

**TOWN OF SELMA
WORK SESSION
JERNIGAN BUILDING
110 EAST ANDERSON STREET
JULY 18, 2016**

MEMBERS PRESENT:

Mayor Cheryl Oliver, Mayor Pro-Tem Jackie Lacy, Councilmember William Overby, and Councilmember Mark Petersen, and Town Manager Jon Barlow.

Councilmember Tommy Holmes was not present.

Others present: Johnston County Manager Rick Hester and Johnston County Utilities Director Chandra Coats.

Other staff present: Finance Director Karen Johnson, Planning Director Julie Maybee, Fire Chief Phillip McDaniel, Police Chief Richard Cooper, Public Utilities Director Alex Fuller, and Interim Town Clerk Brenda Thorne.

CALL MEETING TO ORDER:

Mayor Oliver called the meeting to order at 3:59 p.m. and declared a quorum was present.

DISCUSSION OF OVERALL WASTEWATER TREATMENT PROCESS, INCLUDING BILLING OF THE TREATMENT CHARGES WITH JOHNSTON COUNTY MANAGER AND UTILITIES DIRECTOR:

Mayor Oliver welcomed special guests Johnston County Manager Rick Hester and Johnston County Utilities Director Chandra Coats. She said that because wastewater treatment was such a big expense, they wanted to have some basic understanding of wastewater treatment for Selma

Johnston County Manager Rick Hester stated he appreciated the invitation for today, and enjoyed getting out to the Towns to talk about different subjects. Mr. Hester introduced Chandra Coats who has been the Public Utilities Director for Johnston County for three years.

Ms. Chandra Coats stated that one question was how does the County bill the Town for wastewater. She said that the formula that Johnston County uses was essentially taking a monthly meter reading of Selma's Wastewater Pump, add the meter reading that comes from Industrial Drive, subtract Pine Level's metered usage that goes through Industrial Drive, subtract the Wilsons Mills area and the County's DOT pump station. Ms. Coats stated that each month a rainfall credit is issued. She said that the rain gauge was located at pump station #1. Ms. Coats stated that the meters are read the first and last day of each month for billing. She said that they also read the Selma pump and Pine Level pump daily, the DOT pump every other day, and the Industrial Drive pump on Mondays, Wednesdays, and Fridays. Ms. Coats stated that the meters are calibrated every six months, and the billing is done each month at the end of the month.

Mayor Oliver asked if the daily totals were calculated manually or if they had software that does the calculation.

Ms. Coats stated that numbers were manually entered into an Excel spreadsheet with the calculations being done in the spreadsheet.

Mr. Hester stated that Johnston County treats the Town of Selma, the Town of Smithfield, the Town of Pine Level, the Town of Four Oaks, the Town of Clayton, and some unincorporated areas.

Ms. Coats stated that the only thing that goes through a portion of Selma's system was Pine Level and a little from the DOT pump station. Ms. Coats reviewed with Council the map that was distributed. She said that the red and green lines on the map were County infrastructures with the green being gravity sewer lines and red being force mains.

Ms. Coats stated that Selma was not the only Town that has experienced higher flows over the past couple of years. She said that they have had two very wet years. Ms. Coats stated that they have seen record levels of wastewater coming into the plant. She said that the County has two projects that are on their main interceptors closer to the plant where they have done investigations for infiltration.

Town Manager Barlow asked if there was any affect to the Town if the County has I and I on their side after it leaves the Town's meter.

Ms. Coats stated that any infiltration after it leaves the Town's meter, the Town would not be billed for, because it would not show up in those meter readings. She said that the County's wastewater treatment plant capacity was 9.5 million gallons per day. Ms. Coats stated that the amount received from Selma varied significantly. She said that the last month of June was low at 23 million gallons from Selma; however, in February there was 55 million gallons received from Selma. Ms. Coats stated February was the record month for Johnston County receiving wastewater. She said that it was clear that infiltration was the reason for that flow to be so high. Ms. Coats stated that there were other towns with similar situations that have older pipelines. She said that the County is currently in a study evaluating an expansion through their system. Ms. Coats stated that the County could go up to 13.5 million gallons per day with their current discharge permit. She said that they have an engineer evaluating options for them to expand their plant for future capacity.

Mayor Oliver asked if there were any initiatives related to the treatment itself, and if there were options for treating the water that would be less expensive.

Ms. Coats stated that because Johnston County was in the Neuse River Basin, nitrogen is what is very expensive for them to treat. She said that they have a limit at the plant. Ms. Coats stated that after the water is treated and discharged back to the plant, there was still nitrogen in that water, and could only discharge a certain amount per year. She said that they have a limit in pounds that could go back into the River per year. Ms.

