

**Town of Valdese
Town Council Meeting
Valdese Town Hall
102 Massel Avenue SW, Valdese
Monday, June 24, 2019
6:00 P.M.**

- 1. Call Meeting to Order**
- 2. Invocation**
- 3. Pledge of Allegiance**

4. Informational Items:

- A. Communication Notes
- B. Reading Material

5. Open Forum/Public Comment

6. Consent Agenda

All items below are considered to be routine by the Town Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests. In which event, the item will be removed from the Consent Agenda and considered under Item 7.

- A. Approval of Regular Meeting Minutes of June 3, 2019
- B. Old Colony Players Request to Sell Alcohol at Old Rock School
- C. Budget Amendment

7. New Business

- A. Presentation of AWOP Award to Water Plant Superintendent Jerry Conley
- B. Agreement with WPCOG for Assistance in Supporting the Western Piedmont Stormwater Partnership
- C. Resolution Affirming Support for Implementation of a Compliant NPDES MS4 Stormwater Program
- D. Resolution for AIA State Funding-Sewer Collection System Assessment Project
- E. Engineering Contract for Sewer System Collection Assessment Project
- F. Capital Project Ordinances for Sewer System Collection Assessment Project and Public Safety Building
- G. FY 2019-2020 Budget Public Hearing & Ordinance Adoption
 1. Approval of FY 2019-2020 Fee Schedules
 2. Adoption of Position Classification and Pay Plan
 3. Adoption of FY 2019-2020 Utility Capital Improvements Plan

8. Manager's Report

- A. Next Regular Council meeting scheduled for Monday, August 5, 2019, 6 p.m.
- B. Independence Day Celebration, Friday, June 28, 2019, 7:00 p.m.
- C. Town Offices Closed on Thursday, July 4, 2019, in Observance of Independence Day
- D. From This Day Forward, July 12th-August 10th, Fridays and Saturdays, 8:00 p.m.

9. Mayor and Council Comments

- 10. Closed Session Pursuant to NC General Statute 143-318.11(a)(6)** to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee.

11. Adjournment

The Town of Valdese holds all public meetings in accessible rooms. Special requests for accommodation should be submitted by individuals with disabilities at least 48 hours before the scheduled meeting time. Contact Town Hall at 828-879-2120 or TDD Phone Line (hearing impaired) 1-800-735-2962.

COMMUNICATION NOTES

To: Mayor Black
Town Council

From: Seth Eckard, Town Manager

Date: June 21, 2019

Subject: Monday, June 24, 2019 Council Meeting

6. Consent Agenda

A. Approval of Regular Meeting Minutes of June 3, 2019

B. Old Colony Players Request to Sell Alcohol at Old Rock School

Enclosed in the agenda packet is a request from Old Colony Players to sell beer at the comedy event on Saturday, August 31, 2019, from 4:00 p.m. to 11:00 p.m., at the Old Rock School.

C. Budget Amendment

Enclosed in the agenda packet is a budget amendment prepared by Finance Director Bo Weichel. The amendment will amend capital project ordinances for various projects to clean up funds and allocate funds to appropriate accounts.

7. New Business

A. Presentation of AWOP Award to Water Plant Superintendent Jerry Conley

The Water Plant has been awarded a third, consecutive EPA recognized Area Wide Optimization Award. Water Plant Superintendent Jerry Conley will present the Area Wide Optimization Program Award (AWOP) to Council.

B. Agreement with WPCOG for Assistance in Supporting the Western Piedmont Stormwater Partnership

Enclosed in the agenda packet is a two-year agreement with WPCOG for assistance in supporting the Western Piedmont Stormwater Partnership, in the amount of \$23,342. This partnership fee has increased due to WPCOG overseeing duties that were completed internally, by an employee that has retired. Mr. John Wear of WPCOG will be at the meeting to discuss the agreement and answer questions.

Requested Action: Staff requests that Council approve the agreement with WPCOG for Assistance in Supporting the Western Piedmont Stormwater Partnership, in the amount of \$23,342.

C. Resolution Affirming Support for Implementation of a Compliant NPDES MS4 Stormwater Program

Enclosed in the agenda packet is a copy of the Resolution Affirming the Town of Valdese Council's Support Regarding Implementation of a Compliant NPDES MS4 Stormwater Program. This resolution reaffirms the Town's commitment and desire to implement and maintain a compliant stormwater program. Also enclosed in the agenda packet is a copy of the Municipal Separate Stormwater Sewer System Audit Report, from the audit on October 3, 2018. Water Resources Director Greg Padgett will be at the meeting to discuss the resolution and findings of the audit.

Requested Action: Staff requests that Council approve the Resolution Affirming Support for Implementation of a Compliant NPDES MS4 Stormwater Program, as presented.

D. Resolution for AIA State Funding-Sewer System Assessment Project

Enclosed in the agenda packet is a resolution for a grant application for the Sewer System Assessment Project. This grant will be used to inventory and assess a portion of the wastewater collection system.

Requested Action: Staff requests that Council approve the resolution authorizing Town Manager Seth Eckard to execute and file an application with the State of North Carolina for a grant to aid in the implementation of the Sewer Collection System Assessment Project.

E. Engineering Contract for Sewer System Collection Assessment Project

Enclosed in the agenda packet is an agreement for engineering services with West Consultants, PLLC for services related to the Sewer Collection System Assessment Project. The project will assess the sewer system to identify and prioritize problem areas in the system. This will aid the Town in planning future improvements to the sewer system to alleviate inflow and infiltration from reaching the wastewater treatment plant. The total project budget is \$165,000, including the \$71,725 value of the contract for engineering services, has been identified in the CIP.

Requested Action: Staff recommends that Council authorize Town Manager Seth Eckard to execute this agreement, as presented.

F. Capital Project Ordinance for Sewer System Collection Assessment Project and Public Safety Building

Enclosed in the agenda packet is a Capital Project Ordinance for the Sewer System Collection Assessment Project and Public Safety Building. Finance Director Bo Weichel will be at the meeting to discuss the ordinance.

Requested Action: Staff recommends that Council adopt the Capital Project Ordinance as presented.

G. FY 2019-2020 Budget Public Hearing & Ordinance Adoption

- 1. Approval of FY 2019-2020 Fee Schedules**
- 2. Adoption of Position Classification and Pay Plan**
- 3. Adoption of FY 2019-2020 Utility Capital Improvements Plan**

Enclosed in the agenda packet is the Fiscal Year 2019-2020 Budget Ordinance, proposed fee schedule, position classification and pay plan, and Fiscal Year 2019-2020 Utility Capital Improvements Plan. Mayor Black will open the public hearing, staff will present the FY 2019-2020 Budget, and Council will receive input from our citizens.

Requested Action: Following the public hearing, Council will need to adopt the budget ordinance as presented, or amended, by Council. Staff recommends that Council approve the FY 2019-2020 Fee Schedule; adopt the Position Classification and Pay Plan; and adopt the FY 2019-2020 Utility Capital Improvements Plan, as presented.

READING MATERIAL

VALDESE FIRE DEPARTMENT - MONTHLY ACTIVITY REPORT**May 1st-31st, 2019**

THE BELOW REPORT OUTLINES THE ACTIVITIES PERFORMED BY THE FIRE DEPARTMENT DURING THE MONTH OF MAY, 2019. THE REPORT SHOWS THE AMOUNT OF TIME SPENT ON EACH ACTIVITY AND THE TYPE AND NUMBER OF EMERGENCY FIRE DEPARTMENT RESPONSES.

<u>ACTIVITY / FUNCTION</u>	<u>TOTAL HOURS</u>
STATION DUTY	126 HOURS
VEHICLE DUTY	94 HOURS
EQUIPMENT DUTY	25 HOURS
FIRE ADMINISTRATION	259 HOURS
TRAINING ADMINISTRATION	5 HOURS
MEETINGS	21 HOURS
FIRE PREVENTION ADMINISTRATION	25 HOURS
FIRE PREVENTION INSPECTIONS	11 HOURS
<u>TYPE / NUMBER OF INSPECTIONS:</u>	
ASSEMBLY	0
BUSINESS	2
EDUCATIONAL	0
FACTORY	1
HAZARDOUS	0
MERCANTILE	3
RESIDENTIAL	3
STORAGE	2
TOTAL INSPECTIONS:	11
<u>VIOLATIONS NOTED:</u>	73
SAFE KIDS ADMIN/CRS INSPECTIONS	19 HOURS
PUBLIC RELATIONS	5 HOURS
HYDRANT MAINTENANCE	4 HOURS
SAFETY ADMINISTRATION	29 HOURS
PHYSICAL TRAINING	0 HOURS
TRAINING	12 HOURS
ON-DUTY EMERGENCY RESPONSES	67 HOURS
OFF-DUTY EMERGENCY RESPONSES	35 HOURS
FIRE/MEDICAL STANDBY	0 HOURS
OFF-DUTY TRAINING	19 HOURS
TOTAL TRAINING MANHOURS:	
(INCLUDES VOLUNTEER FIREFIGHTERS)	104 HOURS

FIRE DEPARTMENT EMERGENCY RESPONSES:**FIRE:**

ALARM	4
GAS ODOR/SPILL	1
TREE/LINE DOWN	1
MUTUAL AID TO STATION 66	1
MUTUAL AID TO STATION 67	4
STRUCTURE	2
HAZMAT	1
OUTSIDE FIRE	0
STANDBY	1
GOOD INTENT	<u>1</u>
	16

MEDICAL:

ABDOMINAL PAIN	1
ALLERGIC REACTION	1
ASSAULT	0
ASSIST EMS	1
BACK PAIN	0
CANCELLED ENROUTE	0
CARDIAC	0
CHEST PAIN	0
CHOKING	0
CODE BLUE	1
DIABETIC	1
DOA	2
FAINTING	3
FALL	5
HEADACHE	0
LACERATION/HEMORRAGE	0
MOTOR VEHICLE ACCIDENT	0
OTHER	5
OVERDOSE/INTOXICATED	1
PREGNACY	0
PSYCHIATRIC	3
RESPIRATORY	4
SEIZURE	4
SICK	5
STABBING	0
STROKE	1
TRAUMATIC INJURY	0
UNCONSCIOUS	<u>2</u>
	40

FIRE AND MEDICAL:**0****TOTAL: 56 RESPONSES**

 CHARLES WATTS, CHIEF
 VALDESE FIRE DEPARTMENT

**TOWN OF VALDESE
TOWN COUNCIL REGULAR MEETING
JUNE 3, 2019**

The Town of Valdese Town Council met on Monday, June 3, 2019, at 6:00 p.m., in the Town Council Chambers at Town Hall, 102 Massel Avenue, SW, Valdese, North Carolina. The following were present: Mayor John F. "Chip" Black, Jr., Councilman Keith Ogle, Councilwoman Frances Hildebran, Councilwoman Susan Stevenson, Councilman J. Andrew Thompson, and Councilman Roy F. Sweezy. Also present were: Town Attorney Marc Mitchell, Town Manager Seth Eckard, Deputy Town Clerk Courtney Kennedy, and various department heads.

Absent: None.

A quorum was present.

Mayor Black called the meeting to order at 6:00 p.m. He offered the invocation and led in the Pledge of Allegiance to the Flag.

OPEN FORUM/PUBLIC COMMENT: None.

CONSENT AGENDA: (enacted by one motion)

APPROVED REGULAR MEETING MINUTES OF MAY 6, 2019

APPROVED SPECIAL MEETING MINUTES OF MAY 9, 2019

APPROVAL OF VALDESE ABC BOARD TRAVEL POLICY

VALDESE ABC BOARD TRAVEL POLICY

The following guidelines will be used as a travel policy for all employees traveling on Valdese ABC Board business:

1. Reimbursement of travel expenses-

Meals will be covered on a per day rate. (Based on the current Federal Per Diem Rate) The Federal Per Diem Rates listing (found online at www.gsa.gov) is updated on an annual basis in October. If the traveler's destination is not listed on the website, the standard rate is used.

When traveling to attend a conference, where some meals are provided by the conference, remaining meals not provided by the conference will be eligible for reimbursement on a reasonable and actual basis (receipts required).

When on a trip not involving an over-night stay, expenses (i.e. mileage, meals) will be eligible for reimbursement on a reasonable and actual basis (receipts required).

Lodging will be covered for reasonable and actual cost (receipt required). Unless attending a conference, the Federal Per Diem Listing should be used as a guideline in determining reasonable cost.

2. Board credit cards may be used to reserve lodging. Travel related cost however, should not be charged to the credit cards. All travel expenses will be covered through travel advances and / or reimbursements.
3. It is the responsibility of the General Manager to determine which meal allowances are eligible for reimbursement to employees for partial day travel. Reimbursement will be for reasonable and actual cost (receipt required).
4. All requests for travel expense reimbursement (i.e. meals, lodging, mileage, etc.) must be accompanied by a travel expense report.

5. Other issues-

- Transportation: As a general rule, it is the Board's policy that an employee is authorized to use a private vehicle and be reimbursed at the current standard mileage rate. The current standard rate shall be the same as paid by the Town of Valdese following the IRS rate.
- Telephone: Any employee traveling out of town and staying overnight will be allowed a personal telephone call up to \$4 per night. Board business related calls will be paid by the Board.
- Registration: Registration fees are generally paid in advance directly to the vendor, not from travel advance.
- Advances: The Board does permit employees to request advances whenever an estimated trip cost exceed \$25. If the cost is less than \$25, employee must seek reimbursement when the trip is completed.

Adopted the 21st day of May, 2018 by the Valdese ABC Board of Directors.

Approved this the 3rd day of June, 2019.

/s/ John F. "Chip" Black, Jr., Mayor

Attest: /s/ Town Clerk

APPROVED VEDIC BOARD OF DIRECTORS APPOINTMENTS The VEDIC Board of Directors recommended the reappointment of TR Robinson and the appointment of Forrest Fleming to the VEDIC Board. The three-year-terms will expire July 1, 2022.

RENEWAL OF LEASE AGREEMENT AT THE OLD ROCK SCHOOL WITH DREAM CONNECTIONS
Lease agreement with Dream Connections for rental space at the Old Rock School, in the amount of \$1,045 per month.

RESOLUTION ELIMINATING SCHEDULE OF DISCOUNTS APPLIED TO TAXES

**RESOLUTION
ELIMINATING SCHEDULE OF DISCOUNTS APPLIED TO TAXES**

WHEREAS, G.S. 105-360(c) states any county or municipality levying taxes under the provisions of this Subchapter shall have authority to establish a schedule of discounts to be applied to taxes paid prior to the due date;

WHEREAS, the Town of Valdese has previously extended an early payment discount of 2% in July and 1% in August;

WHEREAS, it is the desire of the Town Council that all tax discounts be eliminated effective for the 2019 tax year;

NOW, THEREFORE, BE IT RESOLVED, by the Council of the Town of Valdese, North Carolina that early pay tax discounts are eliminated effective for the 2019 tax year and subsequent years.

THE FOREGOING RESOLUTION IS ADOPTED THIS 3rd DAY OF JUNE, 2019.

/s/ John F. Black, Jr., Mayor

ATTEST: /s/ Town Clerk

Councilman Ogle made a motion to approve the aforementioned items on the Consent Agenda, seconded by Councilwoman Stevenson. The vote was unanimous.

End Consent Agenda

ITEMS REMOVED FROM CONSENT AGENDA: None.

INTRODUCTION OF NEW EMPLOYEE Finance Director Bo Weichel introduced Accounting Technician Kimberly Cline.

APPOINTMENT OF KIMBERLY CLINE AS TAX COLLECTOR Mayor Black delivered the following order of collection to Kimberly Cline:

**State of North Carolina
Town of Valdese**

To the Tax Collector of the Town of Valdese,

You are hereby authorized, empowered, and commanded to collect the taxes set forth in the tax records and in the tax receipts herewith delivered to you, in the amount and from the taxpayers likewise therein set forth. Such taxes are hereby declared to be a first lien upon all real property of the respective taxpayers in the Town of Valdese and this order shall be a full and sufficient authority to direct, require, and enable you to levy on and sell any real or personal property of such taxpayers, for and on account thereof, in accordance with the law. This term shall expire after June 2021.

Councilwoman Stevenson made a motion to appoint Kimberly Cline as Tax Collector and to adopt the aforementioned order of collection, seconded by Councilman Ogle. The vote was unanimous.

Deputy Town Clerk Courtney Kennedy administered the oath of office to Tax Collector Kimberly Cline.

PRESENTATION OF FY 2019-2020 PROPOSED BUDGET AND SCHEDULING OF PUBLIC HEARING FOR MONDAY, JUNE 24, 2019 The proposed budget was submitted to the Valdese Town Council on Friday, May 24, 2019.

Town Manager Seth Eckard said, "Three years ago Council challenged staff to be innovative and identify ways to reduce operational costs, create efficiencies, and receive a high return on investments. Through careful planning and engagement with our citizens, we have been able to prepare a balanced budget that addresses current and future goals, without jeopardizing services to our residents.

The proposed budget fulfills Council's vision to increase funding for street resurfacing, enhance the Town's code enforcement service, and set aside funds for the future needs of the Public Safety Building. The proposed budget also identifies new goals: enhancing beautification by continuing town-wide, curb-side recycling service; preserving and building the Town's fund balance; and continuing efforts to maintain the Town as a competitive organization to recruit and retain talented employees.

It is my pleasure to submit to you, the proposed budget for the fiscal year beginning July 1, 2019, and ending June 30, 2020. The proposed total of the FY 2019-2020 budget is \$10,913,221. The proposed budget includes a total General Fund budget of \$6,020,797 and a total Utility Fund budget of \$4,892,424. The proposed budget includes a property tax rate of 54.5 cents per \$100 valuation.

The Fiscal Year 2019-2020 proposed budget continues existing service levels while striving for a balanced financial foundation. This is an exciting time for Valdese! The Town of Valdese is showing signs of significant economic growth as is evident by thriving industries, low unemployment numbers, a booming housing market. Exciting new businesses are slated to open this coming fiscal year, such as a new artisan butcher shop located in the old post office.

An Asheville developer is planning to invest nearly \$10,000,000 to revitalize the former Houston Hosiery Mill into a 60-unit apartment complex. After nearly a decade of stagnation The Settings subdivision at Lake Rhodhiss is moving forward. The developer of the Settings has completed all required infrastructure and most of the remaining unsold lots have been purchased.

The anticipated state-collected local revenues have been calculated utilizing data supplied by the North Carolina League of Municipalities and local economic data. The Town is anticipating modest increases in most of these revenue sources as a result of an improving local, state, and national economy.

The only unoccupied manufacturing building, of quality, left in Valdese is the Valdese Textiles building located on HWY 70. The Town of Valdese is working diligently with the property owner to find a suitable business that will create a significant number of jobs and proposes to make a substantial capital investment.

General Fund - The fiscal year 2019-2020 property tax revenue numbers reflect a revenue-neutral tax rate of 51.175 cents per \$100 valuation. Valdese outpaced Burke County and all other municipalities in the county with an average increase in property valuation of a little more than ten percent. Maintaining the current tax rate of 54.5 cents per \$100 of valuation will result in an additional \$125,000 of new property tax revenue for the Town of Valdese.

Projects Paid for by the Additional Revenues Generated from the Revaluation:

The Burke County revaluation resulted in a net increase of \$125,000 in revenue for the Town. These funds will be allocated each year for two specific ongoing capital projects.

Additional Street Resurfacing:

The street department spends approximately \$125,000 each year for street resurfacing projects. Twenty-five thousand dollars of the revenues generated by the revaluation are allocated to the street resurfacing budget, bringing the total amount the Town spends for street resurfacing projects to \$150,000 each year.

Fire Department Police Department Building:

The Town is in the process of securing bids for a temporary repair solution of structural damages of the public safety building. The temporary repairs are scheduled for completion no later than May of 2020. After temporary repairs are complete, the Town will have approximately five-years to carefully consider and implement a long-term solution for the public safety building. One-hundred thousand dollars of the new funds generated from the revaluation will be set-aside each year for a new public safety building.

