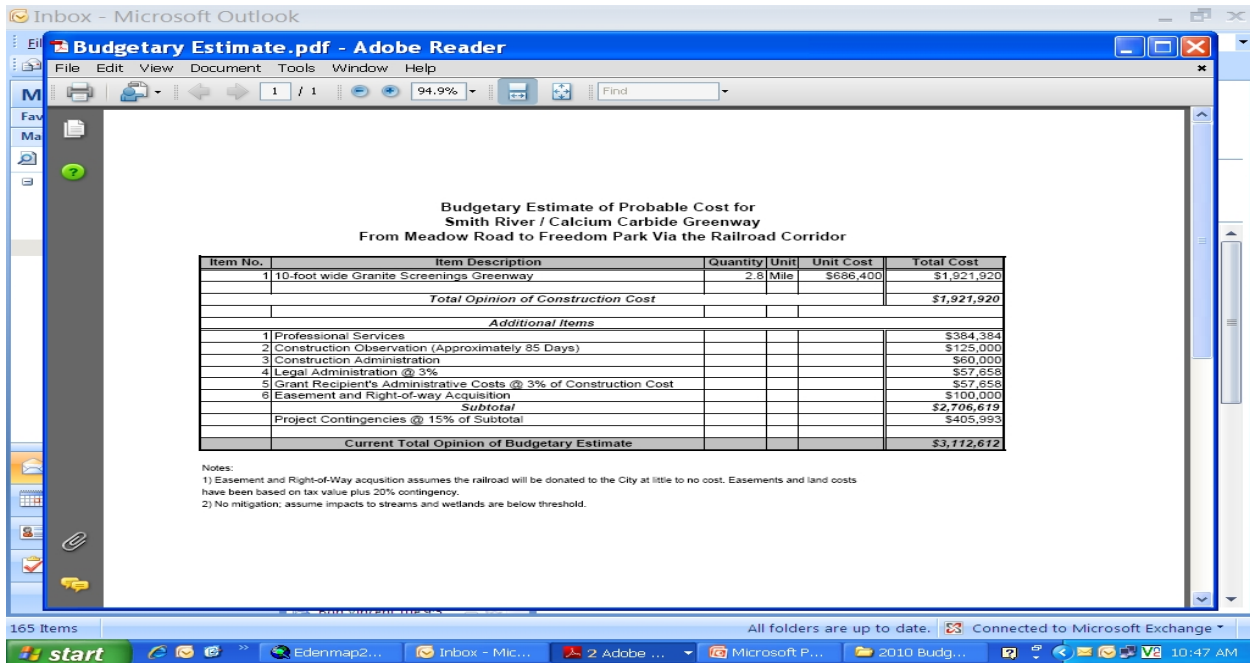
She also presented Phase II of the Greenway Expansion project with the proposed expansion.

- Phase II – 2.8 miles from existing Smith River Trailhead (Meadow Road) north along Smith River to RR Trestle, east to Summit Road, south to Freedom Park
- 10 ft. wide granite screening trail
- Multi-modal trail (pedestrian and biking)
- Utilizes abandoned railroad right-of-way and sanitary sewer easement where possible
- Opportunities for connection to schools, public buildings, Freedom Park and YMCA
- Offers scenic views of Smith River and opportunities for history education (impact of

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river on local development)  
Proposed Funding – NCDOT Transportation Enhancement Grant Funds



Cost estimate figures are in 2007 dollars, taken from Eden Greenway Master Plan, prepared by W.K. Dickson.

Potential In-House Pedestrian Projects

Leaksville Historic Loop (Alternate)

.99 mile loop connects Central Leaksville, Leaksville Commercial & Boone Road Historic Districts using existing sidewalks. (Future loop could utilize abandoned railroad right-of-way) Only crosswalks and signage would be required to designate the route.

Leaksville Historic Loop (Alternate) Cost Estimates

Signage for 19 Intersections: \$150/sign x 19 signs = \$2,850  
14 Crosswalks: \$56.40 x 14 crossings = \$ 790  
Total In-house Cost Estimate \$3,640

Cost estimate figures based on City of Eden Comprehensive Pedestrian Transportation Plan, prepared by the Piedmont Triad Council of Governments.

Draper Loop

2.43 mile loop connects Draper Village to Freedom Park (Fieldcrest, Stadium, Hundley, Fieldcrest to Edgewood). Requires new sidewalks on Hundley Drive (Ridge Av. To Fieldcrest Rd.) & from end of existing sidewalk on Fieldcrest Road to Edgewood Road; also signage,



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crosswalks and RR crossing.