Coats stated that when they increase the amount of discharge that goes back to the River when the plant is expanded, they still could only put the same pounds of nitrogen in the River that they are putting in now. She said that they have to treat the nitrogen to a higher level as they move forward and expand the plant. Ms. Coats stated that unfortunately that was a more expensive alternative when they talk about treating nitrogen. She said that their engineers were looking at all options for expansion to see what could be most cost feasible when they do their next expansion and for future operation.

Councilmember Petersen asked what they did to treat the nitrogen.

Ms. Coats stated that they have denitrification filters that it goes through, and methanol is added for removal. She said that there was still limitations on how much could come out at that point.

Mr. Hester stated that one of the things that the Board did about five to seven years ago was that the County bought a couple hundred acres on the other side of the River for that ten and fifteen years or beyond in case they needed to put facilities over there. He said that the next expansion would probably max them out at that site.

Councilmember Overby stated that nitrogen increases cost. He asked if the cost was increased per year, was it based on the months, or based on how it is used.

Ms. Coats stated that the way nitrogen was handled right now was in Johnston County's treatment cost. She said that the treatment cost for the Town of Selma was \$2.80 per 1,000 gallons. Ms. Coats stated that as they do an expansion and look at the cost of treatment over time that number could increase.

Councilmember Overby asked if they would notify the Town of a cost increase.

Ms. Coats stated that anytime their Board increases rates, they do a notification to the Town prior to the adoption of the budget and after the budget is adopted.

Mayor Oliver stated that the Town currently has some I and I projects going on, and asked if there was anything else the Town could do to reduce its cost.

Ms. Coats stated that getting rid of the infiltration was key, but finding the source was the hard part.

Councilmember Petersen stated that it had been a few years since the Town had a severe drought. He asked if they have had an instance where they had more water than sewer.

Town Manager Barlow stated that they were close last month where the Town sold about 19 million gallons of water and sent back 23 million of wastewater.

Councilmember Petersen asked if in drought conditions wastewater was going to seep out.

Public Works Director Fuller stated that he was looking back through the years at June. He said that in June during FY 2010/2011 the flow back to the County was 19.9 million, 2011/2012 was 25 million, 2012/2013 was 31 million, and 2013/2014 was 24 million.

Councilmember Overby stated that he heard what Mr. Barlow was saying, but did not totally agree. He said that not all the water sold goes to sewer. Councilmember Overby stated that when he washes his car or waters his lawn, it does not all go in the sewer.

Town Manager Barlow stated that was all relative, because that was the same reading every month. He said that the Town does not have irrigation meters that measure car washes. Mr. Barlow stated most of it was residential use.

Ms. Coats stated that one other item was about 500,000 gallons a month may be coming to the County from the Water Plant in backwashing the filters. She said that might be a little to add to what they are accounting for.

Town Manager Barlow stated that the County has a contract with all its customers for capacity in their wastewater plant. He asked how much capacity does the Town of Selma have in the wastewater plant.

Ms. Coats stated that for wastewater, she does not have a contract with the Town. She said that Selma, Smithfield, Pine Level, and Four Oaks pay one rate for wastewater treatment. Ms. Coats stated that the Town did not buy capacity up front, but was buying it as it goes or as it needs it .

Town Manager Barlow asked if Selma was at the point of allocating capacity in the wastewater treatment plant, because it was such a large user.

Ms. Coats stated that the Town has not purchased bulk capacity. She said that if the Town was to foresee a future project then the Town could secure that upfront.

Town Manager Barlow stated that if the Town had someone come in that produced 10 million gallons a day that would be an issue.

Mayor Oliver asked if the Town could establish such a contract.

Ms. Coats stated that the contract that Johnston County has with Clayton

is they pay a lower treatment rate because they purchase capacity in the County's plant upfront. She said that they could look at something similar for future capacities. Ms. Coats stated that they could look at an interlocal agreement similar to that where the Town would pay a lower monthly rate when the Town purchases capacity upfront. She said that there were definite options to talk about for interlocal agreements.

Mayor Oliver asked if the DOT line included the prison.

Ms. Coats stated that the prison was separate, and would go through Selma's pump station.

Councilmember Overby asked if Micro might start using the County.

Mr. Hester stated that he has heard that from time-to-time over the years of that possibility, but had not heard anything lately. He said that they currently send their wastewater to Kenly. Mr. Hester stated that the Board of Commissioners 10 to 12 years ago put in residential sewer service areas out in the County. He said that they were very limited as to public sewer out in the unincorporated areas. Mr. Hester stated that in the end that was going to be good for the plant and longevity of that. He said that it was controversial policy because they might have a developer that wants to come in to a certain area that are not in the residential sewer area, and puts public sewer in. He said that unless the Board changes its policy, it is not allowed with that density. Mr. Hester stated that there were two to three areas that were allowable, which included the Cleveland area and the Archers Lodge area.