General Fund Capital Projects:

In the Fiscal Year 2019-2020 budget, the Town plans to make strategic capital investments amongst all departments to ensure efficient and effective service delivery as well as continue to repair our aging infrastructure.

The General Fund Budget reflects expenditures of \$221,000 from the capital projects budget for projects across multiple departments. Highlights include:

Fire Department

- All-Terrain Vehicle w/Trailer

Community Affairs

- Paint Auditorium Ceiling and Walls

Parks and Recreation

- Pool Resurfacing
- Pool Decking Repair

Public Works

- Demolition of IA Building / Retaining Wall
- Shop Heater Replacement
- Parking Lot Repair

Other General Fund Items

Recycling Service:

Late in the budgeting process Republic Services confronted the Town with an increase in our annual recycling contract of \$24,000. If the Town is unwilling to pay for the contract increases, Republic informed us that they would discontinue the recycling service in Valdese. The reason for the increase is

due to the national and international markets for recycled materials has collapsed, the domestic market has flooded and driven down the wholesale prices for materials.

Every local government in the nation is facing this issue. Valdese residents have a proud tradition of caring for the environment; therefore, this proposed budget recommends continuing the service, despite increases to the contract. To offset the increase, The Town Valdese will discontinue the early tax payment discount, which will generate approximately the same amount of revenue that the increases in the contract with Republic will cost. Republic Services is the only local company that offers municipal curbside recycling pickup. Even with the increase to the contract, Republic Services can still provide the service cheaper than if the Town tried to provide it in-house.

Employee Classification / Salary Study / Personnel Policy:

A challenge facing the Town of Valdese is the retention and recruitment of talented employees for our organization. As the unemployment rate has plummeted, it has become increasingly more difficult to recruit new employees to the organization based upon the current pay schedule that has been in place for over a decade. Without good employees, service delivery will suffer.

In Fiscal Year 2019-2020, the Town of Valdese partnered with a human resources consultant to revise our employee classifications, salary grades, and personnel policy. The conclusion of the study reveals that the Town of Valdese ranks third from the bottom in average wages compared to ten regional local governments that Valdese competes with for talent. Staff is recommending that the Town Council partially implement the study. To implement the pay study staff has identified budget reductions totaling 2.5%. This implementation will bring Valdese closer to the middle of the market comparison group, thus helping our organization retain and recruit talent that we desperately need.

To pay for this increase in yearly operational expenses, staff identified funds in the existing budget in three areas.

- Savings realized from the difference in recent retirees' salaries and new hires.
- Savings realized from the reduction in force when Town Hall and Triple merged.
- Savings realized from a reduction in the operational budget, most of which are the result of implemented efficiencies by departments over the past three years. These budget cuts will not impact service delivery.

Utility Fund - The Utility Fund budget for Fiscal Year 2019-2020 is \$4,892,424.

In the Fiscal Year 2015-2016 budget, the Town conducted a comprehensive capital improvement plan for the utility system. The study revealed that the Town has pressing needs, which should be addressed to ensure high-quality water and wastewater treatment for our citizens. The Town is heading into implementation year four of our 10-year plan.

The Capital Improvement Plan contains a recommended funding model that restructures our utility rates to ensure that we will be able to pay for all of our capital needs. The Town proposes to restore the utility fund balance to a level that will accommodate future projects; this budget proposes a four percent increase in revenues.

The Town of Valdese Utility Capital Improvement Plan calls for several major investments next fiscal year. Each new project will be presented to the Council for approval once we hear back from various grant funders.

Utility Fund Capital Projects:

- Water system upgrade project (waterlines)
- Main street waterline replacement
- MCC (raw and finished water) replacement at the water plant
- Chlorine gas to liquid bleach conversion at the water plant
- Sewer I&I assessment project
- Centrifuge Back drive and control replacement
- Smart Meter Project

I appreciate the dedicated employees of the Town of Valdese for their hard work and good stewardship of the Town's resources. Our team works hard and take pride in carrying out their duties. I also thank Mayor Black and the Town Council for their dedication in carrying out their responsibilities in providing leadership and guidance during the budgeting process."

Councilwoman Hildebran made a motion to set the public hearing for the FY 2019-2020 budget on Monday, June 24, 2019, 6:00 p.m., Valdese Town Hall, seconded by Councilman Sweezy. The vote was unanimous.

EDELWEISS SUBDIVISION PRELIMINARY PLAT APPROVAL REQUEST Planning Director Larry Johnson informed Council that the Edelweiss Subdivision will consist of 11 lots, each lot measuring approximately .43 acres. The size of the homes will range from 1,300 to 1,500 square feet and will be priced between \$175,000 and \$200,000.

Councilman Ogle made a motion to approve the preliminary plat for Edelweiss Subdivision, seconded by Councilman Thompson. The vote was unanimous.

FAÇADE GRANT REQUEST Community Affairs Director Morrissa Angi presented a request from The Valdese Stitchery for a Façade Grant in the amount of \$5,000. Grant funds will be used to assist with the replacement of windows and the installation of an ADA compliant front door. The estimated cost of the project is \$18,000.

Councilman Ogle made a motion to approve the aforementioned Façade Grant in the amount of \$5,000, seconded by Councilwoman Stevenson. The vote was unanimous.

MANAGER'S REPORT: Town Manager Seth Eckard made the following announcements:

The next WNC Rail Committee meeting is scheduled for Monday, June 17, 2019, 11:30 a.m. at Valdese Town Hall.

Independence Day Celebration scheduled for Friday, June 28, 2019, at 7:00 p.m.

MAYOR AND COUNCIL COMMENTS: Councilwoman Stevenson expressed her appreciation to staff, especially Greg Padgett, Bryan Duckworth, and Seth Eckard for their assistance with resolving an issue she was made aware of. Ms. Stevenson said their response was prompt and effective.

Councilwoman Hildebran expressed her appreciation to staff, especially Larry Johnson, Bryan Duckworth, and the Police Department for their assistance and oversight of an issue in her ward. Ms. Hildebran shared that the issue was resolved very professionally and in a manner that pleased the community.

Councilman Sweezy stated that all of the Town's departments are doing a great job and expressed his appreciation for the efforts made during the creation of the proposed budget, which will allow the Town to maintain the same level of service to citizens.

Mayor Black encouraged everyone to attend the Family Friday Nights and to enjoy everything the town has to offer downtown.

Councilman Ogle informed Council that Myra's is holding a beach party on Saturday, June 8, 2019 at 6:00 p.m. and encouraged everyone to attend.

ADJOURNMENT: At 6:30 p.m., there being no further business to come before Council, Councilman Ogle made a motion to adjourn, seconded by Councilman Sweezy. The vote was unanimous.

The next meeting is a regularly scheduled meeting on Monday, June 24, 2019, 6:00 p.m., Valdese Town Hall.

Town Clerk

Mayor

ck



Old Colony Players, Inc.

400 Main Street West Valdese North Carolina
PO Box 112 Valdese NC 28690 | oldcolonyplayers.com | 828.522.1150

Board of Directors

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James Rostan

Vice Chair

Louis Vinay

Secretary

Jennifer Icard-Abernethy

Treasurer

Morriisa Angi

Members

Susan Stevenson

Philip Brendel

Jon Mercer

Greg Mastin

Jennifer Wood

Sharon Bowman

General Manager

Edyth Pruitt

Bookkeeper

Karen Knight

Dear Valdese Town Council & Mayor,

Old Colony Players respectfully requests to sell beer at the comedy event hosted at the Old Rock School coordinated with the Valdese Community Affairs Department and Morganton Improv. The event will be held in the Old Rock School Auditorium on August 31st, 2019 from 4:00pm until 11:00pm located at 400 Main Street West Valdese. Old Colony Players, Inc. is an all-volunteer, 501(c)(3) tax-exempt nonprofit corporation and is applying for a Special Event permit and will follow the guidelines enforced by the North Carolina ABC Commission once the permit is issued for the event.

Sincerely,

Edyth Pruitt

General Manager

ftdfoutdoordrama@yahoo.com

Old Colony Players is a public nonprofit organization; therefore, your donation may be deductible on federal taxes under IRS code 501(c)(3). Consult your tax advisor. Financial information about this organization and a copy of its solicitation license are available from the N.C. Charitable Licensing Section, 1-888-830-4989. This license is not an endorsement by the State.

Capital Projects Ordinance Amendment 30

Subject:

To amend the capital project ordinance's for various projects.
Clean up old capital project accounts for closure.

Proposed Action:

BE IT ORDAINED by the Council of the Town of Valdese that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the capital project ordinance for various capital projects funded from a variety of sources is hereby amended as follows.

Section I:

Revenues available to the Town to complete the projects are hereby amended as follows:

Account	Description	Increase/ Debit	Decrease/ Credit
40.3970.050	Business Revitalization	6,015	
42.3970.001	Town Hall	561,315	
49.3500.000	Bakery Project	2,100	
50.3970.030	The Settings	8,820	
65.3970.000	I&I Study & Work	41,753	
51.3480.000	Millstone Ave Water		3,054
Total		\$620,003	\$3,054

Amounts appropriated for capital projects are hereby amended as follows:

Account	Description	Decrease/ Debit	Increase/ Credit
40.8040.450	Business Revitalization		6,015
42.4200.570	Town Hall		561,315
49.8049.980	Bakery Project		2,100
50.8120.040	The Settings		8,820
65.8265.000	I&I Study & Work		41,753
51.8120.040	Millstone Ave Water		19,446
Total			\$639,449

Section II:

Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.

Town of Valdese Water Plant

Po Box 339

Valdese, NC 28690

Mr. Seth Eckard, Council, and Mayor Black

I am pleased to inform you that the State of North Carolina has awarded us with our third consecutive EPA recognized Area Wide Optimization Award. This award is presented to any water plant that can meet and maintain stringent turbidity levels throughout the previous year. The award was given to the Town of Valdese Water plant for meeting and maintaining these standards for the physical year of 2018. These standards include the following:

- 1) Must maintain a settle turbidity level below 1 NTU in your settled water when your raw water turbidity is less than 10 NTU.
- 2) Maintain a settle water turbidity of less than 2 when your raw water turbidity is more than 10.
- 3) Maintain a finished water turbidity of less than .3 NTU 95% of the time.

"The Area-Wide Optimization Program provides tools and approaches for drinking water systems to meet water quality optimization goals and provide an increased – and sustainable – level of public health protection to their consumers" -[epa.gov](https://www.epa.gov)

We here at the Town of Valdese Water Plant are very proud to be able to give you this great news for the third consecutive year. We could not reach these goals without the help of our mayor, council, and manager supporting us in these endeavors.

Thanks,

Jerry Conley

Water Plant Superintendent

Town of Valdese, NC



TOWN OF VALDESE

NORTH CAROLINA'S FRIENDLY TOWN

P.O. BOX 339

VALDESE, NORTH CAROLINA 28690-0339

PHONE (828) 879-2120 | FAX (828) 879-2139 | TOWNOFVALDESE.COM

MEMORANDUM

TO: Valdese Town Council

FROM: Greg Padgett, Water Resources Director

DATE: June 24, 2019

SUBJECT: Contract with WPCOG for Assistance with Stormwater Partnership

Enclosed in the agenda packet is a two-year contract with Western Piedmont Council of Governments (WPCOG). The total cost of contract is not to exceed \$23,342. This equates to an annual cost of \$11,671. The contract amount is reflected in the proposed Fiscal Year 2019-2020 budget.

The Town of Valdese is required to provide adequate staffing and funding to support the NPDES Phase II six minimum measures, including Stormwater Public Education and Outreach, Public Involvement and Participation, Illicit Discharge Detection and Elimination, Construction Site Stormwater Runoff Control, Post-Construction Storm Water Management in New Development and Redevelopment, and Pollution Prevention/Good Housekeeping for Municipal Operations.

Staff recommends entering into this agreement with WPCOG for the management and administration of the Town's MS4 stormwater permit. This duty was previously handled in house by a now retired employee. Staff feels it is more economical and practical based on the State requirements and the size of Valdese to outsource this function. As the Town has many past and ongoing relationships with WPCOG, staff is very comfortable with this agreement.

AGREEMENT BETWEEN THE
WESTERN PIEDMONT COUNCIL OF GOVERNMENTS AND
THE TOWN OF VALDESE
FOR ASSISTANCE IN SUPPORTING THE WESTERN PIEDMONT
STORMWATER PARTNERSHIP
JULY 1, 2019 – JUNE 30, 2021

This AGREEMENT, to be effective on the 1st day of July, 2019, by and between the Western Piedmont Council of Governments (hereinafter referred to as the "Planning Agency") and the Town of Valdeese, North Carolina (hereinafter referred to as the "Local Government");

WITNESSETH THAT:

WHEREAS, the Local Government is required to provide adequate staffing and funding to support the NPDES Phase II six minimum measures, including Stormwater Public Education and Outreach, Public Involvement and Participation, Illicit Discharge Detection and Elimination, Construction Site Stormwater Runoff Control, Post-Construction Storm Water Management in New Development and Redevelopment, and Pollution Prevention/Good Housekeeping for Municipal Operations. ("Stormwater Partnership" hereinafter) ; and

WHEREAS, the Planning Agency is empowered to provide technical assistance to local governments by the North Carolina General Statutes and by resolution passed by the Planning Agency on April 17, 1972; and

WHEREAS, the Local Government has requested the Planning Agency to provide such technical assistance to support the NPDES Phase II six minimum measures through a Stormwater Partnership and;

WHEREAS, the Planning Agency desires to cooperate with the Local Government in providing technical assistance and services and that the proposed assistance and services are carried out in an efficient and professional manner.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. **Scope of Services.** The Planning Agency will provide technical assistance to the Western Piedmont Stormwater Partnership. Technical assistance shall consist of the services described in EXHIBIT A, which is incorporated more fully by reference herein.
2. **Personnel.** The Planning Agency will furnish the necessary trained personnel to the Local Government.
3. **Office/Equipment.** The Planning Agency will provide office space, miscellaneous office supplies, office equipment, software, and hardware necessary to perform the

work described in this contract.

4. **Compensation.** The Local Government will pay the Planning Agency a regional Stormwater Partnership fee for services provided as part of the Agreement as outlined in Exhibit A. The Town of Valdese's calculated Stormwater Partnership fee for the period beginning July 1, 2019 and ending June 30, 2021 is not to exceed **\$23,342** (twenty-three thousand three hundred forty-two dollars). These fees will be billed in twenty-four equal monthly payments of **\$972.58** (nine hundred seventy-two dollars and fifty-eight cents).

5. **Non-salary Expenses.** (a) The Planning Agency personnel's local travel mileage will be considered to be a part of the Scope of Work as outlined in Exhibit A.

(b) The Stormwater Partnership will pay for personnel's travel expenses related to attendance of conferences, conventions, and seminars if the events are related to the development of the Stormwater Partnership's program. Travel expenses shall include registration fees, hotel expenses, meals, and mileage. The Stormwater Partnership will pay for hotel, meals, and mileage costs at the prevailing local government rate.

6. **Termination/Modifications.** The Local Government may terminate the Contract by giving the Planning Agency a thirty-day written notice. Furthermore, if there is a need to amend the proposal outlined in Attachment A, either party may do so with the written consent of the other.

7. **Time of Performance.** The Planning Agency shall ensure that all services required herein shall be completed during the period beginning July 1, 2019 and ending June 30, 2021.

8. **Interest of Members, Officers, or Employees of the Planning Agency, Members of the Local Government, or Other Public Officials.** No member, officer, or employee of the Planning Agency or its agents; no member of the governing body of the locality in which the program is situated; and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the program during his tenure or for one year thereafter, shall have any financial interest, either direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the program assisted under this Agreement. Immediate family members of said members, officers, employees, and officials are similarly barred from having any financial interest in the program. The Planning Agency shall incorporate or cause to be incorporated in all such contracts or subcontracts, a provision prohibiting such interest pursuant to the purpose of this section.

9. **Nondiscrimination Clause.** No person in the United States shall on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination with any program or activity funded in whole or in part with funds available under the Housing and Community Development Act of 1974, Section 109.
10. **Age Discrimination Act of 1975, as amended.** No qualified person shall on the basis of age be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from federal financial assistance.
11. **Section 504, Rehabilitation Act of 1973, as amended.** No qualified handicapped person shall, on the basis of handicap be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from federal financial assistance.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

LOCAL GOVERNMENT:
TOWN OF VALDESE

PLANNING AGENCY:
WESTERN PIEDMONT COUNCIL OF
GOVERNMENTS

By: _____
Town Manager

By: _____
Executive Director

Attest: _____

Planning Agency:

By: _____
Town Clerk

By: _____
Chairman

Preaudit statement:

This instrument has been preaudited in the manner prescribed by the Local Government Budget and Fiscal Control Act.

By: _____
Local Government Finance Officer

EXHIBIT A

THE TOWN OF VALDESE WESTERN PIEDMONT STORMWATER PARTNERSHIP JULY 1, 2019 – JUNE 30, 2021

PROGRAM OVERVIEW

The following work program is presented as descriptive of the work called for in the agreements concerning stormwater program assistance activities by the Western Piedmont Council of Governments for local governments in the Stormwater Partnership.

1. The Western Piedmont Council of Governments staff will work with the Local Government's Staff to adapt the work plan and priorities as needed to satisfactorily implement requirements in NPDES Phase II Permits and management plans.
 - Public Education and Outreach on Storm Water Impacts – The Planning Agency will fulfill the education and outreach component of the permit by developing workshops; arranging speakers; development of school partnerships and projects; preparing outreach materials; and presenting to various groups and at events, and other Education Outreach activities as required by the NPDES Phase II Permit and outlined in the Local Government's Stormwater Management Plan.
 - Public Involvement and Participation – The Planning Agency will manage planning and implementation of public events for stormwater information to the general public as well as coordination of volunteer programs for stormwater programs or stream cleanups, and other Public Involvement and Participation activities as required by the NPDES Phase II Permit and outlined in the Local Government's Stormwater Management Plan.
 - Illicit Discharge Detection and Elimination – The Planning Agency will conduct active investigation and enforcement of the Local Governments illicit discharge within the Local Governments jurisdiction and other Illicit Discharge Detection and Elimination activities as required by the NPDES Phase II Permit and outlined in the Local Government's Stormwater Management Plan.
 - Construction Site Stormwater Runoff Control – North Carolina Division of Environmental Quality is responsible for the Local Government's Construction Site Stormwater Runoff Control Program. Follow-up by the Planning Agency will occur.
 - Post-Construction Storm Water Management in New Development and Redevelopment – The Planning Agency will manage the permitting process, annual reports, inspections,

and files associated with Post Construction as required by the NPDES Phase II Permit and outlined in the Local Government's Stormwater Management Plan.

- Pollution Prevention/Good Housekeeping for Municipal Operations – The Planning Agency will conduct education to Local Government employees and inspection of Local Government facilities for Pollution Prevention/Good Housekeeping activities as required by the NPDES Phase II Permit and outlined in the Local Government's Stormwater Management Plan.

**RESOLUTION AFFIRMING THE TOWN OF VALDESE COUNCIL'S SUPPORT
REGARDING IMPLEMENTATION OF A COMPLIANT NPDES MS4 STORMWATER PROGRAM**

A RESOLUTION to develop and implement a compliant stormwater management program that meets the requirements of the **TOWN OF VALDESE** National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) Permit number NCS000488 to discharge stormwater, inclusive of the required Stormwater Management Plan to be prepared by the **TOWN OF VALDESE** and approved by the North Carolina Department of Environmental Quality.