Draper Loop Cost Estimates

Fieldcrest Rd. Sidewalk		
Edgewood to Existing	\$75/ft x 4,826 ft =	\$361,950
Hundley Dr. Sidewalk		
Ridge Av. to Fieldcrest Rd.	\$75/ft x 725 ft =	\$54,375
Signage for 17 Intersections:	\$150/sign x 17 signs =	\$ 2,550
14 Crosswalks:	\$56.40 x 14 crossings =	\$ 790
<u>Railroad Crossing:</u>	<u>Raised (speed table)</u>	<u>\$ 6,000</u>
Total In-house Cost Estimate		\$425,665

Staff will pursue NCDOT funding for this project.

Cost estimate figures based on City of Eden Comprehensive Pedestrian Transportation Plan, prepared by the Piedmont Triad Council of Governments.

Council Member Burnette mentioned that in the transportation plan there was an action plan. He asked if the plan was adopted, does that insure that that action plan would be implemented specifically establishing a pedestrian transportation work increase to advance projects, etc. He thought that was very important. They have talked before about adopting plans and unfortunately that has happened most recently with the last two plans, the Land Use Plan and the Comprehensive Transportation Plan and he thought they need an advocacy group to keep things in front of them. He added that he knew that she and her team did not have the time to keep that in front of the Council and it will not happen at all if it was not kept in front of them. So, his question was, will this group be established.

Ms. Stultz replied yes if the Council adopted the plan today they have the intention to do everything in there that does not require dollars to be spent and then they were going to ask for dollars where they think reasonable. This was a component of that Transportation Plan. A lot of the Comprehensive Transportation Plan was dependent upon NCDOT. A lot of the pedestrian issues they can deal with themselves, so yes they intend to create a subcommittee to keep those issues to the forefront so when funds were available for small things then that was something they could do without going into a lot of debt.

Council Member Tuggle commented that the point he was trying to make before, he hated for people to spend a bunch of time on a bunch of stuff and it just gets thrown on a shelf and gets dust on it. He stated that he would rather that whatever the recommendation would be it would be realistic, even if it was just a small amount that they do every year instead of these pie in the sky things that every department would want. He stated that he hoped it would stay in perspective and they could be able to actually do some of the things that would not cost any money and some of the things that do and keep it at the forefront so they could actually think about those things.

Council Member Turner asked if they did anything to encourage citizens to keep the sidewalks

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clean and neat in front of their house that was city property (right of way). She asked how they could do that in a reasonable manner without spending much money because you go places and this guy's got his yard mowed and keeps it real nice and the next one you cannot even get over the acorns. She stated that they could not continue with the staff they have to maintain any of that.

Ms. Stultz replied that they have an Adopt a Spot and an Adopt a Street program, it was in the list of topics that Council had suggested but Ms. Galloway and the Community Appearance Commission were working on being a part of the Keep America Beautiful Project to encourage folks to take care of what was in front of their lawns.

Ms. Galloway added that she would be glad to take that to the Community Appearance Commission and maybe they could offer encouragement.

Mr. Corcoran pointed out that a lot of it just comes down to personal pride.

Review & Consideration of Comprehensive Transportation Plan Resolution Of Adoption

**COMPREHENSIVE TRANSPORTATION PLAN  
RESOLUTION OF ADOPTION**

Upon careful consideration, a motion was made by Council Member Burnette and seconded by Council Member Turner, to consider the following resolution:

WHEREAS, The City of Eden, Rockingham County and its other municipalities, the Piedmont Triad Rural Planning Organization, and the Transportation Planning Branch of the North Carolina Department of Transportation have actively worked to develop a comprehensive transportation plan for Rockingham County; and

WHEREAS, the comprehensive transportation plan has been developed to serve present and anticipated traffic volumes for all modes within the town and county as directed by General Statutes 136-66.2; and

WHEREAS, the comprehensive transportation plan will aid the City of Eden, Rockingham County and its other municipalities in accommodating orderly growth and development in the future by providing a seamless guide for the future transportation system;

NOW THEREFORE, BE IT RESOLVED that the City of Eden hereby approves and adopts the Pedestrian Element of the City of Eden Comprehensive Transportation Plan and further supports the Rockingham County Transportation Plan as it pertains to the City of Eden as a guide in the development of the Town's future transportation system and further recommends adoption of the plan by the Rockingham County Board of Commissioners and the North Carolina Board of Transportation.

Adopted this the 27th day of February, 2010.

