

## **Minutes for the Special Called City Council Meeting**

101 W. First Street, Lowell, North Carolina 28098

May 30, 2024, 4:00 PM - May 30, 2024, 5:05 PM

**Roll Call:** *(The following members were in attendance)*

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- **Scott Bates**, Mayor Pro Temp
- **Phil Bonham**, Councilmember
- **DeWayne Chitwood**, Councilmember
- **Shane Robinson**, Councilmember
- **Larry Simonds**, Mayor
- **Travis Smith**, Councilmember

### **1. Call to Order**

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Mayor Simonds called the meeting to order at 4:00pm. He stated this was a continuation of the last meeting. All members of council were present. Staff present included Scott Attaway, City Manager; John Russell, City Attorney; and Cristy Cummings (filling in for Cheryl Ramsey, City Clerk). Members of the community were also present. There were issues with visually seeing the meeting on YouTube. The visuals did not show up until approximately 4:20pm. The sound was heard throughout.

Before New Business, John Russell asked that council adopt the agenda first. Mayor Simonds said he thought his was a continuation of the last meeting. Mr. Russell said no, this is not a continuation but a called special meeting. Councilmember Smith made a motion to adopt the agenda, seconded by Mayor Pro Tem Bates. The vote was unanimous. Mayor Simonds apologized for stating this was a continuation.

### **2. New Business**

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#### **2A. Discussion of the Current State of Lowell's Wastewater Treatment Plant and Impacts from Future Growth- 4:00 PM**

Presented by Mr. Attaway. He asked the panel to introduce themselves before he began. The panel included: Lyndsey Miles, Senior Project Engineer with WithersRavenel; Allison Alexander, Client Experience Manager with WithersRavenel and she mentioned she has 17 years of local government experience; Chris Rosenboom, Director of Utilities with WithersRavenel with 20 years experience in waste water design; Stephanie Scheringer, Asst. Utilities Director with Two Rivers; Brian Potocki, Director of Utilities with Two Rivers; Michael Peoples, City Manager of Gastonia. Mayor Simonds thanked them all for coming and asked Mr. Attaway to proceed.

Mr. Attaway asked Mr. Rosenboom to go over the slides presented (see agenda packet). Mr. Attaway also described the Waste Water Treatment Plant (WWTP) Feasibility Study and some of the reasons for doing the study including looking at the growth of Charlotte and surrounding areas. He gave an the example that Huntersville, NC had about 6500 people in 1990 and now has a population of about \$65,000. Being

mindful of that type of growth, he said, is why the study was conducted for Lowell.

Chris Rosenboom then continued with the presentation discussing the 2019 feasibility report and the options of expanding the current plant or a regionalization option with Two Rivers (see agenda packet). Mayor Simonds asked what the capacity is now at the sewer plant. Mr. Rosenboom said 600,000 or .06 million gallons per day (MGD). Mr. Rosenboom continued discussing the increase in cost for 2024 to replace the plant has increased to \$30,000,000 from \$21,000,000. Mayor Simonds interrupted and asked Mr. Attaway about the new homes coming to Lowell stating that those homes are already on the map and no other growth is projected, no hotels or anything like that. Mr. Rosenboom continued with discussing the WWTP operations and maintenance costs of updating the current plant which, he said, would be higher than what they are proposing or regionalization. Mayor Simonds interrupted and said he is exactly right but once it increases and bringing in more revenue because of the water/sewer fees we're charging will bring in revenue as well, offsetting each other.

Mr. Rosenboom then discussed the regionalization discussions with Two Rivers Utilities where the City has been a water customer since the City has had a municipal water distribution system, a wastewater customer since 2011 and there is a current memo of understanding provision of bulk wastewater treatment through a new interconnect that was signed in 2022. He said the regionalization approach was part of the original funding consideration and package funding the work that is happening now. He said the State scores regionalization high in terms of how it allocates grant funds or low interest loans and that is the path the City is moving forward with now. Mayor Simonds asked him to explain the lift station that goes into Two Rivers that Mr. Rosenboom talked about. He said "we collect the money for you and you get the check from Lowell. We take in the money and turn it over to you. Nothing good, nothing bad, it just washes it out. I want the whole public to know that."

## **2B. Background and Discussion with Two Rivers Utilities Regarding Regionalization of the Wastewater Treatment Plant and Accepting Lowell's Sewer Flow- 4:31 PM**

Brian Potocki, Director of Public Utilities briefly discussed the background of Two Rivers utilities (TRU). He discussed the coverage area, the treatment facilities with Long Creek as the projected area to service Lowell. He then discussed the full time water customers and emergency connections as well as the sewer basins and facilities. Mayor Simonds interrupted and asked "what's the square footage of the whole...was it like five miles is the total sewer and water line system in Gaston County, not counting your Clover deal. What's the total land space, like 5.5 miles, what is it?" He asked Mr. Peoples, Gastonia City Manager, to answer. Mr. Peoples said Gastonia incorporate is 53 square miles. Mayor Simonds asked what the total for Gaston County was and guessed 500 square miles and pretty sure that was correct. Mr. Potocki said the county has 700 miles of collection lines. Mayor Simonds said that sounds appropriate because of the 500 miles and the miles going into Clover. Mr. Potocki continued discussions with the sewer basins and facilities map. He then went over some regionalization highlights and infrastructure investments. He then discussed the good relations that TRU has with it's current customers, how they report to city councils, and updates them with necessary reports.

Mayor Simonds asked about the relationship with McAdenville as he was under the impression that they were with TRU completely. Mr. Potocki said McAdenville still owns the lines and TRU operates their system. Mayor Simonds said "it hadn't been that long since Ranlo signed on with Two Rivers, correct? Mr. Potocki said that was correct. Mayor Simonds asked how long have they been servicing Ranlo. Allison Alexander

said 15 years. Mayor Simonds asked if Ranlo was the most recent. It was answered that Stanley and High Shoals were the most recent. Mayor Simonds said Stanley reports high water/sewer bills. He said "by us controlling our own system, we alleviate the extra expense we'll be paying Two Rivers, thank God we own it. I understand growth, I understand what you're speaking about and I understand being overtaken into a bigger conglomerate. What we have now, we have our own lift station paid for by the citizens of Lowell and an appropriate rate as far as what we charge. Once you turn over to Two Rivers, you'll be controlling the water and sewer. We have to at least purchase water from you every year. I don't know what's in the contract... You used to have it to where it was a long term contract, like 20-30 years where it would be the same rate and that's what needs to be looked up. This has some good points, has some great points but it has some terrible points because it's going to make the utilities here higher. That's my opinion, but it's up to the council."