WHEREAS, Section 402(p) of the federal Clean Water Act requires NPDES permits for stormwater discharges from municipal separate storm sewer systems; and

WHEREAS, in North Carolina, NPDES Permits are issued by the North Carolina Department of Environmental Quality; and

WHEREAS, the North Carolina Department of Environmental Quality issued the **TOWN OF VALDESE** its third NPDES MS4 Permit for discharge of stormwater on February 20, 2017; and

WHEREAS, the **TOWN OF VALDESE** was issued Notice of Violation number NOV-2019-PC-0182 on May 29, 2019, for noncompliance with the issued NPDES MS4 Permit; and

WHEREAS, the **TOWN OF VALDESE** acknowledges the specific Notice of Violation requirement to obtain a new individual NPDES MS4 Permit; and

WHEREAS, the **TOWN OF VALDESE** acknowledges the specific Notice of Violation requirement to conduct a self-audit of permit compliance for the balance of permit requirements not specifically audited by the North Carolina Department of Environmental Quality, and to develop a draft Stormwater Management Plan to comply with Section 402(p)(3)(B)(iii) of the Clean Water Act, 40 CFR 122.34(b) and NPDES MS4 Permit requirements, and to submit its draft Stormwater Management Plan to the North Carolina Department of Environmental Quality no later than 120 Days From NOV Date for review and approval; and

WHEREAS, the **TOWN OF VALDESE** acknowledges the specific Notice of Violation requirement to adopt a Council Resolution to implement a compliant and enforceable stormwater management program as defined by both the NPDES MS4 Permit number NCS000488 and the required new Stormwater Management Plan, and said resolution is to be submitted to the North Carolina Department of Environmental Quality no later than 60 Days From NOV Date; and

WHEREAS, the **TOWN OF VALDESE** acknowledges the requirement to provide adequate funding and staffing to implement a Stormwater Management Program that complies with its NPDES MS4 Permit and approved Stormwater Management Plan; and

WHEREAS, the **TOWN OF VALDESE** acknowledges that North Carolina Department of Environmental Quality enforcement action and penalties could result from non-compliance with the specific requirements in Notice of Violation number NOV-2019-PC-0182; and

WHEREAS, the **TOWN OF VALDESE** acknowledges that any North Carolina Department of Environmental Quality enforcement action and penalties may not prohibit the U.S. Environmental Protection Agency from taking its own enforcement action for non-compliance with the issued NPDES MS4 Permit.

NOW, THEREFORE, BE IT RESOLVED that the Council of the **TOWN OF VALDESE** hereby affirms its support for development and implementation of a compliant NPDES MS4 Stormwater Program.

John F. Black, Jr., Mayor

Seth Eckard, Town Manager

Seth Eckard, Stormwater Program
Administrator

Courtney Kennedy, Deputy Town Clerk

ADOPTED BY the Town Council of the **TOWN OF VALDESE**, North Carolina the 24th day of June, 2019 and signed in authentication thereof the ____ day of _____, 2019.



NORTH CAROLINA
Environmental Quality

ROY COOPER
Governor

MICHAEL S. REGAN
Secretary

WILLIAM E. (TOBY) VINSON, JR.
Interim Director

November 27, 2018

CERTIFIED MAIL: 7015 1520 0003 5462 9596
RETURN RECEIPT REQUESTED

Town of Valdese
Attention: John F. Black Jr., Mayor
Post Office Box 339
Valdese, North Carolina 28690

Town of Valdese
Attention: Greg Padgett, Water Resources
Director
Post Office Box 339
Valdese, North Carolina 28690

Town of Valdese
Attention: Seth Eckard, Town Manager
Post Office Box 339
Valdese, North Carolina 28690

Subject: Municipal Separate Stormwater Sewer System Audit Report
MS4 Permit: NCS000488
Burke County, North Carolina

Dear Mr. Eckard, Mr. Black, and Mr. Padgett:

Enclosed, please find a copy of the Compliance Evaluation Inspection Report for the subject municipality's MS4 audit conducted on October 3, 2018.

The enclosed report will contain a summary of the items discussed during the audit. You will receive a separate report addressing timelines for the corrective actions, as well as any specific action required by the department to address any areas to be improved. Should you have any questions concerning this report, please do not hesitate to contact me at (828) 296-4500 or by email at Isaiah.reed@ncdenr.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Isaiah Reed".

Isaiah Reed, CEPSCI, MS4CECI
Environmental Specialist
Land Quality Section

Enclosure: Inspection Report

EC: Jeanette Powell, Engineer Jeanette.powell@ncdenr.gov





Town of Valdese
MUNICIPAL SEPARATE STORM
SEWER SYSTEM (MS4) PROGRAM
AUDIT REPORT

Valdese, NORTH CAROLINA

102 Massel Avenue
Valdese, North Carolina 28690

Report Date: November 27, 2018

Audit Date: October 3, 2018

North Carolina Department of Environmental Quality
Division of Energy, Mineral & Land Resources Stormwater Program
512 N. Salisbury Street, 9th floor
1612 Mail Service Center
Raleigh, NC 27699-1612

U.S. Environmental Protection Agency, Region IV
Sam Nunn Atlanta Federal Center
61 Forsyth Street SW
Atlanta, GA 30303-8963

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entity	17
If implemented by another entity, indicate which entity: <u>Click here to enter text.</u>	17
Post-Construction Site Runoff Controls	17
Pollution Prevention and Good Housekeeping for Municipal Operations.....	22
Total Maximum Daily Loads (TMDLs) Applicability Status	26
Site Visit Evaluation: Municipal Facility No. 1	26
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Additional Notes.....	Error! Bookmark not defined.
Appendix A: Document Log	

This inspection consists of an evaluation of program compliance with the issued permit and implementation of the approved Stormwater Management Plan. This inspection report does not include a review of all program components. Program deficiencies in addition to those noted may be present. The permittee is required to assess program progress and permit compliance, and to implement the approved Stormwater Management Plan in accordance with the issued permit.

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Inspection Details	
Inspection ID Number:	Inspection Date(s): October 3, 2018
Minimum Control Measures Evaluated: <input checked="" type="checkbox"/> Program Implementation <input checked="" type="checkbox"/> Public Education & Outreach <input checked="" type="checkbox"/> Public Involvement and Participation <input checked="" type="checkbox"/> Illicit Discharge Detection & Elimination <input type="checkbox"/> Construction Site Runoff Controls <input checked="" type="checkbox"/> Post-Construction Site Runoff Controls <input checked="" type="checkbox"/> Pollution Prevention and Good Housekeeping for Municipal Operations <input checked="" type="checkbox"/> Total Maximum Daily Loads (TMDLs)	
Field Site Visits: <input checked="" type="checkbox"/> Municipal Facility(ies). Number visited: 1 <input checked="" type="checkbox"/> MS4 Outfall(s). Number visited: 2 <input type="checkbox"/> Construction Site(s). Number visited: 0 <input type="checkbox"/> Post-Construction Stormwater Runoff Controls. Number visited: 0 <input checked="" type="checkbox"/> Other: <u>Outfall that permittee was unable to locate during previous inspection.</u> Number visited: 1 <input checked="" type="checkbox"/> Other: <u>Location of sinkhole associated with a piped stream _.</u> Number visited: 1	
Inspector(s) Conducting Inspection	
<u>Name, Title</u>	<u>Organization</u>
Isaiah Reed, Environmental Specialist	NCDEQ
Inspection Report Author:	Date:
<i>Signature</i> _____	
Inspection Report Author:	Date
<i>Signature</i> _____	

Permittee Information

MS4 Permittee Name: Town of Valdese	NPDES Permit Number: NCS000488
City, State, ZIP: Valdese, North Carolina 28690	Date of Last MS4 Inspection/Audit: None
Co-permittee(s), if applicable: N/A	

Primary MS4 Representatives Participating in Inspection

<u>Name</u>	<u>Title/Role</u>	<u>Email</u>
Joe McNeely	Stormwater Technician (Valdese)	jmcneely@valdesenc.gov
Greg Padgett	Water Resources Director (Valdese)	gpadgett@valdesenc.gov
Benjie Thomas	Consultant (West Consultants)	bthomas@west-consultants.com

MS4 Receiving Waters

<u>Waterbody</u>	<u>Impairments</u>
Catawba River 11-(37) WS-IV, B;CA	None
Hoyle Creek 11-45-(2) WS-IV ;CA	None
McGalliard Creek 11-44-(3) WS-IV ;CA	None
Dye Branch 11-44-(2) WS-IV	None

[illegible]

Program Implementation, Documentation, & Assessment			
Permit Citation	Program Requirement	Status	Supporting Doc No.
II.A.1 Staffing and Funding	The permittee maintained adequate funding and staffing to implement and manage the provisions of the Stormwater Plan and meet all requirements of the permit.	Yes	3
	The Stormwater Plan identifies a specific position(s) responsible for the overall coordination, implementation, and revision to the Plan.	Yes	3
	Responsibilities for all components of the Stormwater Plan are documented and position(s) assignments provided.	Yes	3
	The permittee is current on payment of invoiced administering and compliance monitoring fees.	Yes	(Billing section in BIMS)
Comments During the discussion of this section, Mr. McNeely explained that he will be likely retiring in February. Mr. Padgett then explained that they have been in discussions with the City of Morganton for meeting future permit requirements.			
II.A.2 Stormwater Plan Implementation and Evaluation	The permittee evaluated the performance and effectiveness of the program components at least annually.	No	
	If yes, the permittee used the results of the evaluation to modify the program components as necessary to accomplish the intent of the Stormwater Program.	Not Applicable	
	Did the permitted MS4 discharges cause or contribute to non-attainment of an applicable water quality standards?	Not Reviewed	
	If yes, did the permittee expand or better tailor its BMPs accordingly?	Not Applicable	
Comments The SWMP has not been reviewed and updated annually.			
II.A.3	The permittee kept the Stormwater Plan up to date.	No	3

Program Implementation, Documentation, & Assessment			
Permit Citation	Program Requirement	Status	Supporting Doc No.
Keeping the Stormwater Plan Up to Date	The permittee notified DEMLR of any updates to the Stormwater Plan.	Not Applicable	
The SWMP has not been modified since its conception in 2013.			
II.A.4 Availability of the Stormwater Plan	The permittee kept an up-to-date version of its Stormwater Plan available to the Division and the public online.	No	
	The online materials included ordinances, or other regulatory mechanisms, or a list identifying the ordinances, or other regulatory mechanisms, providing the legal authority necessary to implement and enforce the requirements of the permit.	No	
A plan was available at the time of the inspection, but not easily available on line. While the permittee does have a stormwater page on their website, it does not have any stormwater ordinances available on that page.			
II.A.5 Stormwater Plan Modifications	Did DEMLR require a modification to the Stormwater Plan?	Not Applicable	
	If yes, did the permittee complete the modifications in accordance with the established deadline?	Not Reviewed	
Comments During the discussion; updating and revising of the SWMP was discussed and Mr. Padgett has said that these updates will take place soon.			
II.A.6 Sharing Responsibility	Are any control measures implemented by an entity other than the permittee?	Yes	
	If yes, is there a written agreement in place?	No	

Program Implementation, Documentation, & Assessment			
Permit Citation	Program Requirement	Status	Supporting Doc No.
Comments Western Piedmont Council of Governments provides public education and outreach for the town at least annually.			
II.A.7 Written Procedures	The permittee maintained written procedures for implementing the six minimum control measures.	Yes	3
	Written procedures identified specific action steps, schedules, resources and responsibilities for implementing the six minimum measures.	Yes	3
Comments The permittee has written procedures for all minimum control measures except construction site storm water which is handled by the North Carolina Department of Environmental Quality.			
III. A Program Documentation	The permittee maintained documentation of all program components including, but not limited to, inspections, maintenance activities, educational programs, implementation of BMPs, enforcement actions etc., on file for a period of five years.	No	
Comments All program components have not been met. See list of documents collected.			
III.B Annual Report Submittal	The permittee submitted annual reports to the Department within twelve months from the effective date of the permit.	Yes	
	The permittee submitted subsequent annual reports every twelve months from the scheduled date of the first submittal.	Yes	
	The Annual Reports included appropriate information to accurately describe the progress, status, and results of the permittee's Stormwater Plan, including, but not limited to the following:		
	1. A detailed description of the status of implementation of the Stormwater Plan as a whole. This includes information on development and implementation of each major component of the Stormwater Plan for the past year and schedules and plans for the year following each report.	Yes	

Program Implementation, Documentation, & Assessment

Permit Citation	Program Requirement	Status	Supporting Doc No.
	2. An adequate description and justification of any proposed changes to the Stormwater Plan. This includes descriptions and supporting information for the proposed changes and how these changes will impact the Stormwater Plan (results, effectiveness, implementation schedule, etc.).	Not Applicable	
	3. Documentation of any necessary changes to programs or practices for assessment of management measures is implemented through the Stormwater Plan.	Not Applicable	
	4. A summary of data accumulated as part of the Stormwater Plan throughout the year was provided along with an assessment of what the data indicated.	Yes	4
	5. An assessment of compliance with the permit, information on the establishment of appropriate legal authorities, inspections, and enforcement actions.	Yes	3 and 5
	6. A summary of past year activities, including where applicable, specific quantities achieved and summaries of enforcement actions. (Part IV, B. 1)	Yes	4
	7. A description of the effectiveness of each program component. (Part IV, B. 1)	No	
	8. Planned activities and changes for the next reporting period, for each program component or activity. (Part IV, B. 1)	No	
	9. Fiscal analysis. (Part IV, B. 1)	No	

Comments

Answers based on documentation sent to the inspector, and made available on site. These components shall be reflected in the new SWMP and associated documentation.

Program Implementation, Documentation, & Assessment

Permit Citation	Program Requirement	Status	Supporting Doc No.
Staff Interviewed: (Name/Title/ Role)	Joe McNeely was primarily the staff member implementing the permit requirements and conducting inspections. Mr. McNeely is the Town of Valdese's Stormwater Technician.		
Additional Comments:			

Public Education and Outreach

Permit Citation	Program Requirement	Status	Supporting Doc No.
II.B.2.a Goals and Objectives	The permittee defined goals and objectives of the Local Public Education and Outreach Program based on community wide issues.	Yes	3
Comments In addition to the Western Piedmont Council Governments outreach and the occasional mailed information sent out to all "water bill" addresses, the permittee also sets up a table to hand out information about stormwater and potential pollutants at an annual festival (Waldensian Festival) that takes place in the town of Valdese.			
II.B.2.b Target Pollutants	The permittee maintained a description of the target pollutants and/or stressors and likely sources.	Partial	3
Comments Information on pollutant sources included a list of municipal site which the permittee deemed a possible pollutant source, and summaries of IDDE inspections in the hand written reports. Lacked a list of community concerns and a focus on outreach to those pollutants of concern.			
II.B.2.c Target Audiences	The permittee identified, assessed annually and updated the description of the target audiences likely to have significant storm water impacts and why they were selected.	No	
Comments			

Public Education and Outreach

Permit Citation	Program Requirement	Status	Supporting Doc No.
II.B.2.d Residential and Industrial/Commercial Issues	The permittee described issues, such as pollutants, the likely sources of those pollutants, potential impacts, and the physical attributes of stormwater runoff, in their education/outreach program.	Yes	6
Comments In addition to the Western Piedmont Council Governments outreach and the occasional mailed information sent out to all "water bill" addresses, the permittee also sets up a table to hand out information about stormwater at an annual festival that takes place in the town of Valdese.			
II.B.2.e Informational Web Site	The permittee promoted and maintained an internet web site designed to convey the program's message.	Yes	
Comments https://www.townofvaldese.com/utilities/storm-water/			
II.B.2.f Public Education Materials	The permittee distributed stormwater educational material to appropriate target groups.	Yes	6
Comments In addition to the Western Piedmont Council Governments outreach and the occasional mailed information sent out to all "water bill" addresses, the permittee also sets up a table to hand out information about stormwater at an annual festival that takes place in the town of Valdese.			
II.B.2.g Hotline/Help Line	The permittee promoted and maintained a stormwater hotline/helpline for the purpose of public education and outreach.	Yes	
Comments A hotline is available on the website. "To report a violation, call Joe McNeely at (828) 879-2131." https://www.townofvaldese.com/utilities/storm-water/			

Public Education and Outreach

Permit Citation	Program Requirement	Status	Supporting Doc No.
II.B.2.h Public Education and Outreach Program	The permittee's outreach program, including those elements implemented locally or through a cooperative agreement, included a combination of approaches designed to reach the target audiences.	Yes	9
	For each media, event or activity, including those elements implemented locally or through a cooperative agreement, the permittee estimated and recorded the extent of exposure.	No	

Comments

The majority of the public education is performed by WPCOG. No "extent of exposure" was documented. WPCOG should be supplying that.

Staff Interviewed: (Name/Title/ Role)	Joe Mcneely, Stormwater Technician (Inspections and public outreach) Greg Padgett, Water Resources Director
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Public Involvement and Participation

Permit Citation	Program Requirement	Status	Supporting Doc No.
II.C.2.a Volunteer Community Involvement Program	The permittee included and promoted volunteer opportunities designed to promote ongoing citizen participation.	No	

Comments

The lack of public involvement was discussed at length. Mr. Padgett will be implementing a plan moving forward to address this issue. Future public involvement shall be documented thoroughly.

Public Involvement and Participation

Permit Citation	Program Requirement	Status	Supporting Doc No.
II.C.2.b Mechanism for Public Involvement	The permittee provided and promoted a mechanism for public involvement that provides for input on stormwater issues and the stormwater program.	No	
<i>Comments</i>			
II.C.2.c Hotline/Help Line	The permittee promoted and maintained a hotline/helpline for the purpose of public involvement and participation.	Yes	
<i>Comments</i> https://www.townofvaldese.com/utilities/storm-water/			
Staff Interviewed: (Name/Title/ Role)	Joe Mcneely, Stormwater Technician (Inspections and public outreach) Greg Padgett, Water Resources Director		

Illicit Discharge Detection and Elimination (IDDE)

Permit Citation	Program Requirement	Status	Supporting Doc No.
II.D.2.a IDDE Program	The permittee maintained a written IDDE Program.	Yes	3

Illicit Discharge Detection and Elimination (IDDE)			
Permit Citation	Program Requirement	Status	Supporting Doc No.
	If yes, the written program includes provisions for program assessment and evaluation and integrating program.	Yes	3
Comments Inspection reports from responses to citizen complaints were made available prior to the inspection, and a sequence was given in the SWMP concerning how to evaluate those complaints.			
II.D.2.b Legal Authorities	The permittee maintained an IDDE ordinance or other regulatory mechanism(s) that provides the legal authority to prohibit illicit connections and discharges to the MS4.	Yes	5
	If yes, the ordinance applies throughout the corporate limits of the permittee. [Permit Part I.D]	Yes	5
Comments The ordinance was evaluated and discussed. Modifications to that ordinance are possible in the future to allow for more substantial inspections by the Town of Valdese inspectors.			
II.D.2.c Storm Sewer System Map	The permittee maintained a current map showing major outfalls and receiving streams.	Yes	
Comments This map was presented at the time of the inspection. It is available to town staff only and includes all stormwater infrastructure (including coordinates and size of utilities) and outfalls that fall within the MS4 community.			
II.D.2.d Dry Weather Flow Program	The permittee maintained a program for conducting dry weather flow field observations in accordance with written procedures.	No	
Comments After discussion, Mr. Padgett shall implement dry weather inspections moving forward. This may include soliciting additional help from the City of Morganton.			