CITY OF EDEN

BY: John E. Grogan, Mayor

ATTEST:

Sheralene Thompson, City Clerk

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A motion was made by Council Member Burnette seconded by Council Member Turner approve and adopt the resolution. All Council Members voted in favor of this motion.

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Review & Consideration Of Annexation Resolution Of Consideration:

**RESOLUTION OF CONSIDERATION**

**A RESOLUTION IDENTIFYING THE AREA DESCRIBED HEREIN AS  
BEING UNDER CONSIDERATION FOR ANNEXATION AND NOTIFICATION  
TO CERTAIN PROPERTY OWNERS OF THEIR RIGHTS TO DELAYED ANNEXATION OF  
QUALIFIED PROPERTIES**

BE IT RESOLVED by the City Council of the City of Eden that:

Section 1. Pursuant to G.S. 160A-49(i), the following described area is hereby identified as being under consideration for future annexation by the City of Eden, under the provisions of Chapter 160A, Article 4A, Part 3 of the General Statutes of North Carolina:

All those parcels of land identified on the map entitled "Resolution of Consideration Areas" attached hereto and incorporated herein by reference.

Section 2. Owners of agricultural land, horticultural land and forestland within the area under consideration of annexation as described in Section 1 above are hereby notified that they may have rights to a delayed effective date of annexation. G.S. 160A-49(f1) and (f2) provide that land being taxed at present-use value qualifies for delayed annexation, and land that is eligible for present-use value taxation but which has not been in actual production for the time period required by G.S. 105-277.3 may qualify for delayed annexation by making application to the Rockingham County Tax Assessor for certification. For qualified tracts, the annexation will not become effective for most purposes until the last day of the month in which the tract or part thereof becomes ineligible for present-use value classification under G.S. 105-227.4 or no longer meets the requirements of G.S. 160A-49(f1)(2). Until annexation of a tract becomes effective, the tract will not be taxed by the City of Eden and will not be entitled to services from the City of Eden.

Section 3. A copy of this Resolution shall be filed with the City of Eden Clerk.

Section 4. This Resolution shall remain effective as provided by G.S. 160A-49(i).

Adopted this 27th day of February, 2010.

CITY OF EDEN

BY: John E. Grogan, Mayor

ATTEST:  
Sheralene Thompson  
City Clerk

A motion was made by Council Member Epps seconded by Council Member Burnette approve and adopt the resolution. All Council Members voted in favor of this motion.

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## Review & Consideration Of Annexation Issues:

### The Debate in North Carolina

- Groups like StopNCAnnexation Coalition oppose involuntary annexations in our state.
- Their website says that they are a grassroots effort to end forced annexation abuse in North Carolina.
- Groups such as this one across the country claim that their opposition to forced or involuntary annexation is a property rights issue.
- Anti-Annexation groups claim that a city's annexation program is all about money and that their opposition is more altruistic and is about property rights.
- There may be concerns about property rights but to both sides the major issue is MONEY.
- During the 2009 session of the General Assembly bills were introduced to severely limit a city's ability to involuntarily annex property.
- The result of a recommendation from a joint committee of both houses was HB 524.
- HB 524 was the only annexation bill to reach the floor of either House. It was adopted by the House of Representatives but never reached the Senate Floor.
- It is not clear whether or not HB 524 will be taken up in the Senate in 2010 or if it is even eligible. The risk to a city's ability to annex is still very high.
- HB 524 makes a broad series of amendments to both voluntary and involuntary annexation statutes. Most controversially, it provides an opportunity for voters in a proposed annexation area, in cooperation with voters in the existing city, to force a referendum on any involuntary annexation.
- HB 524 would enlarge the role of the Local Government Commission in annexations.
- It would facilitate the ability of poor areas outside city limits to force a city to annex them through a petition process.
- It would make involuntary annexation more difficult.
- It would require all water and sewer lines to be extended into an annexation area within three years and permits special assessments imposed for water and sewer to be paid back over 20 years.
- The North Carolina League of Municipalities has proposed a compromise that would tighten the rules for cities without reducing the power of a city to involuntarily annex property.

### How Could the Changes Impact Eden

- In a real way, the changes proposed in the House and supported by the anti annexation groups would limit the Eden City Council's ability to decide the City's destiny.
- Changes could impact our ability to negotiate the Payment in Lieu of annexation agreements that are currently held between the City of Eden and industries that are just outside our current city limits.