Mr. Attaway said, to address that Mayor's comment, that "in my Manager's Budget message, I always include the rate of affordability on the bottom of the water sewer enterprise fund showing where Lowell ranks in the State where people can look it up and see under UNC Environmental Finance center website. I was looking at Two Rivers listed on there. I don't have the exact numbers in front of me, but the median bill for a 5000 gallon water and sewer customer was around \$89 and some odd cents. I played around with the percentage increase from their existing charges and what you would have to increase the bill and it was about a 38% increase. You would have to increase Two Rivers current charges to just get to the median bill amount in the state of North Carolina. I didn't look at Lowell's but relatively speaking to Two Rivers, that's where they rank in the State." He said he'll send the link to council so they can review. Mayor Simonds said "there are 552 municipalities [in NC] and I think Two Rivers has 12 of the 14 municipalities [in Gaston County] are with Two Rivers right now, right? Lowell and who else is not with you?" One of the panelist answered and said there is no connection with Cherryville and Mt. Holly is completely independent but share Mt. Holly lake. Mayor Simonds said we are a small city and we can't look at the whole state wide (and named Greensboro and Raleigh as examples) because they have a different criteria than we do and we own our plant.

## **2C. Discussion of Current Funding Opportunities for WWTP Regionalization- 4:35 PM**

Allison Alexander discussed the amount of funding offered to the city from the State, a planning grant of \$400,000 to design what is needed for planning and design. She said the total cost of the Withers Ravenel to perform this work is \$588,000, where the \$400,000 was used towards that. They are 80% complete. Mayor Simonds asked what has been paid to them so far. Mr. Attaway said we just received the latest disbursement approval from the State, which will bring it to \$343,432. Mayor Simonds said "yall have just been doing a bunch of study's right as far as no work has been done." Mr. Attaway said they are an engineering the plans. Mayor Simonds said "you're getting paid handsomely, royally for the plans. No work has been done." Ms. Alexander said correct and said it is the engineering costs. Mayor Simonds interrupted and said "all we've been doing is handing out money for Ravenel and other firms to do our engineering work and studies. I understand that but understand this, there is still \$168,000 [actually \$188,000] that has to come out the city treasury correct? Mr. Attaway said correct. Mayor Simonds said it's on the backs of the people all the way around and (inaudible for a few remarks.) Mayor Simonds said we are no where near capacity and made some complaints about Spencer Ridge. Ms. Alexander continued with the construction of the pump station stating the City was awarded \$7,905,060 to fund it's construction. Mayor Simonds interrupted asking if it was going to cost \$7,500,000 to upgrade our plant or decommission it and

put it into the Two Rivers. Ms. Alexander attempted answer and Mayor Simonds said if he had the authority, he'd shut it down now. Councilmember Bonham asked if the presentations could continue without interruptions.

Ms. Alexander continued with the presentation [see agenda packet]. She stated the way this funding worked is that they were for revitalization or a specific project between the City and the State. She said you can't take the funds and use them for something else. She said the State sent a letter dated April 30, 2024 and their expectation is that work will be contracted within 24 months of this date, or April 2026. If an extension is needed, to get under contract for the construction, then they are open to that but it has to be open communication between the City and the State.

Mr. Attaway then went over the the amortization schedule with the regionalization or the replacement options. Chris Rosenboom highlighted the timelines of the project stating the City is well ahead of the April 2026 deadline for having a contract. He said they have completed 80% of the design and moving into the permitting stage and could be ready to bid by Fall 2024 or early next year and about a year for construction which will have it completed by the April 2026 date. Mayor Simonds asked if this was all set in stone or a hypothetical scenario. Mr. Attaway said this is based on the award of the \$7.9million. He then completed his portion of the comparison of regionalization with TRU using a loan or private financing and the Replacement of the plant.

## **2D. Discussion with Two Rivers Utilities Regarding Potential Sewer Fees and Contract Contents- 4:35 PM**

Mr. Attaway then went over what other Gaston County municipalities said about their experience with Two Rivers (all but Kings Mountain responded) and informed council that the responses were sent to them earlier this month to review. The questionnaire sent was asked the municipalities things like how is your relationship with Two Rivers, how are your fees, are your citizens taking the fees well, and what are the elected officials and staff thoughts? One of the things he wanted to highlight from the responses is that the City can not be charged more than what any other municipality is charged by Two Rivers. He said Inflow and Infiltration (I&I) was mentioned a lot in the 2019 study from LaBella and their recommendation, after the study to regionalize, as long as the city keeps up with I&I repair work, which the City has been with the help of a CDBG-I grant and the AIA Sewer grant locating manholes. He said some preliminary discussions have been going on about some flow monitoring and looking for I&I issues in certain areas of the City where city employees believe there is a problem. They will use the \$8.25million received from the State for water and sewer repairs. He then discussed capacity structure needs. Mayor Simonds began to speak of how this would help other cities, namely Gastonia "and the more suckers you get on board, the better it looks for you because you'll reduce your expenditures. What would be the best for Lowell, like I told you in the last meeting, if the City of Gastonia would take Lowell over, give it to them, we'd have a tax rate of \$.45 cents, we wouldn't have the fire tax. We'd have the (inaudible), we'd have swimming pools for our children, police department like we have now, the fire department, we're paying a 8.5%-tax. You have to put this stuff together Scott." Mayor Simonds continued stating how the guest cities have to put their best to represent themselves, just like Lowell. He again mentioned the option of Gastonia taking over Lowell.