Illicit Discharge Detection and Elimination (IDDE)			
Permit Citation	Program Requirement	Status	Supporting Doc No.
II.D.2.e Investigation Procedures	The permittee maintained written procedures for conducting investigations of identified illicit discharges.	Yes	3
Comments Inspection reports from responses to citizen complaints was made available prior to the inspection, and a sequence was given in the SWMP concerning how to evaluate those complaints. (See <u>II.D.2.a</u>)			
II.D.2.f Track and Document Investigations	For each case of an illicit discharge or potential illicit discharge, the permittee documented and tracked the following:	Yes	4
	1. The date(s) the illicit discharge was observed	Yes	4
	2. The results of the investigation	Yes	4
	3. Any follow-up of the investigation	Yes	4
	4. The date the investigation was closed	No	
Comments The IDDE inspections were conducted and summarized in hand written reports. There is currently not an open/close mechanism concerning these complaints.			
II.D.2.g Employee Training	The permittee implemented and documented a training program for appropriate municipal staff who, as part of their normal job responsibilities, may come into contact with or otherwise observe an illicit discharge or illicit connection.	Yes	7
Comments Employee training documents were provided, including training for Mr. McNeely as recent as March 24, 2018.			
II.D.2.h Public Education	The permittee informed public employees of hazards associated with illegal discharges and improper disposal of waste.	No	
	The permittee informed businesses of hazards associated with illegal discharges and improper disposal of waste.	No	

Illicit Discharge Detection and Elimination (IDDE)			
Permit Citation	Program Requirement	Status	Supporting Doc No.
	The permittee informed the general public of hazards associated with illegal discharges and improper disposal of waste.	Yes	6
Comments While general public outreach was informative, business and public employee outreach has not been conducted.			
II.D.2.i Public Reporting Mechanism	The permittee promoted, publicized, and facilitated a reporting mechanism for the public to report illicit discharges.	Yes	Website
	The permittee promoted, publicized, and facilitated a reporting mechanism for staff to report illicit discharges.	Yes	
	The permittee established and implemented citizen request response procedures.	Yes	4
Comments IDDE inspection reports were made available to demonstrate how citizen complaints are responded to. Town staff is made aware of who to contact by other town staff and supervisors.			
II.D.2.j Enforcement	The permittee implemented a mechanism to track the issuance of notices of violation and enforcement actions administered by the permittee.	No	
	If yes, the mechanism includes the ability to identify chronic violators for initiation of actions to reduce noncompliance.	Not Applicable	
Comments The permittee has not issued any NOV's under the current permit term.			

Illicit Discharge Detection and Elimination (IDDE)

Permit Citation	Program Requirement	Status	Supporting Doc No.
Staff Interviewed: (Name/Title/ Role)	Joe Mcneely, Stormwater Technician (Inspections and public outreach) Greg Padgett, Water Resources Director		
Additional Comments:			

Erosion and Sedimentation Control Program Delegation Status

- ☐ The permittee has a delegated erosion and sedimentation control program.
If so, indicate when the program was delegated: [Click here to enter text.](#)
- ☒ The permittee *does not* have a delegated erosion and sedimentation control program.

Note: the requirements in this section are cited from the North Carolina Sedimentation Pollution Control Act (SPCA) of 1973.

Post-Construction Site Runoff Controls Program Implementation Status

- ☒ The Post-Construction Site Runoff Controls program requirements are implemented by the permittee
☐ The Post-Construction Site Runoff Controls program requirements are implemented by another entity

If implemented by another entity, indicate which entity: [Click here to enter text.](#)

Post-Construction Site Runoff Controls

Permit Citation	Program Requirement	Status	Supporting Doc No.
II.F.2.a Legal Authority	The permittee maintained an ordinance or other regulatory mechanism designed to meet the objectives of the Post-Construction Site Runoff Controls Stormwater Management Program.	Yes	5
	If yes, the ordinance applies throughout the corporate limits of the permittee. [Permit Part I.D]	Yes	
	The permittee has the authority to review designs and proposals for new development and redevelopment to determine whether adequate stormwater control measures will be installed, implemented, and maintained.	Yes	5
	The permittee has the authority to request information such as stormwater plans, inspection reports, monitoring results, and other information deemed necessary to evaluate compliance with the Post-Construction Stormwater Management Program.	Yes	5
	The permittee has the authority to enter private property for the purpose of inspecting at reasonable times any facilities, equipment, practices, or operations related to stormwater discharges.	Yes	5
Comments Due to the lack of recent construction in the Town of Valdese, Mr. Padgett explained that, they have no Post-construction stormwater BMPs that he is aware of.			
II.F.2.b Strategies	The permittee had implemented strategies which include Stormwater Control Measures (SCMs) appropriate for the MS4.	Not Reviewed	
	The permittee has complied with 15 NCAC 025 .1000	Not Reviewed	
Comments			
II.F.2.c Plan Reviews	The permittee conducted site plan reviews of all new development and redeveloped sites that disturb greater than or equal to one acre (including sites that disturb less than one acre that are part of a larger common plan of development or sale).	Not Reviewed	

Post-Construction Site Runoff Controls			
Permit Citation	Program Requirement	Status	Supporting Doc No.
	If yes, the site plan reviews addressed how the project applicant meets the performance standards.	Not Reviewed	
	If yes, the site plan reviews addressed how the project will ensure long-term maintenance.	Not Reviewed	
<i>Comments</i>			
<u>II.F.2.d</u> Inventory of Projects	The permittee maintained an inventory of projects with post-construction structural stormwater control measures installed and implemented at new development and redeveloped sites.	Not Reviewed	
	The inventory included both public and private sector sites located within the permittee's corporate limits that are covered by its post-construction ordinance requirements.	Not Reviewed	
<i>Comments</i>			
<u>II.F.2.e</u> Deed Restrictions and Protective Covenants	The permittee provided mechanisms such as recorded deed restrictions and protective covenants that ensure development activities will maintain the project consistent with approved plans.	Yes	3
<i>Comments</i>			
<u>II.F.2.f</u> Mechanism to Require Long-term Operation and Maintenance	The permittee implemented or required an operation and maintenance plan for the long-term operation of the SCMs required by the program.	Not Reviewed	
	The operation and maintenance plan required the owner of each SCM to perform and maintain a record of annual inspections of each SCM.	Not Reviewed	

Post-Construction Site Runoff Controls

Permit Citation	Program Requirement	Status	Supporting Doc No.
	Annual inspection of permitted structural SCMs are required to be performed by a qualified professional.	Not Reviewed	
Comments			
II.F.2.g Inspections	The permittee conducted and documented inspections of each project site covered under performance standards, at least one time during the permit term.	Not Reviewed	
	Before issuing a certificate of occupancy or temporary certificate of occupancy, the permittee conducted a post-construction inspection to verify that the permittee's performance standards have been met or a bond is in place to guarantee completion.	Not Reviewed	
	The permittee documented and maintained records of inspection findings.	Not Reviewed	
	The permittee documented and maintained records of enforcement actions.	Not Reviewed	
Comments			
II.F.2.h Educational Materials and Training for Developers	<p>The permittee made available through paper or electronic means, ordinances, post-construction requirements, design standards checklists, and other materials appropriate for developers.</p> <p><i>Note: New materials may be developed by the permittee, or the permittee may use materials adopted from other programs and adapted to the permittee's new development and redevelopment program.</i></p>	Yes	5
Comments (If the permittee has adopted materials from other programs, indicate here which materials they are using)			

Post-Construction Site Runoff Controls

Permit Citation	Program Requirement	Status	Supporting Doc No.
II.F.2.i Enforcement	The permittee tracked the issuance of notices of violation and enforcement actions.	Not Applicable	
	If yes, the tracking mechanism included the ability to identify chronic violators for initiation of actions to reduce noncompliance.	Not Applicable	
Comments			
II.F.3.d Nutrient Sensitive Waters	Pursuant to 15A NCAC 02H .0150, for areas draining to Nutrient Sensitive Waters, the permittee used SCMs that reduce nutrient loading in order to meet local program requirements	Not Applicable	
	If yes, the permittee also still incorporated the stormwater controls required for the project's density level.	Not Applicable	
	Documentation shall be provided where it is not feasible to use stormwater control measures (SCMs) that reduce nutrient loading. In areas where the Department has approved a Nutrient Sensitive Water Urban Stormwater Management Program, the provisions of that program fulfill the nutrient loading reduction requirement.	Not Applicable	
Comments			
II.F.3.e Design Volume	The permittee designed SCMs such that the design volume of SCMs take into account the runoff at build out from all surfaces draining to the system.	Not Reviewed	
	Where "streets" convey stormwater, the permittee designed SCMs to be sized to treat and control stormwater runoff from all surfaces draining to the SCM including streets, driveways, and other impervious surfaces.	Not Reviewed	
Comments The Town of Valdese relies on DEMLR design standards for SCMs.			

Post-Construction Site Runoff Controls			
Permit Citation	Program Requirement	Status	Supporting Doc No.
Staff Interviewed: (Name/Title/ Role)	Joe Mcneely, Stormwater Technician (Inspections and public outreach) Greg Padgett, Water Resources Director		
Additional Comments:			

Pollution Prevention and Good Housekeeping for Municipal Operations

Permit Citation	Program Requirement	Status	Supporting Doc No.
II.G.2.a Facility Inventory	The permittee maintained a current inventory of facilities and operations owned and operated by the permittee with the potential for generating polluted stormwater runoff.	Yes	3
Comments A list was presented in the SWMP on page 27. This list includes "Stormwater Pollution Potential".			
II.G.2.b Operation and Maintenance (O&M) for Facilities	The permittee maintained and implemented an O&M program for municipally owned and operated facilities with the potential for generating polluted stormwater runoff.	No	
	If yes, the O&M program specifies the frequency of inspections.	Choose an item.	
	If yes, the O&M program specifies the frequency of routine maintenance requirements.	Choose an item.	
	If yes, the permittee evaluated the O&M program annually and updated it as necessary.	Choose an item.	
Comments An O&M program is in the SWMP , but that facilities do not currently get inspected.			
II.G.2.c Spill Response Procedures	The permittee had written spill response procedures for municipal operations.	Yes	8
Comments A spill procedure document was made available prior to the inspection.			
II.G.2.d Streets, Roads, and Public Parking Lots Maintenance	The permittee evaluated, based on cost and the estimated quantity of pollutants removed, existing and new BMPs annually that reduce polluted stormwater runoff from municipally-owned streets, roads, and public parking lots within its corporate limits.	Partial	

Pollution Prevention and Good Housekeeping for Municipal Operations

Permit Citation	Program Requirement	Status	Supporting Doc No.
Comments A verbal estimation was made of the quantity of material removed. No Documentation was available at the time of the inspection.			
II.G.2.e O&M for Catch Basins and Conveyance Systems	The permittee maintained and implemented an O&M program for the stormwater sewer system including catch basins and conveyance systems that it owns and maintains.	Yes	4
Comments The storm drains are cleaned out periodically, through the use of a "vac-truck". Also, all inlets were inspected in 2010 and evaluated for condition. However, major improvements to these systems were not recorded and staff being interviewed were unable to recollect any such improvements taking place.			
II.G.2.f Structural Stormwater Controls	The permittee maintained a current inventory of municipally-owned or operated structural stormwater controls installed for compliance with the permittee's post-construction ordinance.	Not Applicable	
Comments Mr. Padgett and Mr. McNeely explained that, due to the lack of construction, there are no existing Structural BMPs.			

Pollution Prevention and Good Housekeeping for Municipal Operations

Permit Citation	Program Requirement	Status	Supporting Doc No.
II.G.2.g O&M for Structural Stormwater Controls	The permittee maintained and implemented an O&M program for municipally-owned or maintained structural stormwater controls installed for compliance with the permittee's post-construction ordinance.	Not Applicable	
	The O&M program specified the frequency of inspections and routine maintenance requirements.	Yes	3
	The permittee documented inspections of all municipally-owned or maintained structural stormwater controls.	Not Applicable	
	The permittee inspected all municipally-owned or maintained structural stormwater controls in accordance with the schedule developed by permittee.	No	
	The permittee documented maintenance of all municipally-owned or maintained structural stormwater controls.	Not Applicable	
	The permittee maintained all municipally-owned or maintained structural stormwater controls in accordance with the schedule developed by permittee.	Not Applicable	

Comments

Inspections conducted in recent years concerning Stormwater have been responsive in nature.

II.G.2.h Pesticide, Herbicide and Fertilizer Application Management	The permittee ensured municipal employees are properly trained.	Yes	
	The permittee ensured contractors are properly trained.	Not Reviewed	
	The permittee ensured all permits, certifications, and other measures for applicators are followed.	Yes	

Comments

During the discussion, Mr. Padgett and Mr. McNeely explained that only approved personnel with the town are allowed to apply herbicide, and that they use a contracted exterminator for pesticides.

Pollution Prevention and Good Housekeeping for Municipal Operations

Permit Citation	Program Requirement	Status	Supporting Doc No.
II.G.2.i Staff Training	The permittee implemented an employee training program for employees involved in implementing pollution prevention and good housekeeping practices.	No	
Comments No documentation was provided to confirm that any staff other than Mr. McNeely were being trained.			
II.G.2.j Vehicle and Equipment Cleaning	The permittee described and implemented measures that prevent or minimize contamination of stormwater runoff from all areas used for vehicle and equipment cleaning.	Not Reviewed	
Comments			
Staff Interviewed: (Name/Title/Role)	Joe Mcneely, Stormwater Technician (Inspections and public outreach) Greg Padgett, Water Resources Director		
Additional Comments:			

Total Maximum Daily Loads (TMDLs) Applicability Status

- ☐ The permittee is subject to an approved TMDL for [Click here to enter text.](#)
- ☒ The permittee is NOT subject to an approved TMDL

Site Visit Evaluation: Municipal Facility No. 1

Facility Name: Valdese Public Works	Date and Time of Site Visit: October 3, 2018
Facility Address: 100 Whisnant St SE	Facility Type (Vehicle Maintenance, Landscaping, etc.): Vehicle Maintenance
Name of MS4 inspector(s): Joe McNeely	Most Recent MS4 Inspection (Date and Entity): 2010
Name(s) and Title(s) of Facility Representative(s) Present During the Site Visit:	
Name	Title
Joe McNeely	Stormwater Technician
Greg Padgett	Utilities Manager

Observations**Facility Documentation/Training**

Does the facility have a Stormwater Pollution Prevention Plan (SWPPP) or similar document? Is it facility-specific?
Yes, there is a SWPPP on site as required by the Industrial SW Permit.

What type of stormwater training do facility employees receive? How often?
None discussed during the inspection.

Inspector Training/Knowledge

What type of stormwater training does the MS4 inspector receive? How often?
Various Stormwater training documentation. Most recent being March, 2018. Training is typically received at least annually.

Did the MS4 inspector appear knowledgeable about Permit requirements for pollution prevention and good housekeeping?
Moderately.

Did the MS4 inspector appear knowledgeable about stormwater pollution prevention and good housekeeping?
Yes.

Site Visit Evaluation: Municipal Facility No. 1**Inspection Procedures**

Does the MS4 inspector's process include the use of a checklist or other standardized form? Obtain copy.
No. No form has been used due to the lack of regular inspections at the facility.

Does the MS4 inspector's process include taking photos?
No

Does the MS4 inspector's process include reviewing the facility's SWPPP (or similar document)?
No

Does the MS4 inspector's process include walking the entire facility and inspecting all points of discharge?
Yes

Did the MS4 inspector miss any obvious areas of concern? If so, explain:
SWPPP for the facility was not evaluated.

Does the MS4 inspector's process include presenting the inspection findings to the facility contact?
Yes

Inspection Results

Did the facility inspection result in any corrective actions to be implemented? If so, for what issue(s)?
Yes. Severe erosion was observed at an outfall from the facility. Due to the location of two outfalls at the facility, they will need to be cleaned out and have brush removed to allow for proper inspection.

If compliance corrective actions were identified, what timeline for correction/follow-up was provided?
None at the time of inspection. The inspector will be following up on the issues observed.

Notes/Comments/Recommendations

During Mr. McNeely's inspection, several items were noted and discussed, but Mr. McNeely and Mr. Padgett were still unaware of what authority the MS4 operator has to ensure that the items will be corrected.

Site Visit Evaluation: MS4 Outfall No. 1

Outfall ID Number: None		Date and Time of Site Visit: October 3, 2018
Outfall Location: Praley Road railroad crossing		Outfall Description (Pipe Material/Diameter, Culvert, etc.): 36" CMP discharging ~20 feet from a tributary of Dye Branch.
Receiving Water: Tributary of Dye Branch		Is Flow Present? If So, Describe (Color, Approximate Flow Rate, Sheen, Odor, Floatables/Debris, etc.): No flow present.
Most Recent Outfall Inspection/Screening (Date): 2010		
Days Since Last Rainfall: Unknown	Inches:	
Name of MS4 Inspector(s): Joe McNeely		

Observations**Inspector Training/Knowledge**

What type of stormwater training does the MS4 inspector receive? How often?
Various Stormwater training documents were provided. Most recent being March, 2018

Did the MS4 inspector appear knowledgeable about illicit discharge indicators and investigations?
Yes

Inspection Procedures

Does the inspector's process include the use of a checklist or other standardized form? Obtain copy.
No

Does the inspector's process include taking photos?
No

Site Visit Evaluation: MS4 Outfall No. 1

Did the MS4 inspector miss any obvious potential illicit discharge indicators or maintenance issues? If so, what were they?
No

Inspection Results

Did the outfall inspection result in any work orders or maintenance requests? If so, for what issue(s)?
Due to severe erosion, the outfall will need to be maintained.

Will a follow-up outfall inspection be conducted? If so, for what reason?

Mr. Padgett indicated that, before they can proceed further with repairs, they will need to contact the railroad staff and gain permission.

Notes/Comments/Recommendations

Severe erosion was observed, but due to the outfall's proximity to the railroad, Mr. Padgett and Mr. McNeely were unsure whose responsibility it was to fix the outfall. Both have been made aware that the outfall must be maintained and to contact the railroad for further action.

Site Visit Evaluation: MS4 Outfall No. 2

Outfall ID Number:
None

Date and Time of Site Visit:
October 3, 2018

Outfall Location:
Martinat Drive.

Outfall Description (Pipe Material/Diameter, Culvert, etc.):
Concrete pipe coming from a nearby drop-inlet.

Site Visit Evaluation: MS4 Outfall No. 2

Receiving Water: Unnamed Tributary to Hoyle Creek	Is Flow Present? If So, Describe (Color, Approximate Flow Rate, Sheen, Odor, Floatables/Debris, etc.): None Observed
--	---

Most Recent Outfall Inspection/Screening (Date): 2010
--

Days Since Last Rainfall: Unknown	Inches:
--------------------------------------	---------

Name of MS4 Inspector(s): Joe McNeely
--

Observations**Inspector Training/Knowledge**

What type of stormwater training does the MS4 inspector receive? How often?
Various stormwater training documents were provided. Most recent being March, 2018

Did the MS4 inspector appear knowledgeable about illicit discharge indicators and investigations?
Yes

Inspection Procedures

Does the inspector's process include the use of a checklist or other standardized form? Obtain copy.
No

Does the inspector's process include taking photos?
No

Did the MS4 inspector miss any obvious potential illicit discharge indicators or maintenance issues? If so, what were they?
No

Inspection Results

Did the outfall inspection result in any work orders or maintenance requests? If so, for what issue(s)?
The inspector will be notifying the appropriate staff that the area around the outfall needs to be maintained.

Will a follow-up outfall inspection be conducted? If so, for what reason?
Yes. An inspection will be conducted in the winter to confirm that the outfall is visible and not in need of repair.

Notes/Comments/Recommendations

Site Visit Evaluation: MS4 Outfall No. 2

This outfall was chosen because it was on a list of outfalls that the MS4 inspector was unable to locate in 2010. Due to the density of vegetation, and possible burying of the outfall, it has still not been located. The MS4 inspector will be returning to this outfall in the winter to confirm its condition.

If the outfall cannot be located, a thorough inspection of the upstream and downstream areas should be performed to evaluate any potential issues.