### Update on Indian Hills Annexation Infrastructure Installation

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- The City of Eden received a Community Development Block Grant in the amount of \$750,000 to provide sewer installation to low and moderate income residents of the overall area.
- The grant is paying for a large portion of the mains and pumps required for this project.
- The City of Eden's portion is about \$400,000.
- A letter was sent in early February to the property owners in the grant area about the beginning of the installation.
- It is anticipated that the project will be completed by August or September of 2010.
- Funds have been allocated for the City's portion. Funds not expended will have to be included in the 2010/2011 budget. The consulting engineers do not expect any cost overruns.
- The City of Eden has an established policy for assessments on water, sewer, streets and sidewalks. Additionally, when there is new development inside the City Limits, the burden is on the developer to pay for the improvements.

#### Update on Indian Hills Annexation Assessments

- The Indian Hills Annexation Plan was based upon certain property owners being assessed and having to pay tap fees.
- If these funds are to be recovered, the process will need to begin this Spring 2010.
- We will need to follow the process outlined in the North Carolina General Statutes and the City of Eden Assessment Policy.
- The process includes:
  - Adoption of a Resolution by the City Council outlining conditions adverse to the use of septic tanks in the area.
  - Adoption of a Preliminary Resolution setting out the area, a general description of the work, the percentage of the cost to be assessed, the terms of payment of the assessment, and the date and time for a public hearing.
  - Public Hearing on the Preliminary Resolution;
  - Determination of the costs of the project;
  - Adoption of a Preliminary Assessment Roll;
  - Public Hearing on the Preliminary Assessment Roll;
  - Confirmation of the Assessment Roll; and
  - Collection of Assessments.

#### Annexation and the City of Eden

Where have we been?

Ms. Stultz presented a 1968 area map of the City of Eden city limits. She then presented a map of the Northwest area annexations. This map noted various annexations that included the old city park property of 1973, area adjacent to the old city park 1980, Chadwick Apartments 1980, and the former King-Ricks property of 1995.

She then presented a map of the Southern area annexations. This area included Bear Slide in 1979, old Walmart property and Hidden Valley 1990, The Oaks in 1988, remainder of southern

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areas to the river (involuntary) 1994, city water plant and treatment plant in 1990 and the Whistle Jacket property in 2003.

Annexation areas in the southeast included areas along Edgewood Road, Stadium Drive, and New Street in 1994, Hopkins Court and the end of Merriman and Hale Streets in 1994 (involuntary), Weil-Mclean property in 2004, MGM Trucking property in 2005, and the former Duke Power Village (Edgewood Road) in 1990.

She also presented maps of annexation in the Summit Road area that contained 2 residential lots annexed in 2006 and 2007 and also industrial property along Summit Road that was involuntarily annexed in 1994. There was also a small area that was annexed along NC 770 in 1995 that contained the treatment plant.

Annexations for the western areas included the Little River Restaurant property in 1986, Dave's Construction property in 1995, and the Indian Hills area in 2009 (involuntary).

The next map contained the 2010 city limits.

#### Involuntary Annexation in Eden

- Several of the same areas have been considered for involuntary annexation by various City Councils multiple times since 1982.

Ms. Stultz then presented a 1982 Annexation Study Map.

- Only two involuntary annexations have been completed since that time: 1994 (shown in blue) and 2009 Indian Hills Annexation (shown in green).

#### Current Areas Under Consideration for Annexation

- Smith Acres and the Bryant Street Area are adjacent to the City Limits and can be undertaken at any time.
- The Green Knolls area could be undertaken at any time now that the Indian Hills annexation is effective.
- The Meadowood area could only be started after the Smith Acres annexation becomes effective.
- The Glenn Farm and Sauratown areas have also been considered, but these areas would be more costly and difficult to do.

She then presented a map of what the City of Eden city limits could look like if all the areas above were annexed.

#### CITY OF EDEN POPULATION SINCE 1970



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1980	15,672
1990	15,238
2000	15,908
2006 Estimates	15,643
2008 Estimates	15,702
2009 Estimates	15,898

**AFFECT OF PROPOSED ANNEXATION AREAS ON CITY OF EDEN**

NAMED AREAS	LAND AREA	POPULATION	HOUSEHOLDS	TAX BASE (2009)
2008 Estimates	15.14	15,702	6,644	740,527,741
Indian Hills	0.43	196	84	19,041,577
Bryant Street	0.37	401	165	13,258,448
Smith Acres	0.22	248	106	11,841,956
Green Knolls	0.16	171	72	7,507,727
Meadowood	0.16	278	119	11,775,255
Glenn Farm	0.35	227	97	21,461,753
Sauratown	0.13	66	28	5,299,061
<b>TOTALS</b>	<b>16.96</b>	<b>17,289</b>	<b>7,315</b>	<b>830,713,518</b>