Michael Peoples, Gastonia City Manager, addressed the Mayor, noting how he lived and worked in this

area, particularly Cramerton. He said he understood the idea of having control of a utility operation but has also been on the other side in Cramerton and relinquishing that burden and that debt was the best case scenario for Cramerton. He said all that infrastructure was built on textiles in the 70's and 80's where Gastonia invested heavily and wisely because of the huge intake between Charlotte and Gastonia. This was a large debt but it also allowed for more capacity. He said we can see the skyline from Charlotte so we know the growth is coming and now after decades of suffering because of the loss of textiles, we're finally getting some of that back [debts loss] because of infrastructure where they are an economy of scale as opposed to all on textiles. Now you have that capacity and you should use it. Mayor Simonds said Mr. Peoples was a "hell of a politician." Mr. Peoples said he was not. Mayor Simonds said we are talking about sewer, not water where we get the water from them but that the sewer belongs to Lowell and we are not in a hurry to do anything. He then compared Gastonia and Lowell's taxes. He didn't think we would get the capacity of Gastonia in terms of growth because of the lack of room and stated we needed to use what we have and our capacity level is fine with the number of people here now and expected to come. There was some back and forth with the Mayor and Mr. Peoples with the Mayor saying "if you can get every sucker in this county to come in there with you and reduce your rates for your sewer, that would be good for you but it's going to be hell for us because we can't pay that. They [council] may think we can. Mr. Peoples said "I don't think we should refer to people as suckers whenever we are trying to partner the situation with our neighboring municipalities." Mayor Simonds said the partnership would be good if it were good for Lowell as well. He does not recommend this but acknowledged it is up to council, not him.

Councilmember Robinson asked what were the rate comparisons of Lowell's current bills if the city goes with Two Rivers if looking at those numbers today? Mr. Peoples said that would have to take time to figure out because it wouldn't be a full consolidation here [in Lowell] and Gastonia's rates are completely different than Lowell's rates because of treatment costs charged in municipalities by Two Rivers, etc. Councilmember Robinson said "if we look at our Waste Water Treatment Plant budget of \$365,000 for '24, what would we project our cost if we send that to you [Gastonia]? We still have all the other costs as far as the lines for maintaining them. I'm just trying to compare that cost to what your cost would be for treating that same amount?" Mr. Peoples said it is not as cut and dry as that. Mayor Simonds said if you add all the interest and principle to this, it will be astronomical.

Councilmember Robinson asked if this agreement will be similar to what is being done on Fair St. Mr. Attaway said there is a wholesale municipal charge and a certain amount of gallons but similar to Fair St. Mayor Simonds said you still have to add back the principal and interest. Councilmember Robinson said "I understand that but if you have to work on the plant you have, you're going to have to do the same thing." Mr. Attaway said a lot of contracts have an I&I type of forgiveness or an allowance. Stephanie Scheringer said in the past they've had contracts with municipalities where there is a period of time for the bulk customer to correct any I&I issues and that can be worked out during the contract process. Mayor Simonds talked more of why Lowell should keep the current plant stating we don't need a new plant right now and questioned the rush to proceed with regionalization. He suggested Two Rivers pay funds for Lowell to regionalize and revisit this in a couple years. Councilmember Bonham said "we have funding opportunities now and a willing partner that is willing to join up that would alleviate the financial burden to the city greatly or we can kick the can down the road, wait 10 years and pay \$30million for a new plant and (inaudible). Pretty simple math to me." Mayor Simonds asked Councilmember Bonham how much would it

cost each citizen each month additionally to what they are paying now to do this? Councilmember Bonham said he knows that it would be less than a \$30million plant. Mayor Simonds said "what do you mean a \$30million plant, how much do you think the value of the plant is now?" Councilmember Bonham said "the value of the plant is irrelevant, the value of the plant is what you think it is. Who's going to come buy it and give you whatever you think it's worth?" Mayor Simonds said "we own it, the citizens do." Councilmember Bonham said "exactly and it is near the end of life, you're going to have to do something."

Michael Peoples added that these regional projects can take so long per the schedules. He stated he "arrived in Cramerton in 2005, working until 2011 to consolidate. McAdenville, Cramerton, and Lowell were the ones originally talking and Gastonia wasn't really in the picture at that time. It was supposed to flow down Eagle Rd. So we have been working on this, I have personally been involved in it since that time in '05, so the preservation of the corridor where the line would actually go and working with (inaudible) was very challenging to preserve that corridor under [interstate] 85, to be able to do this at all. There are things that have been in place and things that have been worked on for years to get to this moment and if you want us to get back to where your funding opportunities are now it's coming up with a package deal for financing that they have on the table, that's unbelievable money, .76, is unbelievable. Look at the grant money that you're getting, \$7.9million. You have enough money to make the project work. McAdenville is still trying to work on funding, so they can get there system up to date, so that they can work with us to consolidate. Regionalization takes a long time and one of the things are outside of our control. They start in Washington, then to Atlanta, then they come to Raleigh, then they come to you and they will tell you what you do and what you need to do in treating your wastewater, out of your control. They may come to you in some point in time, change the whole rules of the basin. They may say you need to now remove nutrients from your wastewater discharge. Because you're under a million gallons, you're exempt from it. Eagle Rd was not. We had to spend \$5million adding chemical removal for nutrients for phosphorous and nitrogen. We don't know what those rules are going to do but we do know this, for those three treatment plants that the City of Gastonia Two Rivers has, we are doing that. We are treating it to a higher level. We are environmentally friendly. We are doing it the way we should do it but in the future and I'm just letting you know, that in the future, some of those things could change and you're going to be notified by letter and you have X number of times, years, whatever, to start complying. If you have to add nutrient removal to your 600,000 gallon a day plant to comply, I have no idea how much that might cost but it probably would cost more than that [pointing to slide show]." Mayor Simonds said that's when you get to a million gallons. Mr. Peoples said that may change. Mayor Simonds said "let me explain something to you, who is the smartest municipality in the county? You know, the smartest people that run their municipality? McAdenville. They got rid of their police department, fire department and on the backs of everyone in this county because they understand money. They understand what makes the bottom line better for them. Mr. Peoples, I want the bottom line to be good for us. Hypothetical and all of that can be done down the road. If we get to a million gallons, which I doubt we ever will, and if we do, the people that is supposed to be coming in, putting these projects in, it's on their back according to...because we don't have it inside the city limits. Right now we are faced with a problem on Spencer Ridge, where they are coming in with about 400 houses but I thought it was about three different phases but it may be 400 houses but whatever, they have to pay for the infrastructure for the whole thing, it's in the agreement. We don't pay for anything. I understand what you are saying, it sounds good and a good selling point for you.