Mayor Oliver asked if the residential customers that were receiving that were paying the same County tax rate as Selma.

Mr. Hester stated that the County tax rate was \$0.78.

Mayor Oliver asked if they paid anything beyond for having the sewer line laid and maintenance.

Mr. Hester answered no. He said that generally the developer was responsible for running those lines. Mr. Hester stated that the developer turns those customers over to the County when it is complete.

Ms. Coats stated that they buy capacity in the plant. She said that there was a charge per household, but it was a one time fee.

Mayor Oliver asked how much a customer generally paid.

Ms. Coats stated that the one-time fee was \$2,700 per lot. She said that the monthly bill was the base fee of \$20.00 plus \$4.80 per 1,000 gallons.

Mayor Oliver questioned if the rates set for those customers covers the cost for those customers. She asked if some of the Town's tax dollars

were going to maintain sewer lines or water lines elsewhere.

Mr. Hester stated that the Board set the water and wastewater program up to be its own business. He said that there were no County tax dollars that goes in to support the system.

Public Works Director Fuller asked if there was a separate rate for nonresidential or multifamily use if the Town was going to purchase capacity.

Ms. Coats stated that multifamily was \$2,700 per unit, and the nonresidential capacity fee for retail customers was \$11.25 per gallon, which is a one-time fee.

Mayor Oliver stated that it was mentioned that the meters were recalibrated every six month. She asked how often they are replaced.

Ms. Coats stated that they are replaced as needed.

Mayor Oliver asked what was considered the average life span.

Public Works Director Fuller stated that it depended on the type of meter, size of the meter, and the amount of flow going through it. He said that manufacturers specify in gallons how many gallons they expect to flow through it. Mr. Fuller stated that the condition of the water could have something to do with it as well.

Councilmember Overby stated that Selma had a lot going on with working on the I and I. He asked if there was a way to cross reference the readings versus the billing.

Ms. Coats stated that was difficult to do. She said the best way was by calendar. She said that they are read on the 1st and 31st. She said that it was difficult when it was not simultaneous. Ms. Coats stated that the County would give any of the Town's staff access if they want to read any of the County's master meters. She said that if they want to coordinate certain days to compare readings that could be done as well.

Mayor Oliver asked if there have been any known billing errors in the past.

Ms. Coats stated that she was not aware of any. She said that she has been overseeing the billing for three years. Ms. Coats stated that that if anytime anyone sees anything in the monthly readings to give her a call and she would take a look at it.

Mr. Hester stated that at any point anyone who would like to go see the wastewater plant operations could do so. He said that it was an interesting process.

Ms. Coats stated that if Council had questions later or needed more information to give her or Rick Hester a call.

Town Council thanked Ms. Coats and Mr. Hester for meeting with them.

**UPCOMING SEWER
PROJECTS:**

Town Manager Barlow distributed a list that was based on some smoke testing results from a couple of years ago. He said that this information was prepared by Public Works Director Alex Fuller. Mr. Barlow stated that it was obvious from the smoke testing that these were prime candidates and needed further investigation. He said that any inflow and infiltration that the Town could prevent going to Johnston County would reduce the Town's cost.

Town Manager Barlow stated that staff had an update meeting regarding the Noble Street project. He said that it appeared that they were coming in a little under budget. Mr. Barlow stated that there were some funds that the Town did not want to deobligate. He said that there were some rules about what could be done as far as the type of work in the scope of the project area. Mr. Barlow stated that Public Works Director Fuller had given them good reason why the Town should do some additional work, which tied well into some of these locations.

Mr. Fuller stated that initially before the Noble Street Project started, bidded out, and found out that the bids came in low. He said that with the help of the engineers, the Town went back to USDA to take a look at the whole project to see if there was anything that could be included inside that footprint. Mr. Fuller stated that a few items were added. He said some things went from a manhole rehabilitation to a manhole replacement, which would give the Town a better long term solution. Mr. Fuller stated that they were able to tweak a few things and had a couple other things that they are still going to add to that project. He said that there were some other areas that directly contribute to this project, but were not within that footprint. Mr. Fuller stated that a proposal would be submitted to USDA for some other items, and have the USDA engineer approve them in this project. He said that it would probably include the replacement of some manholes. Mr. Fuller stated that they needed to do something that was straight forward, simple, that would have a positive impact, and would get a good cost of benefit out of it. He said that there were two to three manholes in the Lizzie Street vicinity that he is trying to add in. Mr. Fuller stated that if that request was denied, they would bring it back in to look a little closer.

Mayor Pro-Tem Lacy asked if at the end of Webb and Jones Streets there was a system there that will not catch the water.