**PROPOSED ANNEXATION AREAS IMPACT ON GENERAL FUND REVENUE**

TAX TYPE		Taxes	Increase
Property	740,527,741 x .62	4,591,271.99	
	830,713,815 x .62	5,150,425.65	559,153.66
Sales Tax	15,702 X 157.14	2,467,412.28	

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	17,289 X 157.14	2,716,793.46	249,381.18
Wine & Beer	15,702 X 3.12	48,990.24	
	17,289 X 3.12	53,941.68	4,951.44
Utility Franchise	15,702 X 47.05	738,779.10	
	17,289 X 47.05	813,447.45	74,668.35
TOTAL INCREASE			888,154.63

Where Should We Go From Here?

Plan of Action

- October 2010 – Staff should begin preparing documents and information for annexation of Smith Acres, Green Knolls and Meadowood
- January 2011 – Council adopts the Resolution of Intent for Smith Acres and Green Knolls
- March 2011 – Council adopts Annexation Ordinance and Annexation becomes effective
- May 2011 – Council adopts the Resolution of Intent for Meadowood
- August 2011 – Council adopts Annexation Ordinance and annexation becomes effective

Note: There may be an opportunity to see some cost savings if the infrastructure in the western areas are undertaken as one large project.

Which Path Should We Take?

Mayor Grogan asked if she was going to get some cost figures.

Ms. Stultz replied that was what they would do in October and they would present them too.

Mayor Grogan noted that she has pointed out the only way Eden was going to grow was that you do annexation and get new people and it does increase your income. He also noted that they already have water in Smith Acres and they were having septic tank problems.

Ms. Debra Madison commented that they recently received a call from the Health Department asking if the city had any plans to annex the Meadow Wood area because they were having tanks fail out there.



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Ms. Stultz added that people were deciding whether to put in \$12,000 to \$14,000 systems and they have to pay for all that and so there was some movement out there that they had rather pay the city on an annual basis for a while.

Mayor Grogan pointed out that there were two things. He thought that annexation and costs to do the infrastructure and also he would like to know what the overhead cost was going to be to add how many policemen and how many people everybody says “no we can do it with the same number of people”, until it was done and then all of a sudden you say you cannot do it now without more people. So he suggested that they be realistic about it and if it was realistic he thought that something might happen but if it was not realistic it will not happen.

Council Member Tuggle agreed and stated that he had made a list of pros and cons and came up with about 5 pros and 25 cons. He explained that most of it had to do with money and balancing the budget and from what he could tell it costs about \$3 million to annex that area and just as the Mayor said, you talk about the same personnel taking care of more area with more responsibilities and he did not think there was any way, he did not think they could afford to do that kind of stuff. He noted that they were talking about a mega park and other things to try to bring money in and then try to add \$3 million more to a debt service they already have for a debt service that was close to \$20 million now, they spend about \$155,000 a month just on debt service and they add \$3 million more on that and if the mega park comes about they were talking about \$7.9 million. He pointed out that there was a limit on how much money they could do although he would love to annex them all, realistically he thought the budget would not allow it in his opinion.

Ms. Stultz agreed that it was reality but for her staff’s standpoint, they certainly believe for the city’s future the best way for Eden to grow and increase revenues on the General Fund side was through annexation.

Council Member Hagood mentioned that before they pull the trigger, they could take a look next fall and have a better idea of economics and then have a few more of those numbers about overhead, density and that sort of thing to which Mayor Grogan agreed.

Ms. Stultz added that they could do one of them or not do any at all.

A motion was made by Council Member Epps seconded by Council Member Hagood to approve the request to proceed and look at getting all the numbers together. All Council Members voted in favor of this motion.

**BREAK**

Brainstorming/Open Discussion - Free Time For Mayor & Members Of City Council To Select Additional Topics For Discussion From The Priority Topics Below That Were Submitted By Either The Mayor Or Members Of Council.

Communication Initiatives

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Council Member Burnette explained that he had seen an impressive program that High Point had that had been in place for 13 years. He stated that it has been very successful in High Point and larger cities were copying it.