TOWN OF VALDESE

NORTH CAROLINA'S FRIENDLY TOWN

P.O. BOX 339

VALDESE, NORTH CAROLINA 28690-0339

PHONE (828) 879-2120 | FAX (828) 879-2139 | TOWNOFVALDESE.COM

MEMORANDUM

TO: Valdese Town Council

FROM: Greg Padgett, Water Resources Director

DATE: June 24, 2019

SUBJECT: AIA State Funding Resolution
Sewer System Assessment Project

The resolution in the agenda packet is to accept a \$150,000 grant from the State to assess the Town's sewer system and, more specifically, further identify problem areas. This is one of the many areas identified in the utility departments Capital Improvement Plan as needing to be addressed going forward.

RESOLUTION BY VALDESE TOWN COUNCIL

WHEREAS, the North Carolina General Statutes Chapter 159G has created Asset Inventory and Assessment grants to assist eligible units of government with meeting their water infrastructure needs, and

WHEREAS, the North Carolina Department of Environmental Quality has offered a State Reserve Grant in the amount of \$150,000 to perform asset inventory and assessment work, and

WHEREAS, the Town of Valdese intends to perform said project in accordance with the agreed scope of work,

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF VALDESE:

That Town of Valdese does hereby accept the State Reserve Grant offer of \$150,000

That the Town of Valdese does hereby give assurance to the North Carolina Department of Environmental Quality that any Conditions or Assurances contained in the Award Offer will be adhered to.

That Mr. Seth Eckard, Valdese Town Manager, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project; to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

Adopted the 24th day of June, 2019

John F. Black, Jr., Mayor

Frances Hildebran, Town Clerk

**SHORT FORM OF AGREEMENT
BETWEEN OWNER AND ENGINEER
FOR
PROFESSIONAL SERVICES**

THIS IS AN AGREEMENT effective as of April 24, 2019 ("Effective Date")
between the Town of Valdese ("Owner") and West Consultants, PLLC ("Engineer").

Owner's Project, of which Engineer's services under this Agreement are a part, is generally identified as Sewer Collection System Assessment ("Project").

Engineer's Services under this Agreement are generally identified as follows:

1. Project initiation and meeting. Interview Owner staff regarding known issues or "trouble-spots" in the system.
2. Smoke test approximately 116,950 linear feet of gravity sewers. During smoke testing, observations will be made and recorded for any smoke that emerges from the ground, storm drain systems, roof guttering systems, or any abnormal location. Photographs will be made of such smoke occurrences. GPS coordinates of defects will also be taken (to share with Owner for Owner to update its system map).
3. Complete an assessment of up to a maximum of 408 manholes for any apparent defects such as loose or missing mortar, frame to riser seal, active leaks, dislocated frame, damaged frame or cover, damaged or missing bench, corrosion, roots, and general susceptibility to inflow due to location. Take photographs of inside and outside of each manhole.
4. Review flow monitoring data collected by Owner.
5. Complete survey elevations of the manholes from the WWTP to Lovelady Road. The survey elevations will be compared to the 100-year flood level to determine how much the frame/cover needs to be raised to the flood level.
6. Select with Owner's assistance, approximately 22,364 linear feet of gravity lines for cleaning and closed-circuit television (CCTV) inspections. Act for and on behalf of the Owner to procure pricing and coordinate with CCTV contractor to complete work. Review CCTV video inspections and note significant defects.

7. Compile the defects data collected from above tasks and assign a rehabilitation/repair prioritization of high, medium, or low to each defect, or sewer structure (if consists of multiple defects).
8. Assign a condition assessment (satisfactory/fair/poor) to all identified sewer assets and estimate useful life remaining.
9. Compile inventory data from all sewer assets identified and create summary tables (e.g., list all sewer structures, attributes, and condition assessment).
10. Determine probable costs associated with each repair, rehabilitation, or replacement need.
11. Create a plan addressing the rehab/repair needs for the next 10 years, from which a Capital Improvement Plan (CIP) can be updated. This includes creating phases to complete the prioritized rehab/repair work.
12. Create a project report which can added as an appendix to the Owner's Asset Management Plan. This includes a narrative, compiling all relevant data, maps, and 10-year rehab/repair plan into a complete package, in hard copy and in PDF format on a CD.

The CCTV inspections will be by others. Owner shall provide the blower and smoke, transport the blower to the work area each day, traffic control if needed, printing and distributing door hangers or fliers, helping find hidden manholes. It is also assumed that easements will be clear enough to access by vehicle (if needed) without having to remove vegetation.

Owner shall provide, install, and maintain manhole flow monitoring devices.

Owner and Engineer further agree as follows:

1.01 *Basic Agreement and Period of Service*

- A. Engineer shall provide, or cause to be provided, the services set forth in this Agreement. If authorized by Owner, or if required because of changes in the Project, Engineer shall furnish services in addition to those set forth above. Owner shall pay Engineer for its services as set forth in Paragraphs 7.01 and 7.02.
- B. Engineer shall complete its services within a reasonable time, or within the following specific time period: in accordance with the requirements of the State funding agency.
- ~~C. If the Project includes construction-related professional services, then Engineer's time for completion of services is conditioned on the time for Owner and its contractors to complete construction not exceeding 12 months. If the actual time to complete construction exceeds the number of months indicated, then Engineer's period of service and its total compensation shall be appropriately adjusted.~~

2.01 *Payment Procedures*

- A. *Invoices:* Engineer shall prepare invoices in accordance with its standard invoicing practices and submit the invoices to Owner on a monthly basis. Invoices are due and payable within 30 days of receipt. If Owner fails to make any payment due Engineer for services and expenses within 30 days after receipt of Engineer's invoice, then the amounts due Engineer will be increased at the rate of 1.5% per month (or the maximum rate of interest permitted by law, if less) from said thirtieth day. In addition, Engineer may, after giving seven days written notice to Owner, suspend services under this Agreement until Engineer has been paid in full all amounts due for services, expenses, and other related charges. Owner waives any and all claims against Engineer for any such suspension. Payments will be credited first to interest and then to principal.

3.01 *Termination*

- A. The obligation to continue performance under this Agreement may be terminated:
1. For cause,
 - a. By either party upon 30 days written notice in the event of substantial failure by the other party to perform in accordance with the Agreement's terms through no fault of the terminating party. Failure to pay Engineer for its services is a substantial failure to perform and a basis for termination.
 - b. By Engineer:
 - 1) upon seven days written notice if Owner demands that Engineer furnish or perform services contrary to Engineer's responsibilities as a licensed professional; or
 - 2) upon seven days written notice if the Engineer's services for the Project are delayed for more than 90 days for reasons beyond Engineer's control.

Engineer shall have no liability to Owner on account of a termination by Engineer under Paragraph 3.01.A.1.b.

- c. Notwithstanding the foregoing, this Agreement will not terminate as a result of a substantial failure under Paragraph 3.01.A.1.a if the party receiving such notice begins, within seven days of receipt of such notice, to correct its substantial failure to perform and proceeds diligently to cure such failure within no more than 30 days of receipt of notice; provided, however, that if and to the extent such substantial failure cannot be reasonably cured within such 30 day period, and if such party has diligently attempted to cure the same and thereafter continues diligently to cure the same, then the cure period provided for herein shall extend up to, but in no case more than, 60 days after the date of receipt of the notice.
2. For convenience, by Owner effective upon Engineer's receipt of written notice from Owner.

- B. The terminating party under Paragraph 3.01.A may set the effective date of termination at a time up to 30 days later than otherwise provided to allow Engineer to complete tasks whose value would otherwise be lost, to prepare notes as to the status of completed and uncompleted tasks, and to assemble Project materials in orderly files.
- C. In the event of any termination under Paragraph 3.01, Engineer will be entitled to invoice Owner and to receive full payment for all services performed or furnished in accordance with this Agreement and all reimbursable expenses incurred through the effective date of termination.

4.01 *Successors, Assigns, and Beneficiaries*

- A. Owner and Engineer are hereby bound and the successors, executors, administrators, and legal representatives of Owner and Engineer (and to the extent permitted by Paragraph 4.01.B the assigns of Owner and Engineer) are hereby bound to the other party to this Agreement and to the successors, executors, administrators, and legal representatives (and said assigns) of such other party, in respect of all covenants, agreements, and obligations of this Agreement.
- B. Neither Owner nor Engineer may assign, sublet, or transfer any rights under or interest (including, but without limitation, moneys that are due or may become due) in this Agreement without the written consent of the other, except to the extent that any assignment, subletting, or transfer is mandated or restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.
- C. Unless expressly provided otherwise, nothing in this Agreement shall be construed to create, impose, or give rise to any duty owed by Owner or Engineer to any contractor, subcontractor, supplier, other individual or entity, or to any surety for or employee of any of them. All duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of Owner and Engineer and not for the benefit of any other party.

5.01 *General Considerations*

- A. The standard of care for all professional engineering and related services performed or furnished by Engineer under this Agreement will be the care and skill ordinarily used by members of the subject profession practicing under similar circumstances at the same time and in the same locality. Engineer makes no warranties, express or implied, under this Agreement or otherwise, in connection with Engineer's services. Subject to the foregoing standard of care, Engineer and its consultants may use or rely upon design elements and information ordinarily or customarily furnished by others, including, but not limited to, specialty contractors, manufacturers, suppliers, and the publishers of technical standards.
- B. Engineer shall not at any time supervise, direct, control, or have authority over any contractor's work, nor shall Engineer have authority over or be responsible for the means, methods, techniques, sequences, or procedures of construction selected or used by any contractor, or the safety precautions and programs incident thereto, for security or safety at the Project site, nor for any

failure of a contractor to comply with laws and regulations applicable to such contractor's furnishing and performing of its work.

- C. This Agreement is to be governed by the law of the state or jurisdiction in which the Project is located.
- D. Engineer neither guarantees the performance of any contractor nor assumes responsibility for any contractor's failure to furnish and perform its work in accordance with the contract between Owner and such contractor. Engineer is not responsible for variations between actual construction bids or costs and Engineer's opinions or estimates regarding construction costs.
- E. Engineer shall not be responsible for the acts or omissions of any contractor, subcontractor, or supplier, or of any of their agents or employees or of any other persons (except Engineer's own employees) at the Project site or otherwise furnishing or performing any construction work; or for any decision made regarding the construction contract requirements, or any application, interpretation, or clarification of the construction contract other than those made by Engineer.
- F. The general conditions for any construction contract documents, if any, prepared hereunder are to be the "Standard General Conditions of the Construction Contract" as prepared by the Engineers Joint Contract Documents Committee (EJCDC C-700, 2013 Edition) unless the parties agree otherwise.
- G. All documents prepared or furnished by Engineer are instruments of service, and Engineer retains an ownership and property interest (including the copyright and the right of reuse) in such documents, whether or not the Project is completed. Owner shall have a limited license to use the documents on the Project, extensions of the Project, and for related uses of the Owner, subject to receipt by Engineer of full payment for all services relating to preparation of the documents and subject to the following limitations: (1) Owner acknowledges that such documents are not intended or represented to be suitable for use on the Project unless completed by Engineer, or for use or reuse by Owner or others on extensions of the Project, on any other project, or for any other use or purpose, without written verification or adaptation by Engineer; (2) any such use or reuse, or any modification of the documents, without written verification, completion, or adaptation by Engineer, as appropriate for the specific purpose intended, will be at Owner's sole risk and without liability or legal exposure to Engineer or to its officers, directors, members, partners, agents, employees, and consultants; (3) Owner shall indemnify and hold harmless Engineer and its officers, directors, members, partners, agents, employees, and consultants from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from any use, reuse, or modification of the documents without written verification, completion, or adaptation by Engineer; and (4) such limited license to Owner shall not create any rights in third parties.
- H. ~~To the fullest extent permitted by law, Owner and Engineer (1) waive against each other, and the other's employees, officers, directors, agents, insurers, partners, and consultants, any and all claims for or entitlement to special, incidental, indirect, or consequential damages arising out of, resulting from, or in any way related to the Project.~~

- I. The parties acknowledge that Engineer's scope of services does not include any services related to a Hazardous Environmental Condition (the presence of asbestos, PCBs, petroleum, hazardous substances or waste as defined by the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§9601 et seq., or radioactive materials). If Engineer or any other party encounters a Hazardous Environmental Condition, Engineer may, at its option and without liability for consequential or any other damages, suspend performance of services on the portion of the Project affected thereby until Owner: (1) retains appropriate specialist consultants or contractors to identify and, as appropriate, abate, remediate, or remove the Hazardous Environmental Condition; and (2) warrants that the Site is in full compliance with applicable Laws and Regulations.
- J. Owner and Engineer agree to negotiate each dispute between them in good faith during the 30 days after notice of dispute. If negotiations are unsuccessful in resolving the dispute, then the dispute shall be mediated. If mediation is unsuccessful, then the parties may exercise their rights at law.

6.01 *Total Agreement*

- A. This Agreement (including any expressly incorporated attachments), constitutes the entire agreement between Owner and Engineer and supersedes all prior written or oral understandings. This Agreement may only be amended, supplemented, modified, or canceled by a duly executed written instrument.

7.01 *Basis of Payment—Lump Sum*

Using the procedures set forth in Paragraph 2.01, Owner shall compensate Engineer an amount not to exceed \$71,725.00 such amount being the total for all services identified herein. The portion of this amount that will be billed monthly for Engineer's services will be based upon Engineer's estimate of the percentage of the total services actually completed during the billing period.

Project Initiation & Meeting	\$1,100
Smoke Test Inspections (approx. 116,950 LF)	\$15,000
Above-Ground Manhole Inspections (max. 408 manholes)	\$20,000
Review Flow Monitoring Data	\$3,500
Complete Survey Elevations of Outfall Manholes	\$2,500
CCTV Review and Assessment	\$8,200
Project Report	<u>\$21,425</u>
Total	\$71,725

- 7.02 *Additional Services:* For additional services of Engineer's employees engaged directly on the Project, Owner shall pay Engineer an amount equal to the cumulative hours charged to the Project by each class of Engineer's employees times standard hourly rates for each applicable billing class; plus reimbursable expenses and Engineer's consultants' charges, if any. Engineer's standard hourly rates are attached as Appendix 1.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, the Effective Date of which is indicated on page 1.

ENGINEER:

By: _____

Title: _____

Date Signed: _____

Address for giving notices:

Town of Valdese _____

PO Box 8339 _____

Valdese, NC 28690 _____

By: _____

Title: Principal _____

Date Signed: _____

Engineer License or Firm's Certificate

Number: P-0210 _____

State of: North Carolina _____

Address for giving notices:

West Consultants, PLLC _____

405 South Sterling Street _____

Morganton, NC 28655 _____



This is **Appendix 1, Engineer's Standard Hourly Rates**, referred to in and part of the Short Form of Agreement between Owner and Engineer for Professional Services dated April 24, 2019.

Engineer's Standard Hourly Rates

A. Standard Hourly Rates:

1. Standard Hourly Rates are set forth in this Appendix 1 and include salaries and wages paid to personnel in each billing class plus the cost of customary and statutory benefits, general and administrative overhead, non-project operating costs, and operating margin or profit.
2. The Standard Hourly Rates apply only as specified in Paragraphs 7.01 and 7.02, and are subject to annual review and adjustment.

B. Schedule of Hourly Rates:

Hourly rates for services performed on or after the Effective Date are:

Professional Engineer	\$90.00
Professional Engineer Construction Inspector	\$90.00
Staff Engineer	\$75.00
Survey Coordinator	\$75.00
Survey: 1-Man Fieldcrew	\$80.00
Survey: 2-Man Fieldcrew	\$100.00
Survey Technician	\$40.00
Construction Inspector	\$50.00
CAD Technician/Drafter	\$45.00
Engineer Technician	\$40.00
Clerical	\$40.00
Court Appearance	\$100 per hour with a minimum of \$200.00

TOWN OF VALDESE
SEWER COLLECTION SYSTEM ASSESSMENT
CAPITAL PROJECT BUDGET ORDINANCE

Be it ordained by the Town Council of the Town of Valdese that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following project ordinance is hereby adopted.

Section 1. The project authorized is the **Sewer Collection System Assessment (E-AIA-W-19-0174)**. The project is to be financed by a Town of Valdese contributions in addition to a State Reserve Grant.

Section 2. The officers of this unit are hereby directed to proceed with the capital project within the terms of the program ordinance and the budget contained herein.

Section 3. The following revenues are anticipated to be available to contribute to this project:

<u>Source</u>	<u>Amount</u>	<u>Assigned Account Number</u>
Town Match	\$ 15,000	60.3480.000
State Grant	150,000	60.3480.001

	\$ 165,000	
	=====	

Section 4. The following amounts are appropriated for the project:

<u>Source</u>	<u>Amount</u>	<u>Assigned Account Number</u>
Professional Services	\$ 71,725	60.8110.040
Contracted Services	78,275	60.8110.450
Miscellaneous	15,000	60.8110.570

	\$ 165,000	
	=====	

Section 5. The finance officer is hereby directed to maintain within the Project Fund sufficient specific detailed accounting records to provide the accounting to town council required by the program procedures, loan agreement(s), grant agreement(s) and state regulations.

Section 6. Funds may be advanced from the Utility Fund for the purpose of making payments as due.

Section 7. The finance officer is directed to report quarterly on the financial status of each project element in Section 4 and on the total revenues received or claimed.

Section 8. The budget officer is directed to include a detailed analysis of the past and future

cost and revenues on this project in every budget submission made to this board.

Section 9: Copies of this project ordinance shall be made available to the budget officer and the finance officer for direction in carrying out this project.

Adopted this 24th day of June, 2019.

John F. Black, Jr., Mayor

Courtney Kennedy, Deputy Town Clerk

COUNCIL AGENDA MEMO

To: Town Clerk
From: Bo D. Weichel, Finance Director
Date: June 24, 2019
Re: Capital Project Ordinance #35

REQUEST

Establish Capital Project Ordinance #35 for the Public Safety Building

BACKGROUND

Due to structural issues at the Fire / Police building, the town will incur costs associated with both temporary and/or permanent solutions.

ANALYSIS

The Town desires to create a project ordinance that will address current issues with the building and possibly expand the project in the future toward a more permanent solution. Currently the Town is appropriating \$100,000 of funds toward repair related costs. The project ordinance will be amended as needed per Council direction.

RECOMMENDATION

Staff respectfully recommends that Council approve the capital project ordinance for the Public Safety Building.

BUDGET ANALYSIS:***Budgetary Action***

Is a Budget Amendment required?

Yes

☐

No

☒

TOWN OF VALDESE
PUBLIC SAFETY BUILDING
CAPITAL PROJECT BUDGET ORDINANCE

Be it ordained by the Town Council of the Town of Valdese that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following project ordinance is hereby adopted.

Section 1. The project authorized is the **Public Safety Building Project** consisting of possible repairs and other related costs to the combined Fire/Police complex. The project is to be financed by a Town of Valdese contributions in addition to applicable loans.

Section 2. The officers of this unit are hereby directed to proceed with the capital project within the terms of the program ordinance and the budget contained herein.

Section 3. The following revenues are anticipated to be available to contribute to this project:

<u>Source</u>	<u>Amount</u>	<u>Assigned Account Number</u>
Town Contribution	\$ 100,000	35.3480.000

	\$ 100,000	
	=====	

Section 4. The following amounts are appropriated for the project:

<u>Source</u>	<u>Amount</u>	<u>Assigned Account Number</u>
Professional Services	\$ 100,000	35.5300.040
Repairs	0	35.5300.150

	\$ 100,000	
	=====	

Section 5. The finance officer is hereby directed to maintain within the Project Fund sufficient specific detailed accounting records to provide the accounting to town council required by the program procedures, loan agreement(s), grant agreement(s) and state regulations.

Section 6. Funds may be advanced from the Utility Fund for the purpose of making payments as due.

Section 7. The finance officer is directed to report quarterly on the financial status of each project element in Section 4 and on the total revenues received or claimed.