It's also a bad point for us because we are nowhere near capacity, McAdenville is the smartest municipality

in the county, they play off the backs of everyone, and you know that and (inaudible) Cramerton. You're a proud Cramerton. You assist them greatly. We assist them [McAdenville] and don't get any money. If they have a back up call for fire, we're there, no money. At least Cramerton gets paid. If we did the right thing, the right thing would be to go to Gastonia and let you have us. That way we'd be getting the same thing and you could orchestrate the whole deal and we wouldn't be paying 57-1/2 cent property tax. You need to look at all these things together. You just can't look at the sewer deal. I'm looking at the whole picture, water, sewer, and taxes. Water, sewer and taxes. Water, sewer, and taxes." Mr. Peoples said "you are correct. I look at water and sewer completely as enterprise funds and (inaudible). We operate it separately from our General Fund, we operate it separately from our electric fund and we treat it like a business." Mayor Simonds said "the bottom line is you take all the money that you collect to run the City of Gastonia, just like it takes all the money that we collect to run the City of Lowell. It all goes in one bucket, you still have to pay the bottom line, which is every department you have including water, sewer, police... We can't pick and choose no more than you can."

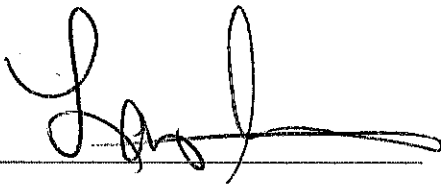
Councilmember Smith said "if McAdenville is the smartest municipality, didn't you [to Mr. Peoples] just say 10 minutes ago that they are trying to get as far as we have to partner with you guys to get water?" Mayor Simonds said "that's on their dime. They have the money in place because they are not having to pay for their police protection, fire protection. They pay a certain amount to Cramerton, which is far less than what it costs us. You add all that together and they are very smart." Councilmember Robinson said he "knows the \$7.9million is an estimate but how close do you think that's really going to be?" Mr. Rosenboom said he thinks they are pretty close with the estimates on a good day but it would depend how hungry contractors are on a bad day. Councilmember Robinson asked the rest of the panel if they agreed with that. Mr. Peoples said they rely on the experts and that things can always change but that is why they do their due diligence and listen to the engineers. He said "the necessary easements, right-of-ways that are required to facilitate the project, you've already acquired." Mayor Simonds said "we've already obligated ourselves to Ravenel \$580,000 is already spent. How much would additional costs from Ravenel be, to finish this project? What would be the percentage of your money?" Mr. Rosenboom said "the contract that we are working on now gets us to bid day. We have a contract to bid services, a much smaller effort, only a month, and then we would talk to the city about how much assistance they would like from our engineers during construction to provide oversight, keep the contractors honest, review pay apps, etc. Those contracts can vary quite a bit." Mayor Simonds asked how much would Ravenel get out of it hypothetically. Mr. Attaway said we haven't selected an engineer. Mayor Simonds said "it's got to be a percentage, I'm just saying, it's got to be a percentage. How much would it be Scott? These things have to be encompassed into the whole deal as well." Mr. Rosenboom said he can give an industry-wide number looking at the overall project value of maybe 15% plus or minus. Mayor Simonds said "about a million and a half dollars." Mr. Rosenboom appeared to nod his head, yes. Mayor Simonds said they should table this until they got more information. Councilmember Smith interrupted and asked Mr. Rosenboom what happens to that number in 10 years if we sit back and do nothing? Mr. Rosenboom said you are looking at your standard inflation type costs per year. He didn't have that type of math done but wouldn't be surprised if that number is at least doubled. Mayor Simonds said "now you're talking about a million and a half dollars on top of \$7.9 [million], that's \$9.4 [million] and we've already given you \$500,000. That's \$10million and we haven't even got out of the room today." Councilmember Bonham started to speak and Mayor Simonds said "that's exactly what it is." Mr. Attaway asked Mr. Rosenboom if the surveying was completed. Mr. Rosenboom said all the field work

has been completed including the surveying and locating existing utilities. Mr. Attaway asked if the trajectory of the forced manufacturing has to go through many parcel property owners or is it mainly Belmont land investments]. (Unable to hear response from Lyndsey Miles.) Mr. Attaway said they [Belmont Land Investments] are a working partner on this and have asked for updates with Lowell and Withers Ravenel. He mentioned that members of the last City Council attended Belmont's Budget Retreat and learned some of the plans they are doing in McAdenville with some developments along the river. He said that may or may not be why they are wanting to know if this [regionalization] is going to happen or not but may be looking to Lowell for the path that we are going to take. Mayor Simonds said McAdenville is smart and talked of the help they are receiving while Lowell is having to come up with funds. He then continued to talk about the WWTP being the property of Lowell and why we should not regionalize. He recommended council table the discussion. Mayor Pro Tem Bates reminded the Mayor that council is not voting on anything today and this was just a discussion.

### **3. Adjourn**

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Councilmember Bonham made a motion to adjourn, seconded by Councilmember Smith. During the discussion, Councilmember Robinson asked if Mr. Attaway got through everything he wanted to get through. Mr. Attaway said yes. Meeting adjourned at 5:05 pm.



Larry Simonds, Mayor

ATTEST:



Cheryl Ramsey, City Clerk



# Wastewater Treatment Needs and Planning

May 30, 2024



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We are **TRU** to our customers!

# WWTP – Current Status

- 0.6 million gallon per day (MGD)
- Constructed in 1968, with necessary improvements made for operations and maintenance (O&M)
- February 2024: Annual Utility Allocation Report presented to Lowell City Council

*Monthly Average Flow*

*+ 2023 Permitted Flow*

*+ Requested Flow*

*= 0.36 MGD, approx. 60% of permitted capacity.*

*When flow exceeds 80% of capacity, the City must submit a funding source and either engineering plans to the state to provide additional capacity or an alternative plan on providing wastewater treatment services. At 90%, the City must submit permits and a schedule for construction.*

Agenda Item A



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# 2019 - WWTP Feasibility Study

- Lowell Staff analyzed 5 parcels for future residential/commercial development (see map)
- Resulted in an additional estimated flow of 104,631 per day.
- This would bring the flow to 77.4% of permitted capacity.