Chief Pyrtle added that was correct and it was through the Crime Scene Investigation Gang Preventative grant that they got the old magistrates office and this was also a county-wide effort. He explained that a quick synopsis of the program was that you identify your repeat offenders, whatever the target audience you were after whether it was violence, drugs, etc. You invite the ones on probation in and the first part of the program would be that they talk with the community leaders and that was the important part, you have community contact there that say "here is what we can offer you to get out of the cycle of criminal activities and we want to be a part of you becoming a productive citizen however if you don't we are going to support the police in their endeavor to lock you up." Then you bring the law enforcement in there and they give them their thoughts as to what happens. They have been given an opportunity and when they make a mistake, wherever they fall on that citizen diagram it was going to be as far down and to the right as far as you can get. He stated that they want to utilize that same program in connection with the county and other municipalities because if they all pool their resources it will be more effective.

Mayor Grogan added that a big portion of this was the citizen and public participation.

Council Member Burnette added that you not only have the citizens involved, it was a proactive, different approach in trying to get them involved in the community as well. It was a fantastic effort and if you have not been to one, they were worthwhile going to spend a few hours.

#### Curbside Recycling

Council Member Ellis stressed the importance of recycling and plastics.

Mr. Corcoran noted that the materials at their drop port areas were being overrun and the Solid Waste Superintendent has come to him to see if he would approve the overtime to clean it up on weekends but then you run into the problem of not having the money to do that. So what they have done so far was to basically let it fill and then the guys do the best that they can during the first of the week but it may be that they could go to a curbside. He noted that it would give a shut-in the option to recycle whereas the tradeoff would be that people can have the ability to go at any point in time this would reduce it to every other week. He also noted that people were depositing trash in the drop ports and this would eliminate the ability to do that.

Council Member Epps suggested giving information and ideas to the public as a type of community report.

Mr. Corcoran replied that they could but in all honesty a citizen-based solid waste committee was appointed 2 years ago and the meetings were advertised and there were public informational meetings and they were also done at different hours but not one person ever attended.

Council Member Turner stated that she liked the idea about the county doing it.

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Mr. Corcoran replied that the county would not be mandatory if you get your solid waste today from Waste Management, which was an option, you have to take the recycling.

Council Member Burnette stated that the recommendation will change; they were talking about taking around portable drop sites. He stated that his question was that within the city's solid waste fees the recycling captured the drop port recycling so if they get a quote for \$4.00, they can back that cost...

Mr. Corcoran explained that was what they did not know yet because they just got the quote and then at what point do you stop. If you get rid of the drop port site, then to what extent do you continue to operate the recycling center down near the plant and do you shut it down as well so his point was, he just wanted to let you know that they were looking at it, they have a problem with their drop port sites but they did not know enough yet to tell them how much they would save if they did this or that.

Council Member Carter noted that he did know that the Solid Waste Committee met and the city was doing it actually cheaper than what they could have to sub it out. They were offering more services for that money for the people and doing it as cheap as or cheaper than if they subbed it out.

A question was posed about recycling for people who live in a condo.

Mr. Rodney Carter, Streets Superintendent, replied that he only received 2 quotes and he only did that for the solid waste that they have now, the 6,091 residents. He added that he did ask about apartments and he told them that they were not doing that right now but if it came about they would also look at those apartments later.

Mr. Corcoran added that if they did something they would do it for everybody.

Mr. Carter added that you would probably have to keep the recycling center open because there was some stuff that you would not collect such as paint, oil, oil filters stuff like that, it would still have to be recycled.

Mr. Corcoran stated that if you got to that point then the next decision would be was if you considered closing the facility then you were basically saying that you were not going to pick up any of these items and it was your responsibility to take it to the landfill.

#### Self Insurance Fund

Council Member Tuggle stated that he just wanted to reiterate how important it was to all the employees to continue the way they were going at this point. He stated that the City Manager had sent them some information as to how the claims have been reduced; hospital admissions reduced, pharmacy costs, moving toward generic prescriptions....and he knew it was in good shape and that was because of the employees and he knew that they had to pay something they did not before.

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Mr. Corcoran added that on the pharmaceutical side a lot of it was the employees and the educational efforts to move more towards generic. On the medical claims side, honestly it was just luck as to how many knee replacements, heart attacks and things like that that you have in a given year versus a previous year. He also thought that one of the things they pointed out last year, if you compare it to the previous 7 or 8 years it was not indicative of a typical claims year. It was a very bad year and so what they see this year, so far their claims were getting back more in line with what they traditionally were. But again, as they all know, they have the reinsurance carrier that kicks in at \$40,000 and the liability to the city was \$40,000 per plan member and it does not take many heart attacks or knee replacements or back surgeries and then all of a sudden that \$500,000 was gone.

