

**City of Mount Holly**  
**Mount Holly City Council Work Session Meeting**  
**Monday, October 26, 2009**  
**Council Chambers**  
**6:00 pm**

**Call to Order**

Mayor Robert Whitt called the meeting to order at 6:06 pm. The following were present:

Mayor Robert Whitt	Eric Davis, City Manager
Mayor Pro-Tem David Moore	Jamie Guffey, Assistant City Manager
Councilman Jerry Bishop	Danny Jackson, Assistant City Manager
Councilman Frank McLean	David Belk, Chief of Police
Councilman Perry Toomey	James Friday, Director of Utilities
Councilman Bennie Brookshire	Dale Oplinger, Fire Chief
Councilwoman Carolyn Breyare	Tina Pritchard, Director of Parks & Recreation
Kemp Michael, City Attorney	Mike Santmire, Streets & Solid Waste Director
Brooke Lopez, Attorney, Kemp Michaels' office	

**Invocation**

Councilman McLean led the Council, staff and attendees in prayer.

**Set the Agenda**

Mayor Whitt asked for any changes to the October 26, 2009 work session agenda. With no changes from Council, Mayor Whitt added a short closed session concerning a personnel matter to the agenda. Councilwoman Breyare made a motion to approve the agenda as presented. Councilman Toomey seconded the motion. With all Council members present, all voted in favor. The motion passed unanimously.

Mayor Whitt welcomed Will Crist and Myles Biggerstaff to this Council Work Session meeting between Council and the Utility Committee.

1. Presentation on Wastewater Treatment Options

Mr. Davis reported that tonight's presentation regarding wastewater treatment options is designed to create discussion among Council and the Utility Committee. He advised that available waste water treatment options will be part of the presentation as well as how the City can meet the environmental mandates while surviving financially.

The first part of the program was presented by Mr. Jackson. Mr. Jackson reviewed the history of the City as far as annexation is concerned as to the impact on the waste water treatment plant. Mr. Jackson wrapped up his part of the presentation by giving Council two (2) viable options, the first was to expand the existing waste treatment plant and the other is to buy into the CMUD Regional Waste Treatment Plant.

Mr. Friday presented the second part of the program explaining each viable option as stated earlier by Mr. Jackson. Mr. Friday explained that the goals of the expansion would be increase capacity, nitrogen and phosphorus removal and upgrade to current technology and regulatory standards. Mr. Friday continued explaining the complications with the existing facility and the changes that would have to be made as part of the upgrade. He advised that all said and done to expand the existing plant it would consist of chemical feed for phosphorus

removal, chemical feed safety upgrades for existing chlorine and dechlorination facility, new sludge storage tank, backup power generator and a new administration building and laboratory. Mr. Friday then explained the option of decommissioning the current waste water treatment facility and pumping to CMUD. He advised that to decommission the Mount Holly waste water treatment facility the City would have to demolish all above ground facilities and underground basins to 3 foot in depth and fill in basins with imported fill. The City would also have to abandon yard piping and other buried items. Mr. Friday further advised that the City could continue to use the sludge storage tanks as equalization. Mr. Friday wrapped up his portion of the presentation reporting on the estimated cost for each option. To expand the existing waste treatment plant would cost the City approximately \$30 million, to decommission and pump to CMUD would cost approximately \$10 million. There was discussion among Staff and Council regarding the portion of the existing plant that lies within the flood plain. Mayor Whitt asked Bob Cooke his expert opinion in regard to the likelihood of CMUD obtaining a permit for the regional waste water system. Mr. Cooke explained that CMUD has already been through a very lengthy permitting process. Therefore he believes that the State will move forward with issuing the permit.

At this time, Mayor Whitt called a short recess.

The meeting reconvened at 7:34 p.m.

Mr. Guffey reviewed the cost of each option. He started by advising Council that expanding our existing plant would increase the day to day operational cost. He explained that an expansion of the plant would mean that the plant would be a 24/7 plant therefore three (3) additional employees would be needed. He further advised that the debt service on \$30 million is a payment of \$1,841,746.29 per year. He explained that the water and sewer fund is an enterprise fund and therefore is self supporting. The debt payment would have to be paid back using funds paid for usage. Mr. Guffey estimated that if Council pursues option A, the price of usage per 1000 would increase to \$3.46. In comparison, Mr. Guffey reviewed the projected costs estimates and debt payment for the CMUD option as well. The yearly debt payment would be estimated at \$613,915.43 a year which in turn breaks down to \$2.16 per 1000 gallons of usage. Mr. Guffey advised that when all the cost estimates are put into perspective, the debt service on Option A would be more than the total cost to treat in the highest year by more than \$600,000. He further advised that Council should keep in mind that the cost estimates do not include any grant money that the City could receive. The city would be very aggressive in pursuing grants to assist with the funding of this project.

Mr. Davis concluded the presentation by summarizing the options and defining a time line for each option. He advised that Option A, expansion of the existing plant, will take 1 ½ years for the permitting process and approval from State agencies. After that, the design process and approval of the design will take approximately a year. Construction of the facility will take approximately 3 years therefore it will be 2016 when the expanded plant would become operational. The timeline for Option B, participating in the CMUD regional treatment plant has a similar timeline. The main difference is that CMUD has already started the permitting process therefore all permits should be secured within a year which would mean that the plant could be operational by 2015. Mr. Davis then reviewed payment and loan options for this project. He advised that one option the City would have if we go in the CMUD direction is contract with Charlotte to borrow the funds for this project. Charlotte is a Triple A agency which means they could get a better interest rate than Mount Holly, therefore we could make payment to Charlotte at a cheaper rate. Mr. Davis touched on System Development Fees as a way to help offset the costs. Mr. Davis wrapped up the presentation advising Council that due to growth and stronger environmental regulations, upgrades to the Mount Holly waste treatment plant is a requirement. Council needs to direct Staff as to which option they wish to pursue.

At this time, Mayor Whitt thanked the Utility Committee for their work on this project and commended Staff for an outstanding presentation. At this time Mayor Whitt entertained a

motion to enter into closed session. Councilman Brookshire made the motion and Councilman McLean seconded the motion. All members present voted in favor. (Motion carried)

Council returned to open session. Mayor Whitt entertained a motion to authorize the City Attorney to proceed with tax foreclosures. Mayor Pro Tem Moore made the motion. Councilman McLean seconded the motion. All Council Members present voted in favor. (Motion carried)

Council directed Staff to continue to talk with CMUD in regard to waste water treatment. It was emphasized that the City needs to keep all options open but when it comes time to start negotiations, Mr. Michael should be involved.

Councilwoman Breyare reported that she has had some complaints in regard to the website. Mayor Whitt directed Staff to have David Jordan at the next Council meeting.

Councilman Brookshire asked if any additional arrests have been made at the Skate Park. Chief Belk reported that the Skate park is still under Police surveillance but no additional arrests have been made. Council agreed to suspend the surveillance at the Skate Park.

Council appointed Mayor Pro Tem Moore in charge of gathering votes for the Employee of the Year.

## 2. Adjourn

With no additional items for discussion, Mayor Whitt entertained a motion to adjourn. Councilman Bishop made the motion to adjourn the October 26, 2009 Work Session Meeting. Councilman Brookshire seconded the motion. All members voted in favor. **(Motion carried)**

The meeting adjourned at 10:01 p.m.