Agenda Item A



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# 2019 - WWTP Feasibility Study

- Report analyzed current plant status, future flow projections, and several alternatives to ensure citizens have access to adequate wastewater treatment in the future
  - Maintaining the current plant until 2040 (20-year outlook at time of report)
  - Replacing the current plant with a 1.0MGD plant before 2040 (timeframes ranged from 2020 – 2035)
  - Replacing the current plant with a pumping station to send wastewater to TRU for treatment
  - Recommended option: Replaced the WWTP with a pump station by the year 2035. This option assumed the City continues efforts to reduce inflow and infiltration.

Agenda Item A



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# 2019 - WWTP Feasibility Study (Cont.)

Table 14.4 from 2019 Report

Financial Analysis Summary

Scenario	Cost	Net Present Value	Rank
Scenario No. 1 - Maintaining Existing WWTP to Year 2040	\$9,348,864.27	\$6,827,245.27	1
Scenario No. 7 - Replace Ex. WWTP with Pumping Station in Year 2035	\$19,853,432.59	\$12,461,430.49	2
Scenario No. 6. - Replace Ex. WWTP with Pumping Station in Year 2030	\$20,223,056.48	\$13,060,821.00	3
Scenario No. 5 - Replace Ex. WWTP with Pumping Station in Year 2020	\$19,959,208.66	\$14,122,175.18	4
Scenario No. 2 - Replace Ex. WWTP with New WWTP in Year 2020	\$20,953,265.62	\$14,867,925.88	5
Scenario No. 3 - Replace Ex. WWTP with New WWTP in Year 2030	\$27,007,765.73	\$16,794,860.88	6
Scenario No. 4 - Replace Ex. WWTP with New WWTP in Year 2035	\$29,150,554.62	\$17,381,374.78	7

**\*2024 Update: Replace 0.6MGD WWTP with 1.0MGD : \$30,000,000**  
**(Based on current estimate of \$30/gal/day)**

Agenda Item A



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# WWTP Operations and Maintenance (O&M) Costs – Current and Future

- **2024 WWTP O&M Budget - \$365,000**
- **If WWTP is Replaced with a 1.0 MGD plant:**
- **Estimated Annual O&M Cost would be \$435,000, or 19% increase with current contract operations assumed**
- **Estimated Annual O&M Cost would be \$572,000, or 57% increase with up to two new salaried employees for WWTP operations**

*\* All costs are in 2024 dollars*

Agenda Item A



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# Regionalization Discussion with Two Rivers Utilities

- The City has been a water customer since the City has had a municipal water distribution system.
- The City has been a wastewater customer since 2001 (southern portion of City).
- Current MOU for TRU provision of bulk wastewater treatment through new interconnect was signed in September 2022.