Council Member Tuggle stated that he also wanted to point out that any savings that Self Insurance has this year goes into a holding account just for Self Insurance to balance it out if that changes.

Mr. Corcoran agreed and asked them to remember that back in 2001 the Self Insurance Fund was like some two hundred and some odd thousand in the hole. So what the auditor had to do was go into the General Fund and the Water & Sewer Fund and pull that money out and do an adjustment. Then they immediately raised the rates and started doing some other proactive things and then over a series of years, about two years ago they had built up \$600,000 in Fund Balance. He stated that if they recall, again they were facing a very tough budget year and the auditor told them that there was really no need to keep that much money in the Self Insurance Fund Balance and so what they did was take about half a million and proportionally give it back to the General Fund and the Water & Sewer Fund on the same portion it came in to help those two funds get by that year. He noted that if they recall, last year things were so bad that they stepped in halfway through the year and made some immediate changes, implemented them and the retirees started making some contributions, dependant contributions went up and then lo and behold they were able to hold their own towards the end of the year and the Self Insurance Fund again ended up in the black at the end of last year. Now this year so far it was doing very well but he was absolutely right, whatever month revenue was in excess of expenditures would be in the Self Insurance Fund Balance and it will stay there to be used in future years if there was a short fall or until Council decided to redistribute it back to the General Fund.

Council Member Tuggle stated that it was really incumbent upon the Department Heads to make sure the employees understand how important it was to make sure they use generic as opposed to brand and that type of stuff to make sure they keep a large amount in that holding account because it varies so much from year to year.

Mr. Corcoran stated that they do and they went up on the dependent contributions and office visits where last year you went in and paid \$15 off the top, now you walk in and pay \$25 off the top for a regular office business and if a specialist you pay \$50 instead of \$35. Of course the retirees were paying \$100 a month and they also went up on the dental so he thought the cumulative effect of what the Council did was getting the results that were desired.

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Council Member Carter noted that it was also his understanding that from last year, when they voted that increase in, that it would be negotiable each year.

Mr. Corcoran added that the one thing they have resisted and he had alluded to it in one of his weekly reports, Walmart has approached the city, they approached Morehead Memorial Hospital and the City of Reidsville and they said they could save us a significant chunk of money if we force all of our employees to get all of their prescriptions from Walmart and they have not bit on that bait at all because they did not feel it was fair. He also added that he would tell them that Walmart was making a hard push and basically they have told them they were not interested. And most recently at a meeting they offered what we would still save if we could convince 25% of our people. He explained that the city's whole position was that was a matter of choice for the plan member. They can go to whatever pharmacy they want.

Community watch efforts

Council Member Turner pointed out that this was kind of what the Police Chief had already talked about.

WordKeys Program

Council Member Turner explained that there was an article in the Piedmont Triad Partnership January newsletter called "Innovations" and there were some schools being included in this work use program through a grant and Dr. Shotwell made several comments about real world skill and having kids ready for the job force and being trained at the right skills. She noted that evidently this program was not going to be funded again and she was trying to meet with the teachers at Morehead who participated and find out what the funding might be and if there was any way that the City Council could pick that up because they want their kids right here ready to take those 150 jobs at Miller if this was what was needed.

Continue the nuisance abatement collection efforts – this has been a positive in the City reports – continue the outstanding work being done

City Attorney Erin Gilley explained that they have a nuisance collected total of \$6,633.00 and that was since January and Ms. Madison added that the current outstanding balance was \$115,500. Ms. Gilley added that as of January it was about 108, plus about 3,000 since January.

Council Member Burnette asked what was realistic and how far down did she really think they could reduce that total at any one time.

Mr. Corcoran replied that he thought the big thing was since Ms. Gilley had been on board was that the numbers were not growing anymore. It was growing each month so the first thing, you stop the bleeding and then slowly over time chip away at the total. He asked them to look at where they were when she got here and today the situation has not gotten any worse it was actually improving but he did not know that they would ever collect all of that.

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Ms. Gilley added that there were going to be some properties that it was not going to be smart to collect on.

Ms. Stultz explained that they have one right now that has 100 heirs and it would cost more than the \$4,000 that was owed to serve all those people.

Ms. Gilley added but it was smart to be able to identify that and to realize that you were not going to be able to collect that.

Ms. Madison noted that since March of 2006 they have collected \$89,000.