Section 8. The budget officer is directed to include a detailed analysis of the past and future cost and revenues on this project in every budget submission made to this board.

Section 9: Copies of this project ordinance shall be made available to the budget officer and

the finance officer for direction in carrying out this project.

Adopted this 24th day of June, 2019.

John F. Black, Jr., Mayor

Courtney Kennedy, Deputy Town Clerk

**TOWN OF VALDESE BUDGET ORDINANCE
FISCAL YEAR 2019-2020**

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF VALDESE, NORTH CAROLINA, THAT:

Section 1: The following amounts are hereby appropriated to the fund set forth for the operation of the town government and its activities for the fiscal year beginning July 1, 2019, and ending June 30, 2020, in accordance with the chart of accounts heretofore established for this town:

GENERAL FUND	\$	6,020,797
--------------	----	-----------

Governing Body	\$	57,592
Administration		1,123,026
Public Works		382,120
Maintenance & Grounds		216,744
Planning		121,781
Police		1,020,677
Fire		894,289
Street		358,595
Powell Bill		169,685
Sanitation		288,958
Recreation		826,905
Tourism/Community Affairs		560,425

UTILITY FUND	\$	4,892,424
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Water	\$	1,824,064
Wastewater		1,897,375
Water & Sewer Construction		1,170,985

TOTAL OPERATING BUDGET	\$	10,913,221
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Section 2: It is estimated, and therefore appropriated, that the following revenues will be made available to the respective funds for the fiscal year beginning July 1, 2019 as follows:

GENERAL FUND	\$	6,020,797
UTILITY FUND		4,892,424

TOTAL REVENUES	\$	10,913,221
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Section 3: There is hereby levied an ad valorem tax at the rate of fifty four and one half cents (\$0.545) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2019, for the purpose of raising a portion of the revenue listed in the General Fund appropriation in Section II of this ordinance. This rate, based upon an estimated total valuation of \$376,928,581 will generate a levy of \$1,980,102 with an estimated collection rate of 96.39%.

Section 4: As set forth in the Utility Fund Debt Service Section of the FY 2019-2020 budget document, the amount of \$390,087 is appropriated for the purpose of debt service and that this amount is sufficient for the complete and proper payment of all bond principal, bond interest and commissions on the outstanding debt

**TOWN OF VALDESE BUDGET ORDINANCE
FISCAL YEAR 2019-2020**

of the town relating thereto for the fiscal year beginning July 1, 2019, and ending June 30, 2020.

Section 5: As set forth in the General Fund Debt Service Section of the FY 2019-2020 budget document, the amount of \$437,724 is appropriated for the purpose of debt service and that this amount is sufficient for the complete and proper payment of all bond principal, bond interest and commissions on the outstanding debt of the town relating thereto for the fiscal year beginning July 1, 2019, and ending June 30, 2020.

Section 6: The operating funds encumbered on the financial records of June 30, 2019 are hereby reappropriated into this budget.

Section 7: The corresponding "Fiscal Year 2019-2020 Schedule of Fees" is approved with the adoption of this Annual Budget Ordinance.

Section 8: The Budget Officer is hereby authorized to transfer appropriations within a fund as contained herein under the following conditions:

- a. He may transfer amounts between line-item expenditures within a department without limitation and without a report being required.
- b. He may transfer amounts of \$10,000 between departments of the same fund with an official report on such transfer at the next regular meeting of the Town Council.
- c. He may not transfer any amounts between funds or from any contingency appropriation within any fund without approval of the Town Council.

Section 9: The Budget Officer is hereby authorized to execute agreements, within funds included in the Budget Ordinance or other actions by the Governing Body, for the following purposes:

- a. Form grant agreements to public and non-profit organizations
- b. Leases of routine business equipment
- c. Consultant, professional, or maintenance service agreements
- d. Purchase of supplies, materials, or equipment where formal bids are not required by law
- e. Applications for and agreements for acceptance of grant funds from federal, state, public, and non-profit organizations, and other funds from other governmental units, for services to be rendered which have been previously approved by the Governing Body
- f. Construction or repair projects
- g. Liability, health, life, disability, casualty, property, or other insurance or performance bonds
- h. Other administrative contracts which include agreements adopted in accordance with the directives of the Governing Body.

Section 10: Copies of this budget ordinance and accompanying documents shall be furnished to the finance office, budget officer, and other department heads of the Town of Valdese to be kept on file by them for their direction in the disbursement of funds.

Upon introduction by Town Manager Seth B. Eckard, motion to adopt by

Council _____, and seconded by Council _____, the vote was _____.

This ordinance is adopted on this the 24th day June, 2019.

John F. "Chip" Black, Jr., Mayor

Attest: _____
Town Clerk

Town of Valdese: Fiscal Year 2019-2020 Schedule of Fees

OLD ROCK SCHOOL

WALDENSIAN ROOM	UNDER 5 HOURS \$150	EACH ADDITIONAL HOUR \$25	
TEACHERS COTTAGE	UNDER 4 HOURS \$75	EACH ADDITIONAL HOUR \$15	
AUDITORIUM (MONDAY-THURSDAY)	UNDER 4 HOURS	4-6 HOURS	6-12 HOURS
PROFIT	\$350	\$400	\$450
NON-PROFIT	\$250	\$300	\$350
(FRIDAY-SUNDAY)			
PROFIT	\$400	\$450	\$500
NON-PROFIT	\$300	\$350	\$400
	OVER 12 HOURS: EACH ADDITIONAL HOUR IS \$100		
REHEARSAL FEE	\$200		
LOAD IN FEE	\$100		
SOUND & LIGHT EQUIPMENT & SERVICE	\$20 PER HOUR		
ROOM #138 AND #139	\$20 PER DAY		
BOX OFFICE	\$50 PER DAY		
RISER/STAGE PLATFORMS	\$100		
GRAND OR UPRIGHT PIANO	\$50 PER DAY		
OTHER NEEDS	\$50 EACH		

Town of Valdese: Fiscal Year 2019-2020 Schedule of Fees WATER & SEWER RATES

<i>Inside Water – Residential</i>	
Minimum 3,000 gallons	\$32.80
Volume Charge (per 1,000 gal); 3,001 + gallons	\$3.25
<i>Outside Water – Residential</i>	
Minimum 3,000 gallons	\$51.15
Volume Charge (per 1,000 gal); 3,001 + gallons	\$6.05
<i>Inside Water – Commercial</i>	
Minimum 3,000 gallons	\$32.80
Volume Charge (per 1,000 gal); 3,001 + gallons	\$3.25
<i>Outside Water – Commercial</i>	
Minimum 3,000 gallons	\$65.65
Volume Charge (per 1,000 gal); 3,001 + gallons	\$6.40
<i>Inside Water - Industrial</i>	
Minimum 3,000 gallons	\$12.85
Volume Charge (per 1,000 gal); 3,001 – 300,000 gallons	\$2.45
Volume Charge (per 1,000 gal); 300,000 +	\$1.20
<i>Outside Water - Industrial</i>	
Minimum 3,000 gallons	\$25.65
Volume Charge (per 1,000 gal); 3,001 – 300,000 gallons	\$4.90
Volume Charge (per 1,000 gal); 300,000 +	\$2.40
<i>Inside Sewer – Residential</i>	
Minimum 3,000 gallons	\$6.95
Volume Charge (per 1,000 gal); 3,001 + gallons	\$2.35
<i>Outside Sewer – Residential</i>	
Minimum 3,000 gallons	\$13.00
Volume Charge (per 1,000 gal); 3,001 + gallons	\$4.40
<i>Inside Sewer – Commercial</i>	
Minimum 3,000 gallons	\$7.25
Volume Charge (per 1,000 gal); 3,001 + gallons	\$2.45
<i>Outside Sewer – Commercial</i>	
Minimum 3,000 gallons	\$14.45
Volume Charge (per 1,000 gal); 3,001 + gallons	\$4.90
<i>Inside Sewer - Industrial</i>	
Minimum 0 gallons	\$7.05
Volume Charge (per 1,000 gal)	\$2.35
<i>Outside Sewer - Industrial</i>	
Minimum 0 gallons	\$14.00
Volume Charge (per 1,000 gal)	\$4.70

Town of Valdese: Fiscal Year 2019-2020 Schedule of Fees

WATER & SEWER RATES

Utility Fees

Non-owner resident deposit	\$100.00
Non-owner commercial deposit	\$100.00
Non-owner industrial deposit	\$100.00
Non-payment fee	\$25.00
Meter Tampering penalty	\$100 plus damages
Late penalty	10% after 15 th of month bill is due. Amended policy now included for large users. If the penalty exceeds \$200.00 the amended policy becomes effective.

Tap fees

Water line located on same side of road

¾" water tap	\$1,000.00
1" water tap	\$1,420.00
Greater than 1"	Cost plus 10%

Water line located on opposite side of road

¾" water tap	\$1,200.00
1" water tap	\$1,620.00
Greater than 1"	Cost plus 10%

Meter Relocate (using existing tap- not to exceed 20 feet)	\$300.00
--	----------

Sewer line located on same side of road

4" sewer tap	\$1,000.00
Larger than 4"	Actual cost plus 10%

Sewer line located on opposite side of road

4" sewer tap	\$1,200.00
(any other extreme circumstances)	\$1200.00 or cost plus 10% whichever is greater
Larger than 4"	Actual cost plus 10%

Industrial Pretreatment Surcharge	\$18,500.00
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Town of Valdese: Fiscal Year 2019-2020 Schedule of Fees
JIMMY C. DRAUGHN AQUATIC & FITNESS CENTER

INSIDE Valdese City Limits

	AQUATICS CENTER			FITNESS CENTER			BOTH		
	<u>Monthly</u>	<u>3 month</u>	<u>Annual</u>	<u>Monthly</u>	<u>3 month</u>	<u>Annual</u>	<u>Monthly</u>	<u>3 month</u>	<u>Annual</u>
Individual Student(w/id) / Senior / Military	\$20.00	\$50.00	\$160.00	\$20.00	\$50.00	\$160.00	\$30.00	\$75.00	\$240.00
Individual / Sr. Couple / Military Couple	\$30.00	\$75.00	\$240.00	\$30.00	\$75.00	\$240.00	\$45.00	\$112.50	\$360.00
Couple / Military Family	\$35.00	\$87.50	\$280.00	\$35.00	\$87.50	\$280.00	\$52.50	\$131.25	\$420.00
Family	\$40.00	\$100.00	\$320.00	\$40.00	\$100.00	\$320.00	\$60.00	\$150.00	\$480.00

OUTSIDE Valdese City Limits

	AQUATICS CENTER			FITNESS CENTER			BOTH		
	<u>Monthly</u>	<u>3 month</u>	<u>Annual</u>	<u>Monthly</u>	<u>3 month</u>	<u>Annual</u>	<u>Monthly</u>	<u>3 month</u>	<u>Annual</u>
Individual Student(w/id) / Senior / Military	\$25.00	\$62.50	\$200.00	\$25.00	\$62.50	\$200.00	\$37.50	\$93.75	\$300.00
Individual / Sr. Couple / Military Couple	\$37.50	\$93.75	\$300.00	\$37.50	\$93.75	\$300.00	\$56.25	\$140.75	\$450.00
Couple / Military Family	\$43.75	\$109.50	\$350.00	\$43.75	\$109.50	\$350.00	\$65.75	\$164.00	\$525.00
Family	\$50.00	\$125.00	\$400.00	\$50.00	\$125.00	\$400.00	\$75.00	\$187.50	\$600.00

AQUATICS CENTER		
Class Benefit:		
Core Water		
Exercise - Free		
Others:		
	\$2 member	
	\$5 non-member	

FITNESS CENTER		
Class Benefit:		
Core Land		
Exercise - Free		
Others:		
	\$2 member	
	\$5 non-member	

BOTH		
Class Benefit:		
Core Water & Land		
Exercise - Free		
Others:		
	\$2 member	
	\$5 non-member	

Aquatic Members receive 50% off all swim lessons for all persons listed on the membership

<p>Town of Valdese: Fiscal Year 2019-2020 Schedule of Fees</p> <p>PUBLIC WORKS</p>

CEMETERY PLOTS	<u>Each</u>
Inside Valdese Town Limit	\$300
Outside Valdese Town Limit	\$500
Deed Transfer	\$25
SOLID WASTE	<u>Monthly</u>
Residential Trash	\$10.00
Residential Recycling	\$1.30
Small User Fee (small businesses)	\$13.30

<p>Town of Valdese: Fiscal Year 2019-2020 Schedule of Fees</p> <p>PLANNING</p>

	<u>Each</u>
CONDITIONAL USE PERMIT	\$350
REZONING PERMIT	\$350
VARIANCE APPLICATION	\$350

TOWN OF VALDESE FY 2019-2020 PAY PLAN

Pay Grade	Min	Market	Max	FLSA	Classification
10	26,300	31,310	37,572	N	Public Works Maintenance Worker I
10	26,300	31,310	37,572	N	Street Maintenance Worker I
10	26,300	31,310	37,572	N	Utilities Maintenance Worker I
11	27,615	34,519	41,423	N	Public Works Maintenance Worker II
11	27,615	34,519	41,423	N	Street Maintenance Worker II
11	27,615	34,519	41,423	N	Utilities Maintenance Worker II
12	28,996	36,245	43,494	N	Equipment Operator
12	28,996	36,245	43,494	N	Utility Field Service Technician I
12	28,996	36,245	43,494	N	Wastewater Treatment Plant Operator I
12	28,996	36,245	43,494	N	Water Treatment Plant Operator C
13	30,446	38,058	45,669	N	
14	31,968	39,960	47,952	N	Administrative Specialist I
14	31,968	39,960	47,952	N	Customer Service Representative
14	31,968	39,960	47,952	N	Fleet Mechanic I
14	31,968	39,960	47,952	N	Laboratory Technician
14	31,968	39,960	47,952	N	Meter Technician I
14	31,968	39,960	47,952	N	Utility Field Service Technician II
14	31,968	39,960	47,952	N	Wastewater Treatment Operator II
14	31,968	39,960	47,952	N	Water Treatment Plant Operator B
15	33,567	41,958	50,350	N	Animal Control Officer
15	33,567	41,958	50,350	N	Fleet Mechanic II
15	33,567	41,958	50,350	N	Meter Technician II
15	33,567	41,958	50,350	N	Plant Maintenance Mechanic
16	35,245	44,056	52,868	N	Administrative Specialist II
16	35,245	44,056	52,868	N	Events and Facilities Supervisor
16	35,245	44,056	52,868	N	Fire Engineer
16	35,245	44,056	52,868	N	Fire Engineer/Maintenance
16	35,245	44,056	52,868	N	Public Works Crew Leader
16	35,245	44,056	52,868	N	Wastewater Treatment Plant Operator III
16	35,245	44,056	52,868	N	Water Treatment Plant Operator A
17	37,007	46,259	55,511	N	Accounting Technician I
17	37,007	46,259	55,511	N	Assistant Community Affairs Director
17	37,007	46,259	55,511	N	Athletics Programs Supervisor
17	37,007	46,259	55,511	N	Police Officer I
17	37,007	46,259	55,511	N	Wastewater Treatment Plant Maintenance Mechanic Supv
17	37,007	46,259	55,511	N	Wastewater Treatment Plant Operator IV
18	38,858	48,572	58,287	N	Accounting Technician II
18	38,858	48,572	58,287	N	Fire Marshal

18	38,858	48,572	58,287	N	Laboratory Supervisor
18	38,858	48,572	58,287	N	Police Officer II
19	40,801	51,001	61,201	N	
20	42,841	53,551	64,261	E	Aquatics and Fitness Supervisor
20	42,841	53,551	64,261	N	Police Sergeant
20	42,841	53,551	64,261	N	Utility Maintenance Crew Leader
21	44,983	56,228	67,474	N/E	
22	47,232	59,040	70,848	N/E	
23	49,593	61,992	74,390	N	Assistant Fire Chief
23	49,593	61,992	74,390	N	Assistant Police Chief/Detective
23	49,593	61,992	74,390	E	Wastewater Treatment Plant Superintendent
23	49,593	61,992	74,390	E	Water Treatment Plant Superintendent
24	52,073	65,091	78,109	E	
25	54,677	68,346	82,015	E	
26	57,410	71,763	86,116	E	Planning Director
26	57,410	71,763	86,116	E	Community Affairs Director
27	60,281	75,351	90,421	E	Deputy Town Clerk/HR Director
27	60,281	75,351	90,421	E	Parks and Recreation Director
28	63,295	79,119	94,943	E	Fire Chief
28	63,295	79,119	94,943	E	Police Chief
29	66,460	83,075	99,690	E	Water Resources Director
30	69,783	87,228	104,674	E	Public Works Director
31	73,272	91,590	109,908	E	Finance Director

Town Manager (Not Administered on Pay Plan)



Shaping
Communities
Together



Capital Improvements Plan Water & Sewer Rate Study 2019 Update

RJ Mozeley, PE
Project Manager

Dale R. Schepers
Senior Consultant

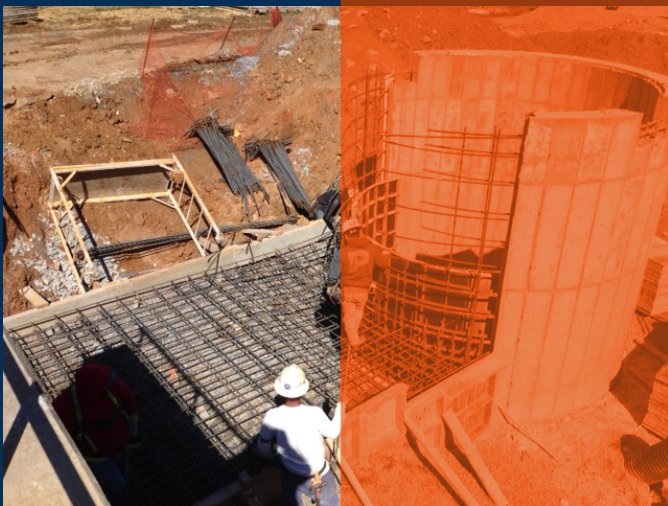


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APPENDIX

March 2019 Council Retreat Presentation Materials

1.0

EXECUTIVE SUMMARY and KEY FINDINGS

1.1 Executive Summary:

McGill Associates (McGill) was retained by the Town of Valdese to review and update the Water and Sewer Capital Improvement Plan (CIP) and conduct a financial analysis of the water and sewer utility fund, including recommendations for revenue adjustments as necessary. The Capital Plan and Financial Analysis Updates Project will provide the following:

- Review and update the 10-year Capital Improvements Plan (CIP), detailing future water and sewer treatment plant improvements, vehicle and equipment replacement and distribution/collection system rehabilitation.
- Determine the Utility's Revenue Requirements, including funding required to support operations and maintenance, debt service and revenue-financed system renewal and replacements.
- Determine rate adjustments necessary to fully support the financial requirements identified in the above items.

McGill worked closely with the Town's Manager, Water Resources Director, Public Works Director and Finance Director throughout the project to ensure the adequacy of data and accuracy of analyses. Several meetings, phone conversations, and email correspondence allowed the Town's staff to provide direction for the study's efforts and to align deliverables with the expectations of the Town Council.

1.2 Key Findings:

- Revenue Requirements Analysis determined rate adjustments (increases) recommended in the 2018 Update Report must be continued to meet the financial obligations of the water and sewer utility over the 10-year planning period. Revenue increases are necessary beginning with 4.0% in years 1 through 5 (FY20 – FY24), and 2.0% increases are necessary for years 6 through 10 (FY25 – FY29).
- These revenue adjustments are driven by several factors including, but not limited to the following:
 - Proposed debt issuances to support projected capital improvements projects, primarily renewal and replacement of aging water and wastewater treatment facilities.
 - Increasing Operations and Maintenance (O&M) expenses, generally due to inflation.
 - Limited new revenue generated by system growth, i.e. new customers and/or increasing consumption patterns.
 - A slight overall decrease in the rate of consumption (gallons per connection) across the customer base.