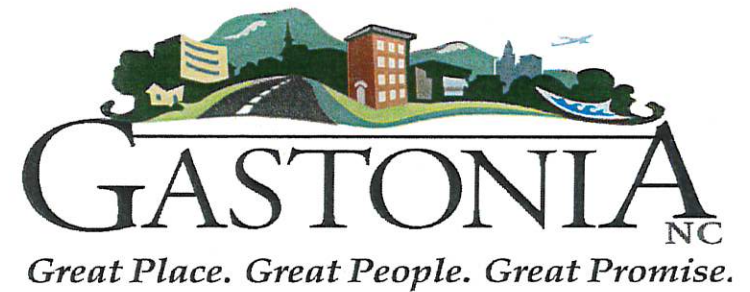
Agenda Item B





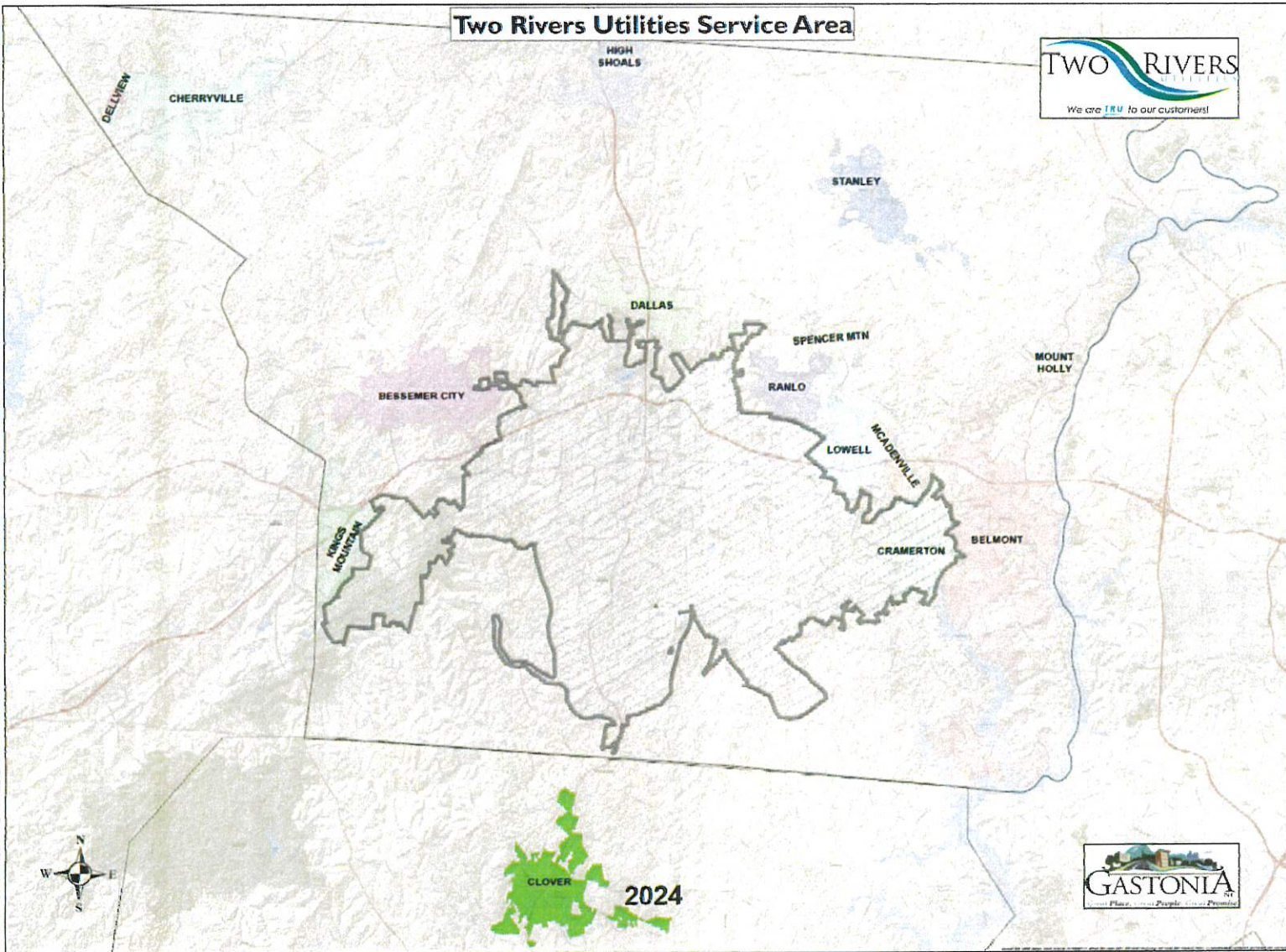
CITY OF GASTONIA  
TWO RIVERS UTILITIES

# Water & Sewer Services



We are TRU to our customers!





Two Rivers Utilities Service Area



# Water & Wastewater Treatment Facilities

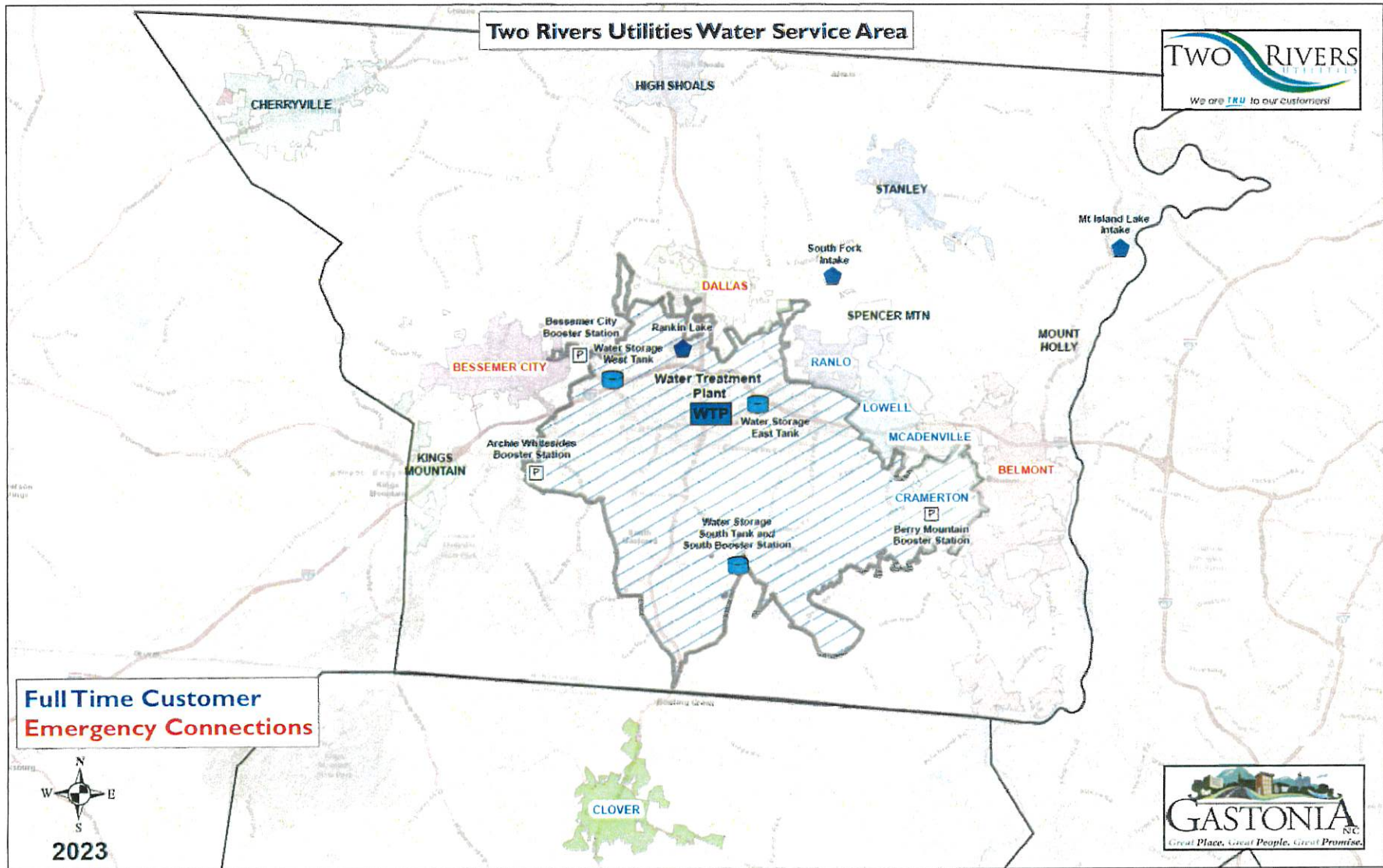
Water Treatment Plant	Capacity (MGD)	FY 2023 ADF (MGD)
Long Avenue	27.3	14.6

Wastewater Treatment Plants	Capacity (MGD)	FY 2023 ADF (MGD)
Long Creek *	16.0	6.7
Crowders Creek	6.0	2.6
Eagle Road	4.0	0.7