Mr. Fuller stated that the railroad has a ditch that runs beside it all the way down to the end of Webb Street. He said that at some point, there was a catch basin installed there. Mr. Fuller stated that a pipe was going underground towards the railroad. He said that the bottom of that pipe and the ditch that it empties into was lower than the railroad ditch. Mr.

Fuller stated that the only way to do that would be to bring the railroad ditch down the entire length until it got to the pipe that crosses the railroad. He said that was within the railroad right-of-way. Mr. Fuller stated that the Town has been given permission to clean out the railroad ditch, and had cleaned about 250 feet of it in an effort to drain South Sellers Street. He said that the water flowed a little, but it does not empty the ditch. Mr. Fuller stated that the ditch would require quite a bit of work to take it down to its original depth.

Mayor Pro-Tem Lacy asked if there was any way to eliminate the water that is standing.

Mr. Fuller stated that at the end of Webb Street, they could fill it in. He said instead of trying to dig the ditch out, they could fill in the catch basin so it does not go underground, but would run off perhaps to the railroad ditch. Mr. Fuller stated that would require more research. He said that a catch basin was a hole underground that holds water and cannot drain.

Mayor Oliver stated that a couple years ago some work was being done at the intersection of Waddell and Sumner Streets, and some smoke testing was being done. She said that because of the smoke coming up, she thought that would be on this list.

Mr. Fuller stated that a lot of those were sewer clean out points. He said that there were a number of reasons why the cap might not be closed and the smoke would come out. Mr. Fuller stated that the Town took a strong approach to replacing those caps.

Councilmember Overby asked if they were seeing any clean outs that were being replaced on a regular basis.

Mr. Fuller stated that they were not seeing as much as they were initially. He said that if they found a clean out in a driveway, if possible, they would relocate it out of the driveway. He said that they try to keep an eye on the repetitive things.

Town Manager Barlow stated that their immediate concern was the USDA project on Noble Street was coming to an end, and did not want to lose those extra funds. He said that they were looking to rehabilitate or replace five to eight manholes pending approval to expand the project outside the original footprint.

**UPTOWN SELMA
APPEARANCE
IMPROVEMENT IDEAS &
INCENTIVES TO
ENCOURAGE NEW
UPTOWN BUSINESSES:**

Mayor Oliver stated that going back to what was she said at the Council meeting about trying to do something in the near term for the uptown Selma appearance. She said that the Marketing Committee was going to be doing window clings on some vacant buildings. Mayor Oliver stated that there were many walls that needed to be painted. She said that their part in it would be to identify the walls and bidding it out. Mayor Oliver stated that the property owners would be paying for the painting. She said that usually they could get lower rates for multiple buildings versus each

business going out contracting individually. Mayor Oliver stated that this would be a way in which they could help the property owners and to encourage them to take action. She said that realtors often do this by putting multiple buildings out for bid.

Mayor Oliver stated that this ties into the next discussion item – Incentives to Encourage New Uptown Businesses. She said that they need to engage the property owners of the vacant properties and find out what their intentions are.

Councilmember Overby stated that the last time this was discussed, SURF funds were mentioned. He said that there was not but so much in that fund per year. Councilmember Overby stated that he was not sure that painting was covered under SURF.

Mayor Oliver stated that she had checked, and it was covered.

Town Manager Barlow stated that \$3,000 was budgeted each year, and it was a first come, first serve basis.

Councilmember Overby stated that he did not want it publicized that if they paint their building, they were going to get the money back from the Town. He said that they might have enough funds to go around.

Mayor Oliver stated that they would have an idea of how many walls and how many businesses would be involved. She said that they might want to add a few dollars from somewhere.

Councilmember Overby stated that he would like for it to be looked into. He said that he was not sure that they would get \$500.00.

Town Manager Barlow stated that the maximum was \$500, and was dollar-for-dollar. He said the applicant would have to show the S.U.R.F. Board the expenditure.

Mayor Oliver stated that as a special project, they could put some rules around the project.

Mayor Oliver asked Planning Director Maybee if she has had conversations with the intention of the property owner for the buildings that were vacant or being used as storage.

Planning Director Maybee stated that whatever policy was adopted, it needed to be predictable and consistent. She said because there were other programs out there, they want to be able to encourage people into vacant buildings, but also encourage the ones that are occupied for them to do improvements as well.

Mayor Oliver stated that the painting job was for occupied or for vacant properties.

Ms. Maybee stated that there were a lot of buildings with broken glass, which is covered under the existing S.U.R.F. grant.

Mayor Oliver stated that they needed the data, and then they could talk about the incentives. She said that the facade grant also needed to be looked at to see if it needed updating.

ADJOURNMENT:

With no further discussion, the meeting adjourned at 5:06 p.m.

BRENDA W. THORNE, INTERIM TOWN CLERK