- Capital Improvements Schedule: Extensive consultation, review, inspection and coordination between McGill engineers and Town staff resulted in refinement of the projected 10-year CIP to \$23.9 million anticipated in the FY20 budget.
 - McGill worked interactively with Town staff to further update the existing water and sewer system asset inventories and condition assessments, reviewed status of current year capital construction projects, and determined anticipated water and sewer system projects to be incorporated into the ten-year (10-yr.) CIP based on the Town's updated priorities including regulatory compliance, work place / work environment safety, operational viability, replacement of obsolete equipment, gain in efficiency, system growth and economic development. Opinions of probable construction costs for recommended projects were also updated.
 - Continued improvement of infrastructure condition assessment accuracy and applied replacement criteria allowed the Town to more accurately predict annual capital outlay and debt service requirements, giving Staff better control of future expenses and potential rate adjustments.
- Revenue adjustments of 4% proposed for FY2020, translate into a combined monthly water and sewer rate charge increase of 4.3%, or \$1.85 per month for a residential customer using 4,000 gallons per month. The monthly bill for water and sewer would increase from \$43.35 to \$45.20. A five-year snapshot of the rate increases on a typical monthly inside residential bill of 4,000 gallons is presented in Table 1.
- Council recognizes the need for the proposed schedule of rate adjustments and will review and consider each potential increase every fiscal year as part of the budget preparation process. This will allow fine tuning as needed using the most accurate and up-to-date data.

Table 1 – Proposed Rate Adjustments; Residential Customer Combined Water and Sewer Monthly Bill, based on 4,000-gallon consumption.

Monthly Residential Bill 4,000 gallons					
Test Year	5-year Rate Adjustment Projection				
2019	2020	2021	2022	2023	2024
Rate Adjust	4.3%	4.2%	4.1%	4.3%	4.2%
\$43.35	\$45.20	\$47.10	\$49.05	\$51.15	\$53.30
\$ change	\$1.85	\$1.90	\$1.95	\$2.10	\$2.15

2.0

BACKGROUND and PURPOSE STATEMENT

2.1 Background:

The Town of Valdese water and sewer utilities serve a population of approximately 12,700, with an average daily water demand of 2.44 million gallons per day (MGD) based on billing information provided by the Town. Surface water is withdrawn from Lake Rhodhiss and treated through the Town's 12.0 MGD conventional Water Treatment Plant (WTP). Finished water is delivered through approximately 170 miles of water mains ranging in size from 2 to 36 inches in diameter and 5,200 service connections located within the Town's corporate boundaries, Triple Community District and certain areas beyond the Town's corporate limits. Wholesale water service is also provided to the Town of Rutherford College, Icard Water Corporation and Burke County.

Wastewater service is provided to approximately 2,200 connections with an average daily flow of 2.01 MGD. Treatment is provided by the Town's 7.5 MGD extended aeration Wastewater Treatment Plant (WWTP). The collection system consists of 101 miles of sewer mains ranging in size from 4 to 24 inches in diameter and 7 sewer lift stations. Wastewater service is provided to customers located within the Town's corporate boundaries. Wholesale wastewater service is also provided to the Town of Rutherford College, the Town of Drexel and Burke County.

The Town of Valdese continues with this capital planning and financial analysis effort to evaluate the ability of the water and sewer rates to fully recover the costs of water and sewer operations, maintenance and capital improvements.

2.2 Purpose Statement:

The Town of Valdese retained McGill Associates to conduct a Capital Improvements Plan Update and cost-of-service based Water and Sewer Fund Financial Analysis Update. The overall objectives of this effort are to determine:

- Capital improvements (CIP) needed to renew and replace the key water and sewer system components.
- Revenue Requirements that will meet ongoing O&M initiatives and fund the capital needs of the water and sewer utility, and
- Identify revenue adjustments and corresponding rate impacts that are necessary to fully support the utility system as an enterprise fund.

3.0

APPROACH AND METHODOLOGY

The Town of Valdese continues to advance development and implementation of long-term water and sewer infrastructure management practices that identify and adequately address critical infrastructure needs, focusing on system reliability, operational efficiency, affordability and sustainability. This effort is built upon knowledgeable and experienced staff, supported by competent professionals that together can determine both the physical and financial needs of the utility, along with an implementation strategy and guidance that will result in continued short and long-term stability of water and sewer revenues and user rates.

McGill used the American Water Works Association (AWWA) cash-needs approach to determine the water and sewer utility's revenue requirements. This approach defines revenue requirements as the total amount of revenue that is required to cover all costs of the utility, including O&M, debt service, cash reserves, depreciation (reinvestment in the utility's infrastructure), and transfers to/from other municipal funds. Determining a utility's revenue requirements is the basis for setting rates, which includes providing adequate and sustainable funding levels for all operational costs and capital needs.

Adequacy of revenues is determined by comparing projected expenses required to fully support ongoing needs of the utility (administration, O&M, capital outlay, debt service, etc.) to revenues that are anticipated to be generated under the existing rate structure during the planning period. This comparison identifies potential revenue shortfalls. Corrective action (typically user rate adjustments) can then be applied to accurately address these potential revenue shortfalls as they are anticipated.

Adjustments to user rates must be equitably assigned to the customer base. A review of system demand and customer characteristics will determine the application of rate adjustments among the various customer classes.

4.0**CAPITAL IMPROVEMENTS PLAN UPDATE**

The Capital Improvements Plan updates were developed interactively with Town Staff. This effort included an update of the CIP inventory and review of each project status and determination of new projects to be incorporated into the 10-year CIP. Priority and scheduling were determined based on regulatory compliance, safety, operational viability, obsolescence, efficiency, system growth and economic development.

This comprehensive capital needs assessment and planning effort focused on maximizing useful life through improved asset management, refining the scope of construction on several proposed projects and reviewing project priorities and scheduling. The result is an updated CIP schedule that represents a more complete understanding of the long-term needs of the utility. Key elements of the CIP update include:

- Water/Wastewater Plant Projects:
 - FY17 to 18 CIP Increase: Potential Biosolids Project – Scope and Cost Identified.
 - FY18 to 19 CIP Decrease: Biosolids Study allows Capital Project to be deferred.
 - FY19 to 20 CIP Decrease: Reflects several Capital Projects reaching conclusion.
- Distribution/Collection System Projects:
 - FY17 to 20 CIP Increase: Additional water/sewer main work, scope and cost determined through Asset Inventory and Assessment (AIA) work.
- Additional effort in AIA work is needed to identify future distribution and collection system improvements and develop a long-term and sustainable balance of overall capital needs.

Table 2 – Comparison of Capital Investment Projections

10-Year Capital Investment Projections by Budget Year				
Utility Function	FY17	FY18	FY19	FY20
Plant	\$8,324,900	\$16,496,800	\$8,481,520	\$6,573,220
Dist/Collect	\$1,314,616	\$5,792,156	\$8,834,286	\$10,757,150
Total	\$9,639,516	\$22,288,956	\$17,315,806	\$17,330,370

Key projects and projected CIP investment amounts are included in the March 2019 Council Retreat Presentation Materials in the Appendix.

5.0

FINANCIAL MODEL UPDATE

McGill determined Revenue Requirements sufficient to meet ongoing expenses in O&M, fund capital needs and maintain adequate reserves and contingencies in the water and sewer utility fund. Current financial information was studied, including billing, collections, debt service payments, amortization schedules, budgets and financial statements. The purpose of compilation of these documents was to determine the adequacy of revenues generated from all sources compared against expenses required to sustain the entire utility system for the long-term. A 10-year financial model was then updated to examine these interrelationships and determine the absolute necessity for revenue adjustments and recommended timing to help minimize rate impacts to customers.

5.1 Key Assumptions:

The model was constructed using the following general assumptions:

Revenue growth Metered Sales:	0.07%
Revenue growth all other sources:	0.5%
Expenses Salaries and Benefits growth:	3.0%
Expenses all other operations growth:	2.5%
Unrestricted Net Assets Target:	50 to 65%

5.2 Findings:

Consumption:

Water consumption per connection held steady across all customer classes in FY18, following 2 years of decline. Overall, marginal decline is anticipated to continue in the foreseeable future and the metered revenue growth assumption will remain at 0.07% for the financial model update.

Sufficiency of Revenues:

Sufficiency of revenues above debt requirements remains very strong. Annual debt obligation is 7% for FY19 and projected to be less than 10% for the remaining 9 years of the planning horizon. This falls well within an industry standard value of approximately 35%, and less than the average debt service obligation (29%) of over 115 water utilities reporting to the National Association of Clean Water Agencies.

The Water Research Foundation cites capital funding through equity sources as a performance benchmark measuring financial viability and recommends a minimum 20% of capital funding through equity sources as prudent. The financial model projects capital funding through equity sources to remain well above the industry benchmark, averaging over 50% throughout the 10-year planning period.

Rates:

Continuation of revenue increases proposed in the 2018 Capital Improvements Update and Rate Study will be necessary to fully support the ongoing O&M costs, debt service obligations and revenue-financed system renewal and replacements of the water and sewer utility over the 10-year planning horizon. New revenue in the amount of 4% per year continuing in years FY20 through FY24 (5-year duration), and 2% per year projected for FY25 through FY28 (5-year duration).

Customer Equity:

Water customers continue to generate over 70% of the Utility's overall revenues, while the sewer customers generate less than 30%. With expenses nearly equal and projected to continue to be within 2% of equal through the 10-year planning period, some consideration could be given to adjusting sewer rates more aggressively than water rates to generate a greater percentage of the sewer system's cost-of-service and begin to move toward aligning sewer revenues with expenses. Higher sewer rates would typically move the Town toward better financing terms with funding agencies like NC Department of Water Infrastructure.

6.0

RECOMMENDATIONS

Rate Adjustments:

Implement an overall revenue increase of 4 % for FY20, and continue through FY24, with annual review and adjustment(s) as necessary. The proposed Rate Summary Table, in the attached Presentation to the Town Council, provides recommended rate adjustments for the 10-year planning period along with sample water and sewer charges for typical monthly consumption for each customer class.

Unrestricted net assets as a percent of total expenses is a common benchmark for tracking the general health of the utility fund, and a target value of 50% has been determined to be reasonable for the Town. The value calculated from the 2018 Audited Financial Statement is 36%. The projected value for FY20 is 55%, and subsequent values for FY21 through FY29 range from 49% to 67%, averaging 55% throughout the 10-year planning period.

Customer Equity:

At present, sewer revenue is 21% of the fund's overall revenue, while expenses are 52%. Recommended rate adjustments provide a little progress to achieve greater alignment between sewer revenues and expenses. Annual sewer revenue projections above water revenues increases very slightly (less than 0.5%) over the planning period. Customer equity will continue to be monitored and adjustments can be made to achieve greater alignment as the Town may determine over time.

Key Performance Indicators:

Consider developing financial management objectives to assist with analysis, interpretation and comparison to other utilities. Objectives can be used to set financial goals and facilitate efforts to monitor and track progress. These financial performance indicators may be in the form of formal, Council adopted financial management policies or directives, or informal administrative direction through the Town Manager. Examples for consideration may include:

- Working Capital Reserves
- Capital Improvements Reserve Fund
- Sufficiency of Revenues Above Debt Requirements
- Credit Ratings
- Cash Financing of Capital
- Rate/Revenue Stabilization Fund
- Service Affordability

Presentation to Town Council:

McGill presented findings of the cost-of-service based water and sewer rate review to the Town Council and responded to questions concerning approach, methodology and calculations and directed the Manager to include recommended the 5-year rate adjustment schedule in the FY19 budget. A copy of the pertinent presentation information is attached including tables from the financial model summarizing Capital Improvements, Financial Analysis and Proposed Rates.

APPENDIX

March 2019 Council Retreat Presentation Materials

Table 1
Town of Valdese Water and Sewer Utility Fund
Capital Improvements Plan

Water Distribution/Sewer Collection Division

Project Number	Project Description	Cost	Current Year FY2019	Year 1 FY2020	Year 2 FY2021	Year 3 FY2022	Year 4 FY2023	Year 5 FY2024	Year 6 FY2025	Year 7 FY2026	Year 8 FY2027	Year 9 FY2028	Year 10 FY2029	Years 11+ FY2030
Vehicles and Equipment														
1	2006 F350 Service Truck	35,000			35,000									
2	2014 Cat Mini Trackhoe	83,600					83,600							
3	2009 Pipe Hunter Jet M 35418	42,000								42,000				
4	2014 Ford F150 Meter Truck	28,000				28,000								
5	Trailer	15,000									15,000			
6	2002 4x4 Classic	28,000							28,000					
7	2011 Ford 4x4 F350	32,000						32,000						
8	2007 Chevy Silverado 4x4	27,300			27,300									
9	1985 Kubota / Tractor Backhoe	72,100			72,100									
10	1985 John Deere Backhoe	90,000					90,000							
11	2006 Chevy Dump Truck 1.5 Ton	50,000						50,000						
12	2004 Chevy 4x4	27,000		27,000										
13	2013 F350 Service Truck	42,000									42,000			
14	2007 Ferris Mower	8,000				8,000								
15	2016 Ford F150 4x4	28,000								28,000				
System Upgrades														
16	Insert In-Line valve 24 Inch Transmission line from Water Plant 100% grant	61,000	61,000											
17	Cross Connection Program	25,000		25,000										
18	Electrical Upgrades to Bridgeport Booster Pump Station	42,500			42,500									
19	Repair Water Line Hangers HWY 70 Bridgeport	40,000		40,000										
20	AMI Meter Replacement 2,265,386 less 566,347 grant	2,265,386	2,265,386											
21	NC 18 South Tank Project													2,026,800
22	Triple District Tank Inspections & Interior Cleaning (Logan St. Drexel Rd., Flat Gap.)	79,800	13,300	13,300	13,300				13,300	13,300	13,300			
23	Meter Replacements	150,000	10,000	10,000	10,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	
24	Removal of (2) tanks at cemetery	200,000				200,000								
25	Hydraulic Model Study	45,000		45,000										
26	Billing Software Upgrades	70,000		70,000										
27	Renew Arc-Flash Study	5,500					2,500					3,000		
28	SCADA Upgrades	50,000		40,000						10,000				48,600
29	Harris Avenue PS Gravity Sewer Extension													1,300,000
30	Holly Hills Sewer System Extension													3,300,000
Water/Sewer Main Renewal and Replacement														
31	St Germain Water Line Replacement 396,156 SRF loan with 156,828 forgiveness	329,338	329,338											
32	SRF Funded 2018 Water System Upgrades Project 1,181,700 less 500,000 grant	1,181,700		1,181,700										
32a	Zion Road Control Valve Project													
32b	Logan Drive Water Line Replacement													
32c	Eastwood Subdivision Water Line Replacement													
32d	Hill Drive Water Line Replacement													
32e	Lakeview Acres Road Water Line Replacement													
33	Main St. Water Line Replacement 2,782,950; less 1,000,000 loan forgiveness	2,782,950				2,782,950								
34	Eldred St. Water Line Replacement	400,000								400,000				
35	Water Main Replacement	2,550,000				250,000	250,000	250,000	250,000	50,000		1,000,000	500,000	
36	Sewer Main Rehabilitation	2,550,000				250,000	250,000	250,000	250,000	50,000		1,000,000	500,000	
	Subtotal - Water Distribution/Sewer Collection	13,436,174	2,679,024	1,452,000	200,200	3,533,950	691,100	597,000	556,300	608,300	85,300	2,018,000	1,015,000	6,675,400

Table 1
Town of Valdese Water and Sewer Utility Fund
Capital Improvements Plan

Water Treatment Division														
Project Number	Project Description	Cost	Current Year FY2019	Year 1 FY2020	Year 2 FY2021	Year 3 FY2022	Year 4 FY2023	Year 5 FY2024	Year 6 FY2025	Year 7 FY2026	Year 8 FY2027	Year 9 FY2028	Year 10 FY2029	Years 11+ FY2030
1	New Superintendent Vehicle	28,000								28,000				
2	New Maintenance Vehicle	28,000							28,000					
3	New 4-Wheel Drive Lawnmower	16,000								16,000				
4	Roof Replacement - Main Building	40,000				40,000								
5	Roof Replacement - Raw Water PS	25,000					25,000							
6	Roof Replacement - Finished Water PS	20,000						20,000						
7	Roof Replacement - Maintenance Building	20,000				20,000								
8	Replace Chemical Feed Pumps	28,750	5,500	5,700					5,800	5,850	5,900			
9	Raw Water Intake	0												8,000,000
10	Raw Water Pump MCC Replace & Finish Water PS MCCs 842,770 less 210,692 grant	842,770		842,770										
11	Raw Water Pump Replacement	1,000,000						1,000,000						731,100
12	Replace Raw Water Control Valves	91,500						91,500						
13	Pave Raw Water PS Access Road	0												67,600
14	Backup Generator & Electrical Modifications 1,000,000 CDBG Gant	1,000,000	1,000,000											
15	Cleanwell Structural Assessments	50,000				50,000								
16	Filter Effluent Valve Replacement	30,400		6,000	6,000	6,100	6,100	6,200						
17	2019 Undetermined Project	45,500	45,500											
18	Renew Arc-Flash Study	27,125					12,125					15,000		
19	SCADA Upgrades	75,000			15,000					45,000			15,000	48,600
20	Basin Ladders	60,000		15,000	15,000	15,000	15,000							
21	Repair Fence and Add Electric Gate Opener	20,000		20,000										
22	Repair #2 Raw Water Pump Motor	8,000		8,000										
23	Cleanwell Baffle Wall Repair	175,000					175,000							
24	Tank Maintenance	165,000				20,000			20,000		125,000			
25	Convert Disinfection to Sodium Hypochlorite 658,300 less 164,575 grant	658,300		658,300										
26	Water Treatment Plant Equipment Rehabilitation & Replacement	200,000									50,000	75,000	75,000	
	Subtotal - Water Treatment	4,454,345	1,051,000	1,555,770	36,000	151,100	233,225	1,117,700	53,800	94,850	180,900	90,000	90,000	8,847,300