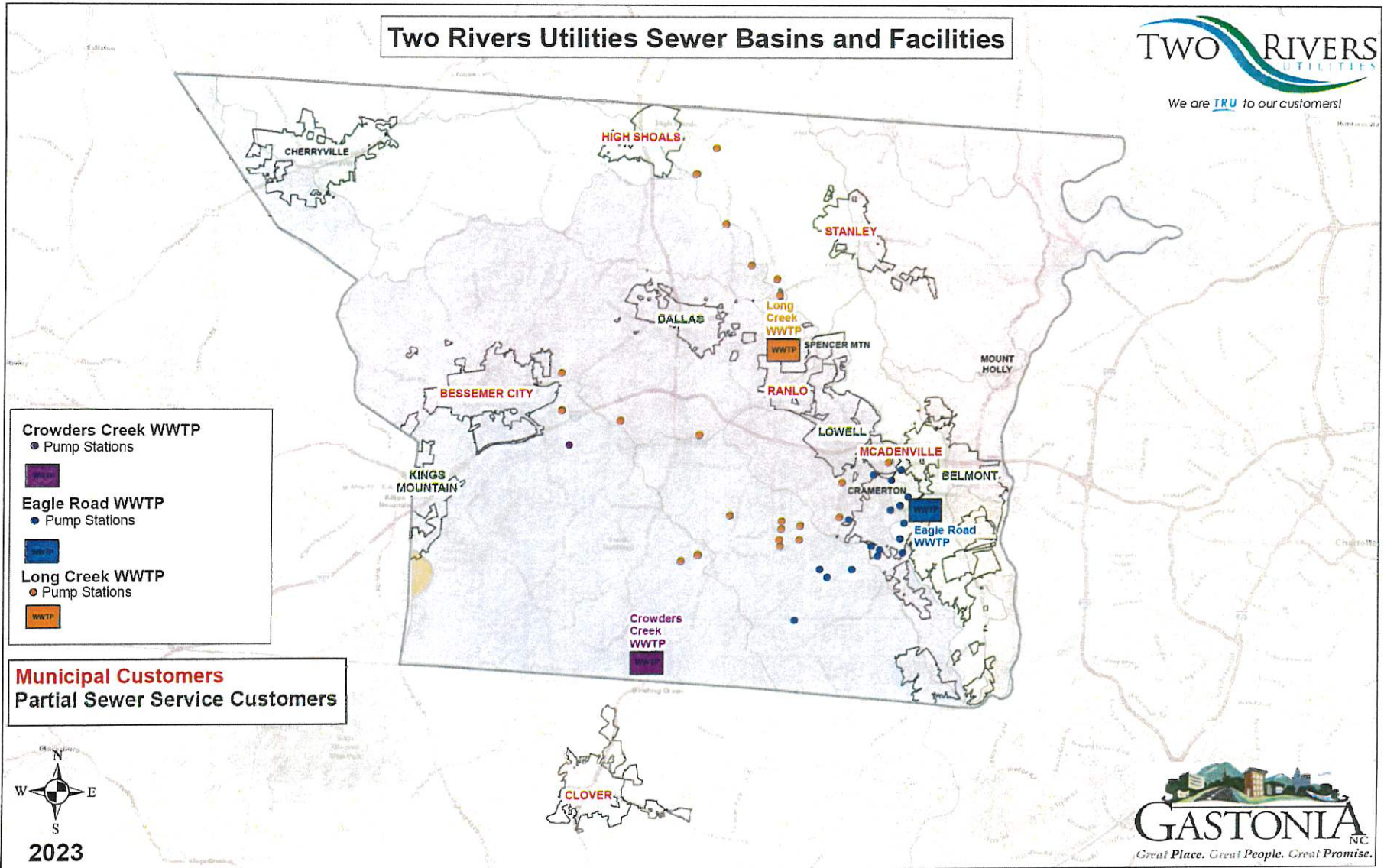
\* WWTP that would serve Lowell



## Two Rivers Utilities Water Service Area



# Two Rivers Utilities Sewer Basins and Facilities



# Two Rivers Utilities Municipal Customers

## Full consolidation

- Cramerton

## Bulk Water Customers- Serve Entire Municipality

- Clover, SC
- Lowell
- McAdenville
- Ranlo

## Bulk Water Customers- Serve a Portion and/or Emergency Connection

- Belmont
- Bessemer City
- Dallas

## Bulk Sewer Customers- Serve Entire Municipality

- Bessemer City
- Clover, SC
- High Shoals
- McAdenville
- Ranlo
- Stanley

## Bulk Sewer Customers- Serve a Portion

- Belmont
- Dallas
- Kings Mountain
- Lowell (Fair Street Pump Station)



## Regional Highlights

- Began in the 1980's
- First full utility consolidation: Cramerton 2011
  - 20% rate reduction
- McAdenville merger negotiations underway
- Public & private partners
  - Carolina Water System, Pharr Yarns



# TRU Regional Infrastructure Investment

- 75 MGD FERC raw water permit from Mt. Island Lake- secured in 1990's
- \$65M Water Treatment Plant Upgrade
- \$52M Southeast Gaston County Water & Sewer Expansion
- \$7.6M Large equipment maintenance at Long Creek WWTP planned in CIP through FY26
- \$2M Big Lakewood Sewer Pump Station Relocation
- \$1.1M Cramerton Brooklyn Neighborhood Water Relocation





# Maintaining Business Relationships

- **Long term W&S sales agreements**
  - Municipal Wholesale Rate
- **Report at municipal customer Council meetings – if requested**
- **Technical support available by request**
  - Assist with sampling to pinpoint sources of problematic discharge
- **Responsiveness**
  - Questions about billing
  - Borrow parts, assist with distribution and/or collection system repairs
- **TRU Advisory Board**
  - Town & City Managers





# 2023 – City Received \$400,000 Planning Grant for Planning & Design

- Decommission existing plant and construct new pump station
- Install approximately 6,700 linear feet of 8-inch diameter force main downstream of new pump station.
- Modify the existing South Fork Pump Station to accept the additional flow.
- The pre-construction planning project will complete pre-construction planning, field surveying, environmental investigations, design, and permitting to prepare construction bid documents.
- Total project cost is \$588,000 and is approximately 80% complete.