Mr. Corcoran added that one thing the Council started doing as the staff would bring these to them, they began asking questions of the attorney and how likely it was for them to collect on what they were about to approve and like Ms. Gilley just said she may be able to identify and so Council would make the decision they want to but they were going into it eyes open knowing that they were not going to be able to recoup their money on that property. They have also been very fortunate to have the Fire Department's willingness to burn several properties and the Street Department crews then cleaning them up which has saved some of the demolition costs that would have to be paid otherwise.

Ms. Gilley also pointed out that it was also getting the property, understanding that they may take a loss on the property by condemning it and by collecting on it but they were actually getting the property, they were tearing it down or restoring it back to conditions to get it back in the tax base so that they can collect on it again so it was an improvement in the long run.

Ms. Stultz added that code enforcement was like a lot of things they do, it was a service provided for the neighborhood and around it, a place like that that gets to be a drug hangout or a crime spot, that can be as important as the dollar at that time.

Ms. Gilley also added that she thought that number that was collected did not include the properties that they have collected but they just have not sold.

Ms. Madison also added that she thought that the sheet that they have, \$24,000 on that list was actual property that was owned by the city, so they take that 115 and subtract out the \$24,000 that was owed on properties that they own and they could narrow it down.

Brainstorming & idea generation type session

Council Member Ellis referred to Riverfest or anything (event) that has anything to do with the city and if they have city employees working he would appreciate it if they could have some kind of identification on.

Have police cars that are not being used in regular shift rotation sit in high crime or known drug areas. If people see a police car they won't know when it will or won't be picked up, why it is there and may actual deter crime and/or drug use:

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Minutes of the February 27, 2010 meeting of the Eden City Council, Continued:

Council Member Ellis stated that they do have a high rate of crime within their town and he thought that if they had cars placed in different places, people would not know if somebody was in it or a camera was in it. If they can move those cars around maybe somewhere it might be affective.

Mr. Corcoran explained that he and Chief Pyrtle had discussed this issue. He stated that they had researched it and contacted other police departments and you would have to get some vehicles in here that were real old and about to surplus that could be stripped down on the inside, (take out the radios and things that matter) and still leave the markings on the outside, that was one thing. He pointed out that a lot of communities have had problems taking a legitimate police cruiser and parking it somewhere and then all of a sudden they come back and the radio was gone, this and that was gone so most departments were getting away from doing this especially if they were using a legitimate police vehicle they would use now. However, if a couple of cars were identified that were in real bad shape that needed replacing, and they know from past history that they were only going to pick up about \$1500 from selling it, they may keep those to do that with it, but keep that in mind before you go put out a car. The equipment in those vehicles, the laptop and the whole set up, all it would take was for someone to bust a window and get top buck.

Chief Pyrtle pointed out that they did do that to a limit during the holidays. They will sit a car on Washington Street, at the Cook Block, The Boulevard, Draper Village and where you really see them was at Walmart. You will see a police car at Walmart during the Christmas season a lot but that does not mean there was a police officer down there.

Mr. Corcoran added that they did feel a little safer there because the parking lot was constantly under surveillance.

Chief Pyrtle explained that their last 2 drug vehicles had alarms installed on them because they have \$15,000 to \$20,000 worth of equipment in the back of their cars. The last thing they would want to happen was for somebody to break into those cars and steal all that stuff. He noted that someone broke into one of their police cars parked in the back of this lot right here and he was on camera.

#### Concerns about Noise Ordinance

Council Member Burnette expressed concern about the noise ordinance. He stated that he passed a vehicle the other day and realized that there was no way that noise was coming from the inside it was coming from the outside. He asked if there was anything that could be put into effect as an ordinance that they cannot have a speaker that broadcasts that noise and was that a realistic approach.

Ms. Gilley commented that it was objective.

Council Member Burnette stated that as loud and clear as it was with all the windows rolled up there was no way it was coming from the inside of the vehicle.

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Chief Pyrtle stated that he thought that kids have started doing that and as a matter of fact that may be something they could address as an article written in Edens Own Journal.

Council Member Ellis stated that he had one last comment. They have not given the employees anything in 2 years so he hoped they could give them something this year. He added that he knew that they gave them 2 days off last year but he would like to give them something financially too.

Mayor Grogan stated that he thought everybody agreed and that may be something they could look at during the first of the year and if they can they can and if they cannot they cannot.

**ADJOURNMENT:**

A motion was made by Council Member Tuggle seconded by Council Member Carter to adjourn. All Council Members voted in favor of this motion. This motion carried.

Respectfully submitted,

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Sheralene S. Thompson City Clerk

ATTEST:

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John E. Grogan, Mayor