Table 1
Town of Valdese Water and Sewer Utility Fund
Capital Improvements Plan

Wastewater Treatment Division														
Project Number	Project Description	Cost	Current Year FY2019	Year 1 FY2020	Year 2 FY2021	Year 3 FY2022	Year 4 FY2023	Year 5 FY2024	Year 6 FY2025	Year 7 FY2026	Year 8 FY2027	Year 9 FY2028	Year 10 FY2029	Years 11+ FY2030
1	1998 Biosolids Truck	59,700					59,700							
2	Sludge Trailer	36,900						36,900						
3	2008 Compost Loader	155,200				155,200								
4	Plant Truck	29,600										29,600		
5	Maint Vehicle 2013	35,000			35,000									
6	Lab Truck	25,000										25,000		
7	Riding Mower (2004)	36,800		18,000		8,700							10,100	10,100
8	Seal Replacement for Influent Pumps 1&2	13,000				6,000						7,000		18,300
9	Seal Replacement for Influent Pumps 3&4	34,800	13,800		6,000					15,000				
10	Seal Replacement for Secondary Waste Pumps	9,300				9,300								
11	Seal Replacement for Sludge Recycle Pumps	10,100							10,100					
12	Polymer System	40,000		40,000										
13	Centrifuge Drive	318,000		318,000										
14	Centrifuge #2 Overhaul	50,000						50,000						
15	Centrifuge #1 Overhaul	50,000							50,000					
16	Roof SO2 Building	12,000			12,000									12,100
17	Admin Building Roof	0												30,000
18	Dewatering Building Roof	0												35,000
19	Sludge Recycle PS Building Roof	20,000										20,000		
20	Influent PS Building Roof	0												20,000
17	Sludge Grinder #1	20,000	20,000											19,100
18	Sludge Grinder #2	11,000		11,000										18,000
19	Aeration Basin	1,234,500	25,000	35,000							1,174,500			
20	Spare Pump Cline Street	10,000			5,000			5,000						
21	Spare Pump Morgan Trace	14,000		4,000		5,000			5,000					
22	Spare Pump High Meadows	14,000		4,000		5,000			5,000					
23	Spare Pump John Berry	0												82,500
24	Spare Pump Seitz	0												42,000
25	Secondary Clarifier #2 Painting	6,000										6,000		
26	Thickener Blower #1	11,600		5,500				6,100						
27	Thickener Blower #2	12,000		5,500						6,500				
28	SCADA	22,000			10,000					12,000				67,200
29	Renew Arc-Flash Study	22,875					10,875					12,000		
30	Grit Removal System Replacement 1,082,300 less 725,141 grant	1,082,300	1,082,300											
31	Dewatering Building Drainage System	20,000					20,000							
32	Dewatering Building Grading, Drainage, Asphalt Modifications	65,000		65,000										
33	Sludge Biosolids Dewatering Improvements	0												3,158,000
34	6" Compound Flow Meter	0												60,000
35	Biosolids Drying Equipment	0												5,873,000
36	Conversion to Ultraviolet Disinfection	787,900			787,900									
37	Concrete Work at Compost Pad	37,400		12,000				12,000				13,400		
38	#2 Recycle Modification	7,000	7,000											
39	#3 Influent Checkvalve	3,500	3,500											1,300,000
40	Camera System - security	5,000		5,000										
41	Wastewater Treatment Plant Equipment Rehabilitation & Replacement	200,000									50,000	75,000	75,000	
	Subtotal - Wastewater Treatment	4,321,475	1,151,600	523,000	855,900	189,200	90,575	110,000	70,100	33,500	1,224,500	188,000	85,100	10,745,300
	Capital Improvements Plan Total	22,211,994	4,881,624	3,530,770	1,092,100	3,874,250	1,014,900	1,824,700	680,200	736,650	1,490,700	2,296,000	1,190,100	26,268,000

2019-A Debt Issue	2020-A Debt Issue
329,338	318,000

2019-B Debt Issue	2020-B Debt Issue	2021 Debt Issue 5%	2022 Debt Issue
2,265,386	658,300	787,900	2,782,950

2020-C Debt Issue
2,024,470

2024 Debt Issue 5%
1,091,500

2027 Debt Issue 5%	2028 Debt Issue 5%
1,174,500	2,000,000

Table 2
Town of Valdese Water and Sewer Utility Fund
Summary Financial Analysis

Recommended Rate Adjustment: 4% years 1-5; 2% years 6-10

Revenue												
Description	Budget FY2019	Estimated FY2019	Year 1 FY2020	Year 2 FY2021	Year 3 FY2022	Year 4 FY2023	Year 5 FY2024	Year 6 FY2025	Year 7 FY2026	Year 8 FY2027	Year 9 FY2028	Year 10 FY2029
1 Metered Water Sales	3,215,000	3,215,000	3,245,000	3,249,000	3,253,000	3,256,000	3,260,000	3,264,000	3,268,000	3,272,000	3,276,000	3,280,000
2 Meterd Sewer Sales	1,432,000	1,432,000	1,433,000	1,434,000	1,435,000	1,436,000	1,437,000	1,438,000	1,439,000	1,440,000	1,441,000	1,442,000
3 Total Metered Sales	4,647,000	4,647,000	4,678,000	4,683,000	4,688,000	4,692,000	4,697,000	4,702,000	4,707,000	4,712,000	4,717,000	4,722,000
4 Non-Metered Revenue	107,000	2,614,000	981,000	106,000	1,107,000	107,000	108,000	108,000	109,000	109,000	110,000	110,000
5 Total Revenue (Existing Rates)	4,754,000	7,261,000	5,659,000	4,789,000	5,795,000	4,799,000	4,805,000	4,810,000	4,816,000	4,821,000	4,827,000	4,832,000
6 Projected New Revenue (Assumes Rate Adjustment per Financial Analysis)		-	187,000	382,000	585,000	796,000	1,015,000	1,130,000	1,246,000	1,366,000	1,487,000	1,611,000
7 Total Revenue Including Adjustments		7,261,000	5,846,000	5,170,000	6,379,000	5,595,000	5,820,000	5,940,000	6,062,000	6,186,000	6,313,000	6,443,000

Expenses												
Description	Budget FY2019	Estimated FY2019	Year 1 FY2020	Year 2 FY2021	Year 3 FY2022	Year 4 FY2023	Year 5 FY2024	Year 6 FY2025	Year 7 FY2026	Year 8 FY2027	Year 9 FY2028	Year 10 FY2029
1 Administration	1,055,000	900,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
2 Water Supply & Treatment	893,000	893,000	917,000	942,000	968,000	994,000	1,021,000	1,049,000	1,078,000	1,107,000	1,138,000	1,169,000
3 Wastewater Treatment	1,136,000	1,136,000	1,167,000	1,199,000	1,232,000	1,266,000	1,300,000	1,336,000	1,372,000	1,410,000	1,449,000	1,488,000
4 Water and Sewer Maintenance	780,000	780,000	802,000	824,000	848,000	871,000	896,000	921,000	946,000	973,000	1,000,000	1,028,000
5 Non Operating Expenses		432,000	414,000	374,000	272,000	221,000	243,000	221,000	221,000	244,000	261,000	221,000
6 Capital Outlay		2,287,000	530,000	304,000	1,091,000	1,015,000	733,000	680,000	737,000	316,000	296,000	1,190,000
7 Existing Debt Service		302,000	297,000	273,000	119,000	119,000	288,000	118,000	118,000	118,000	117,000	80,000
8 New Debt Service		-	94,000	203,000	265,000	372,000	369,000	449,000	471,000	466,000	549,000	721,000
9 Total Expenses		6,730,000	5,321,000	5,219,000	5,895,000	5,958,000	5,950,000	5,874,000	6,043,000	5,734,000	5,910,000	6,997,000

Financial Position Summary												
Description		Estimated FY2019	Year 1 FY2020	Year 2 FY2021	Year 3 FY2022	Year 4 FY2023	Year 5 FY2024	Year 6 FY2025	Year 7 FY2026	Year 8 FY2027	Year 9 FY2028	Year 10 FY2029
1 Net Income		531,000	525,000	-49,000	484,000	-363,000	-130,000	66,000	19,000	452,000	403,000	-554,000
2 Unrestricted Net Assets		2,427,497	2,952,116	2,902,601	3,386,903	3,024,471	2,893,609	2,959,183	2,977,484	3,429,076	3,832,766	3,278,913
3 Unrestricted Net Assets: Balance / Total Expenses (%)	Min 50%	36%	55%	56%	57%	51%	49%	50%	49%	60%	65%	47%

Town of Valdese
Water and Sewer Utility Fund

Rate Adjustment: 4% years 1 - 5; 2% years 6 - 10

Current and Proposed Water Rates

	Current Rate	Projected					Extended				
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Inside Water Residential											
Minimum 3,000 gallons	31.50	32.80	34.15	35.55	37.00	38.50	39.30	40.10	40.95	41.80	42.65
Volume Charge (per 1,000 gal); 3,001+ gallons	3.10	3.25	3.40	3.55	3.70	3.85	3.95	4.05	4.15	4.25	4.35
Outside Water Residential											
Minimum 3,000 gallons	49.85	51.15	52.50	53.90	55.35	56.85	57.65	58.45	59.30	60.15	61.00
Volume Charge (per 1,000 gal); 3,001+ gallons	5.90	6.05	6.20	6.35	6.50	6.65	6.75	6.85	6.95	7.05	7.15
Inside Water Commercial											
Minimum 3,000 gallons	31.50	32.80	34.15	35.55	37.00	38.50	39.30	40.10	40.95	41.80	42.65
Volume Charge (per 1,000 gal); 3,001+ gallons	3.10	3.25	3.40	3.55	3.70	3.85	3.95	4.05	4.15	4.25	4.35
Outside Water Commercial											
Minimum 3,000 gallons	63.10	65.65	68.30	71.05	73.90	76.90	78.45	80.05	81.70	83.35	85.05
Volume Charge (per 1,000 gal); 3,001+ gallons	6.15	6.40	6.70	7.00	7.30	7.60	7.80	8.00	8.20	8.40	8.60
Inside Water Industrial											
Minimum 3,000 gallons	12.35	12.85	13.40	13.95	14.55	15.15	15.10	15.45	15.80	16.15	16.50
Volume Charge (per 1,000 gal); 3,001 - 3,000,000 gallons	2.35	2.45	2.55	2.70	2.85	3.00	3.10	3.20	3.30	3.40	3.50
Volume Charge (per 1,000 gal); 3,000,000+ gal	1.15	1.20	1.25	1.30	1.40	1.50	1.55	1.60	1.65	1.70	1.75
Outside Water Industrial											
Minimum 3,000 gallons	24.65	25.65	26.70	27.80	28.95	30.15	30.80	31.45	32.10	32.75	33.45
Volume Charge (per 1,000 gal); 3,001 - 300,000 gallons	4.70	4.90	5.10	5.35	5.60	5.85	6.00	6.15	6.30	6.45	6.60
Volume Charge (per 1,000 gal); 300,000+ gal	2.30	2.40	2.50	2.60	2.75	2.90	3.00	3.10	3.20	3.30	3.40
Burke County & Rutherford College											
Volume Charge (per 1,000 gal); 3,001+ gallons	3.55	3.70	3.85	4.05	4.25	4.45	4.55	4.65	4.75	4.85	4.95
Icard											
Minimum 10,000,000 gal	10,400.00	10,500.00	10,600.00	10,700.00	10,800.00	10,900.00	11,000.00	11,100.00	11,200.00	11,300.00	11,400.00
Volume Charge (per 1,000 gal) 10,000,000+ gal	1.28	increases per Hickory Rates									

Sample Monthly Water Charges

Sample Monthly Water Charges			Current Rate	Projected					Extended				
			2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Residential Inside	4,000	gal	34.60	36.05	37.55	39.10	40.70	42.35	43.25	44.15	45.10	46.05	47.00
Residential Outside	4,000	gal	55.75	57.20	58.70	60.25	61.85	63.50	64.40	65.30	66.25	67.20	68.15
Commercial Inside	10,000	gal	53.20	55.55	57.95	60.40	62.90	65.45	66.95	68.45	70.00	71.55	73.10
Commercial Outside	10,000	gal	106.15	110.45	115.20	120.05	125.00	130.10	133.05	136.05	139.10	142.15	145.25
Commercial Inside	50,000	gal	177.20	185.55	193.95	202.40	210.90	219.45	224.95	230.45	236.00	241.55	247.10
Commercial Outside	50,000	gal	352.15	366.45	383.20	400.05	417.00	434.10	445.05	456.05	467.10	478.15	489.25
Industrial Inside	500,000	gal	940.30	980.50	1,020.75	1,075.85	1,141.00	1,206.15	1,245.80	1,285.85	1,325.90	1,365.95	1,406.00

Town of Valdese
Water and Sewer Utility Fund

Rate Adjustment: 4% years 1 - 5; 2% years 6 - 10

Current and Proposed Sewer Rates

	Current Rate	Projected					Extended				
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Inside Sewer Residential											
Minimum 3,000 gallons	6.65	6.95	7.25	7.55	7.90	8.25	8.45	8.65	8.85	9.05	9.25
Volume Charge (per 1,000 gal); 3,001+ gallons	2.25	2.35	2.45	2.55	2.70	2.85	2.95	3.05	3.15	3.25	3.35
Outside Sewer Residential											
Minimum 3,000 gallons	12.70	13.00	13.30	13.60	13.95	14.30	14.50	14.30	14.90	15.10	15.30
Volume Charge (per 1,000 gal); 3,001+ gallons	4.30	4.40	4.50	4.60	4.75	4.90	5.00	5.10	5.20	5.30	5.40
Inside Sewer Commercial											
Minimum 3,000 gallons	6.95	7.25	7.55	7.90	8.25	8.60	8.80	9.00	9.20	9.40	9.60
Volume Charge (per 1,000 gal); 3,001+ gallons	2.35	2.45	2.55	2.70	2.85	3.00	3.10	3.20	3.30	3.40	3.50
Outside Sewer Commercial											
Minimum 3,000 gallons	13.85	14.45	15.05	15.70	16.35	17.05	17.40	17.75	18.15	18.55	18.95
Volume Charge (per 1,000 gal); 3,001+ gallons	4.70	4.90	5.10	5.35	5.60	5.85	6.00	6.15	6.30	6.45	6.60
Inside Sewer Industrial											
Minimum 0 gallons	6.75	7.05	7.35	7.65	8.00	8.35	8.55	8.75	8.95	9.15	9.35
Volume Charge (per 1,000 gal)	2.25	2.35	2.45	2.55	2.70	2.85	2.95	3.05	3.15	3.25	3.35
Outside Sewer Industrial											
Minimum 0 gallons	13.45	14.00	14.60	15.20	15.85	16.50	16.85	17.20	17.55	17.95	18.35
Volume Charge (per 1,000 gal)	4.50	4.70	4.90	5.10	5.35	5.60	5.75	5.90	6.05	6.20	6.35
Burke County											
Volume Charge (per 1,000 gal)	2.45	2.55	2.70	2.85	3.00	3.15	3.25	3.35	3.45	3.55	3.65
Drexel											
Volume Charge (per 1,000 gal)	2.45	2.55	2.70	2.85	3.00	3.15	3.25	3.35	3.45	3.55	3.65
Rutherford College											
Volume Charge (per 1,000 gal)	2.05	2.15	2.25	2.35	2.45	2.55	2.65	2.75	2.85	2.95	3.05

Sample Monthly Sewer Charges

			Current Rate	Projected					Extended				
			2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Residential Inside	4,000	gal	8.90	9.30	9.70	10.10	10.60	11.10	11.40	11.70	12.00	12.30	12.60
Residential Outside	4,000	gal	17.00	17.40	17.80	18.20	18.70	19.20	19.50	19.40	20.10	20.40	20.70
Commercial Inside	10,000	gal	23.40	24.40	25.40	26.80	28.20	29.60	30.50	31.40	32.30	33.20	34.10
Commercial Outside	10,000	gal	46.75	48.75	50.75	53.15	55.55	58.00	59.40	60.80	62.25	63.70	65.15
Commercial Inside	50,000	gal	117.40	122.40	127.40	134.80	142.20	149.60	154.50	159.40	164.30	169.20	174.10
Commercial Outside	50,000	gal	234.75	244.75	254.75	267.15	279.55	292.00	299.40	306.80	314.25	321.70	329.15
Industrial Inside	500,000	gal	1,131.75	1,182.05	1,232.35	1,282.65	1,358.00	1,433.35	1,483.55	1,533.75	1,583.95	1,634.15	1,684.35

Town of Valdese
Water and Sewer Utility Fund

Current and Proposed Combined Water and Sewer Rates

	Current Rate	Projected					Extended				
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Inside Combined Residential											
Minimum 3,000 gallons	38.15	39.75	41.40	43.10	44.90	46.75	47.75	48.75	49.80	50.85	51.90
Volume Charge (per 1,000 gal); 3,001+ gallons	5.35	5.60	5.85	6.10	6.40	6.70	6.90	7.10	7.30	7.50	7.70
Outside Combined Residential											
Minimum 3,000 gallons	62.55	64.15	65.80	67.50	69.30	71.15	72.15	72.75	74.20	75.25	76.30
Volume Charge (per 1,000 gal); 3,001+ gallons	10.20	10.45	10.70	10.95	11.25	11.55	11.75	11.95	12.15	12.35	12.55
Inside Combined Commercial											
Minimum 3,000 gallons	38.45	40.05	41.70	43.45	45.25	47.10	48.10	49.10	50.15	51.20	52.25
Volume Charge (per 1,000 gal); 3,001+ gallons	5.45	5.70	5.95	6.25	6.55	6.85	7.05	7.25	7.45	7.65	7.85
Outside Combined Commercial											
Minimum 3,000 gallons	76.95	80.10	83.35	86.75	90.25	93.95	95.85	97.80	99.85	101.90	104.00
Volume Charge (per 1,000 gal); 3,001+ gallons	10.85	11.30	11.80	12.35	12.90	13.45	13.80	14.15	14.50	14.85	15.20
Inside Combined Industrial											
Water Minimum 3,000 Gallons, Sewer Minimum 0 gallons	19.10	19.90	20.75	21.60	22.55	23.50	23.65	24.20	24.75	25.30	25.85
Water Volume Charge (per 1,000 gal); 3,001 - 3,000,000 gallons	2.35	2.45	2.55	2.70	2.85	3.00	3.10	3.20	3.30	3.40	3.50
Water Volume Charge (per 1,000 gal); 3,000,000+ gallons	1.15	1.20	1.25	1.30	1.40	1.50	1.55	1.60	1.65	1.70	1.75
Sewer Volume Charge (per 1,000 gal)	2.25	2.35	2.45	2.55	2.70	2.85	2.95	3.05	3.15	3.25	3.35
Outside Combined Industrial											
Water Minimum 3,000 Gallons, Sewer Minimum 0 gallons	38.10	30.35	31.60	32.90	34.30	35.75	36.55	37.35	38.15	38.95	39.80
Water Volume Charge (per 1,000 gal); 3,001 - 3,000,000 gallons	4.70	4.90	5.10	5.35	5.60	5.85	6.00	6.15	6.30	6.45	6.60
Water Volume Charge (per 1,000 gal); 3,000,000+ gallons	2.30	2.40	2.50	2.60	2.75	2.90	3.00	3.10	3.20	3.30	3.40
Sewer Volume Charge (per 1,000 gal)	4.50	4.70	4.90	5.10	5.35	5.60	5.75	5.90	6.05	6.20	6.35
Burke County											
Water Volume Charge (per 1,000 gal); 3,001+ gallons	3.55	3.70	3.85	4.05	4.25	4.45	4.55	4.65	4.75	4.85	4.95
Sewer Volume Charge (per 1,000 gal)	2.45	2.55	2.70	2.85	3.00	3.15	3.25	3.35	3.45	3.55	3.65
Drexel											
Volume Charge (per 1,000 gal)	2.45	2.55	2.70	2.85	3.00	3.15	3.25	3.35	3.45	3.55	3.65
Rutherford College											
Water Volume Charge (per 1,000 gal); 3,001+ gallons	3.55	3.70	3.85	4.05	4.25	4.45	4.55	4.65	4.75	4.85	4.95
Sewer Volume Charge (per 1,000 gal)	2.05	2.15	2.25	2.35	2.45	2.55	2.65	2.75	2.85	2.95	3.05

Sample Monthly Combined Water and Sewer Charges			Current Rate	Projected					Extended				
			2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Residential Inside	4,000	gal	43.50	45.35	47.25	49.20	51.30	53.45	54.65	55.85	57.10	58.35	59.60
Residential Outside	4,000	gal	72.75	74.60	76.50	78.45	80.55	82.70	83.90	84.70	86.35	87.60	88.85
Commercial Inside	10,000	gal	76.60	79.95	83.35	87.20	91.10	95.05	97.45	99.85	102.30	104.75	107.20
Commercial Outside	10,000	gal	152.90	159.20	165.95	173.20	180.55	188.10	192.45	196.85	201.35	205.85	210.40
Commercial Inside	50,000	gal	294.60	307.95	321.35	337.20	353.10	369.05	379.45	389.85	400.30	410.75	421.20
Commercial Outside	50,000	gal	586.90	611.20	637.95	667.20	696.55	726.10	744.45	762.85	781.35	799.85	818.40
Industrial Inside	500,000	gal	2,072.05	2,162.55	2,253.10	2,358.50	2,499.00	2,639.50	2,729.35	2,819.60	2,909.85	3,000.10	3,090.35