Agenda Item C



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# 2023 – City awarded \$7,905,060 to fund the construction of the Pump Station

- **Project Objectives:**

- Eliminates City's permitted treated effluent discharge into the South Fork River
- Transfer's treatment of City wastewater to TRU

- **Project Funding Source:**

\$ 2,806,357	SRF Grant
\$ 5,098,703	SRF Loan 20 years @ 0.76% interest); \$500,000 principal forgiveness
<u>\$ 7,905,060</u>	<b>Total</b>

(SRF = State Revolving Fund)

Agenda Item C



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## Regionalize with TRU Option

SRF Loan/Grant

20 Year Schedule

Interest Rate = 0.76%

\$4,598,703

Total Payments = \$4,974,474.62

**Amortization Schedule**  
**\$4,598,703.00 at 0.76% interest**  
**with 20 annually payments**  
**Total Payments: \$4,974,474.62**  
**Total Interest: \$375,771.62**

Period #	Payment Amount	Principal Amount	Interest Amount	Balance Owed
1	248,723.73	213,773.59	34,950.14	4,384,929.41
2	248,723.73	215,398.27	33,325.46	4,169,531.14
3	248,723.73	217,035.29	31,688.44	3,952,495.85
4	248,723.73	218,684.76	30,038.97	3,733,811.09
5	248,723.73	220,346.77	28,376.96	3,513,464.32
6	248,723.73	222,021.40	26,702.33	3,291,442.92
7	248,723.73	223,708.76	25,014.97	3,067,734.16
8	248,723.73	225,408.95	23,314.78	2,842,325.21
9	248,723.73	227,122.06	21,601.67	2,615,203.15
10	248,723.73	228,848.19	19,875.54	2,386,354.96
11	248,723.73	230,587.43	18,136.30	2,155,767.53
12	248,723.73	232,339.90	16,383.83	1,923,427.63
13	248,723.73	234,105.68	14,618.05	1,689,321.95
14	248,723.73	235,884.88	12,838.85	1,453,437.07
15	248,723.73	237,677.61	11,046.12	1,215,759.46
16	248,723.73	239,483.96	9,239.77	976,275.50
17	248,723.73	241,304.04	7,419.69	734,971.46
18	248,723.73	243,137.95	5,585.78	491,833.51
19	248,723.73	244,985.80	3,737.93	246,847.71
20	248,723.75	246,847.71	1,876.04	0.00



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## Regionalize with TRU Option

### Private Financing Loan Option – No Grants

20 Year Schedule

Interest Rate = 5%

Project Cost = \$7,905,060

Total Payments = \$12,686,449.32

Amortization Schedule  
\$7,905,060.00 at 5% interest  
with 20 annually payments  
Total Payments: \$12,686,449.32  
Total Interest: \$4,781,389.32

Period #	Payment Amount	Principal Amount	Interest Amount	Balance Owed
1	634,322.47	239,069.47	395,253.00	7,665,990.53
2	634,322.47	251,022.94	383,299.53	7,414,967.59
3	634,322.47	263,574.09	370,748.38	7,151,393.50
4	634,322.47	276,752.79	357,569.68	6,874,640.71
5	634,322.47	290,590.43	343,732.04	6,584,050.28
6	634,322.47	305,119.96	329,202.51	6,278,930.32
7	634,322.47	320,375.95	313,946.52	5,958,554.37
8	634,322.47	336,394.75	297,927.72	5,622,159.62
9	634,322.47	353,214.49	281,107.98	5,268,945.13
10	634,322.47	370,875.21	263,447.26	4,898,069.92
11	634,322.47	389,418.97	244,903.50	4,508,650.95
12	634,322.47	408,889.92	225,432.55	4,099,761.03
13	634,322.47	429,334.42	204,988.05	3,670,426.61
14	634,322.47	450,801.14	183,521.33	3,219,625.47
15	634,322.47	473,341.20	160,981.27	2,746,284.27
16	634,322.47	497,008.26	137,314.21	2,249,276.01
17	634,322.47	521,858.67	112,463.80	1,727,417.34
18	634,322.47	547,951.60	86,370.87	1,179,465.74
19	634,322.47	575,349.18	58,973.29	604,116.56
20	634,322.39	604,116.56	30,205.83	0.00



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## WWTP Plant Replacement Route

### Private Financing Loan Option – No Grants

20 Year Schedule

Interest Rate = 5%

Project Cost = \$30,000,000

Total Payments = \$48,145,552.27

**Amortization Schedule**  
**\$30,000,000.00 at 5% interest**  
**with 20 annually payments**  
**Total Payments: \$48,145,552.27**  
**Total Interest: \$18,145,552.27**

Period #	Payment Amount	Principal Amount	Interest Amount	Balance Owed
1	2,407,277.62	907,277.62	1,500,000.00	29,092,722.38
2	2,407,277.62	952,641.50	1,454,636.12	28,140,080.88
3	2,407,277.62	1,000,273.58	1,407,004.04	27,139,807.30
4	2,407,277.62	1,050,287.25	1,356,990.37	26,089,520.05
5	2,407,277.62	1,102,801.62	1,304,476.00	24,986,718.43
6	2,407,277.62	1,157,941.70	1,249,335.92	23,828,776.73
7	2,407,277.62	1,215,838.78	1,191,438.84	22,612,937.95
8	2,407,277.62	1,276,630.72	1,130,646.90	21,336,307.23
9	2,407,277.62	1,340,462.26	1,066,815.36	19,995,844.97
10	2,407,277.62	1,407,485.37	999,792.25	18,588,359.60
11	2,407,277.62	1,477,859.64	929,417.98	17,110,499.96
12	2,407,277.62	1,551,752.62	855,525.00	15,558,747.34
13	2,407,277.62	1,629,340.25	777,937.37	13,929,407.09
14	2,407,277.62	1,710,807.27	696,470.35	12,218,599.82
15	2,407,277.62	1,796,347.63	610,929.99	10,422,252.19
16	2,407,277.62	1,886,165.01	521,112.61	8,536,087.18
17	2,407,277.62	1,980,473.26	426,804.36	6,555,613.92
18	2,407,277.62	2,079,496.92	327,780.70	4,476,117.00
19	2,407,277.62	2,183,471.77	223,805.85	2,292,645.23
20	2,407,277.49	2,292,645.23	114,632.26	0.00



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# Potential Fees and Contract Contents Discussion with Two Rivers Utilities

Agenda Item D

