

**ROCKY MOUNT TOWN COUNCIL  
SPECIAL COUNCIL MEETING  
WORK SESSION  
NOVEMBER 18, 2013**

The Rocky Mount Town Council special meeting work session was held at the Rocky Mount Municipal Building located at 345 Donald Avenue, Rocky Mount, Virginia on November 18, 2013 at 4:15 p.m. with Mayor Steven C. Angle presiding.

On behalf of the Rocky Mount Town Council, the meeting was called to order by Mayor Angle, with the following members of Council being present:

Vice Mayor Gregory B. Walker and Council Members Jerry W. Greer, Sr., Bobby M. Cundiff, P. Ann Love, Robert L. Moyer and Billie W. Stockton

For the record, the following were present: All members of Town Council as noted, Town Manager C. James Ervin, Assistant Town Manager/Community Development Director Matthew C. Hankins, Finance Director Linda Woody, Superintendent of the Wastewater Department Timothy Burton, Superintendent of the Water Department Robert Deitrich, and Town Clerk Patricia H. Keatts .

**APPROVAL OF AGENDA**

Prior to the meeting, Council had received the agenda for review and consideration of approval.

**Motion Action Taken:**

Motion was made by Council Member Greer to approve the agenda as presented, seconded by Vice Mayor Walker and carried unanimously by those present.

**PRESENTATION BY TOWN STAFF ON UTILITY OPERATIONS AND THE FISCAL HEALTH OF THE UTILITY FUND**

The Town Manager came before Council stating the following:

- Has spent a lot of time over the past several years on making sure the Town is on track with the fiscal health of the Utility Fund.
- The Superintendents of the Wastewater and Water departments will be giving Council a good faith effort overview of their department's expenses over the next five years.
- Budget-wise, both departments have been pretty much spot-on.

- Water Department went through a pretty intense year being on budget and accountable, and now at an average of 87% water accountability.
- See no reason for changing the budget, but at this time, will be looking at the capital improvements for the next five years regarding the Utility Fund.

Wastewater Plant Five-Year Improvement Projections:

The Superintendent of the Wastewater Plant presented the following to Council:

- The Wastewater Plant's Capital Improvement Project (CIP) in the past five years has been limited to replacing analyzers and sensors on the oxidation ditch (\$14,120 in 2011); building an Ultra-Violet (UV) structure with the help of the Public Works Department (\$6,392 in 2011); UV replacement of one of two channels (\$249,736 in 2012-2013); new lab testing equipment (\$6,335 in 2013), new truck (\$22,000 in 2014), and Supervisory Control & Data Acquisition (SCADA) for the Wastewater Department (\$25,000 in 2014). The total for the past five years was \$323,583 (\$276,583 without including those costs for 2014).
- The Town's current CIP list with a cost of \$630,000 is as follows:
  - o 2014-15:
    - Headworks Compactor (\$80,000), with this item to replace one that is currently worn out. This item definitely needs to stay in budget as it has to be replaced.
    - SCADA for the pump stations (\$60,000). This number will be reduced significantly this coming year with the new plans staff have developed for the pump stations.
    - Climbing screen for Powder Mill pump station, which will help protect the pumps. (\$110,000). This item has been pushed back for several years and may have to be again.
  - o 2015-16:
    - Launder covers for clairifiers (\$80,000). These covers are to help with algae control and maintenance cleaning. It is possible for this to change to brushes instead of covers in the future with all the improving technologies that are now available. This item may also be pushed back due to other equipment needing replacement. There are other ways out there that may come in more reasonable.
  - o 2016-17:
    - Has nothing on the list at this present time.
  - o 2017-18:
    - The Second UV Channel (\$300,000). This is another item that may get pushed back depending on what has totally work out by that time. Another deciding factor will be how long staff can get support and bulbs for the older system. Not opposed to indefinitely pushing it back as long as staff can get the bulbs and parts for it.

The Wastewater Plant will be 20 years old in May 2014. This is statistically the life of a wastewater plant according to equipment manufacturers. Lots of the equipment is no longer supported and staff cannot get parts to refurbish, with staff having to replace with newer models. This equipment varies a lot in dependability. Most of this equipment would have to be replaced instantly if it was to have a catastrophic failure in order for staff to

maintain their current treatment process. If it all was included in the next five year CIP plan, it would add \$863,000 to the current \$630,000, for a total of \$1,493,000.

Items that are seen as potential, at a best guess estimate, needing to refurbish or replace in the next five years are:

- Three pumps at main pump station at \$60,000 each (\$180,000)
- Climbing screen at main pump station (best guess estimate of \$150,000)
- Climbing screen at Wastewater Plant (\$100,000)
- Grit chambers in headworks building (price not known yet, but could exceed \$100,000)
- Grit screw washer in headworks (price not known yet, but could exceed \$100,000)
- Digester blower (\$7,000)
- Main plant PLC (\$15,000)
- Building heaters (\$10,000)
- Yard light replacement at Wastewater Plant (\$16,000)
- Ph Monitoring equipment (\$10,000)
- Flow meters (\$3,000 to \$5,000 each) (Three out of six have already been replaced)
- Eight Faulk gear drives (\$20,000 each)

The Wastewater Plant is going to need to add another staff member in the near future. The government regulations on the lab has more than doubled in the past three years, resulting in a lot more time operating the lab. The maintenance has really increased over the last few years with the Wastewater Plant aging and staff have the same staff level that was present 20 years ago. It takes a minimum of six years to train a Class I operator to run a wastewater system. In the next five years, the Wastewater Plant has two employees that are eligible to retire and they are also the only two that can currently operate the Wastewater Plant as Class I operators.

During the presentation by the Superintendent of the Wastewater Plant, the following was discussed:

- Explained in detail what a climbing screen for the pump stations would be.
- Explained in detail how the rain water affects the UV system.
- Currently, have two operators that have Class I licenses, being himself and Mr. Brian Sink, with both of them being able to retire within five years (not saying this will happen, but there is the potential to do so). Currently, the Wastewater Plant has one Class II and one Class III, with no employee at the plant having a Class IV. The intern that they had at the plant just recently took a job with Western Virginia Water Authority, the same as the one previously interning for the Town. The intern position paid \$8.00 per hour with no benefits. Will need approval from Council to allow another intern position to be made available in January. There was discussion regarding the process of hiring someone for the Wastewater Plant, with it being explained that the person best fit for the job is considered. The Town Manager explained that with the new State regulations, the Wastewater Plant personnel head count needed to go up. It was confirmed also to Council that the State does not give the Town any funds to help offset the new State regulations. The Town Manager and Finance Director confirmed to Council that they will bring before Council during the next fiscal year budget review consideration of Council having another position opened at the Wastewater Plant.

The Town Manager pointed out that the Superintendent of the Wastewater Plant's submitted list showed a history of the plant starting to show age and why he has asked for the list of items in order to have a five year path to work those items into the budget.

The Mayor asked the Superintendent of the Wastewater Plant to prioritize his list on what is needed when the next fiscal year budget is discussed.

#### Water Plant Five-Year Improvement Projections:

The Superintendent of the Water Plant presented the following to Council:

- Recent capital improvements at the Water Plant have had a significant impact on the list of long and short-term capital needs.
- Over the last five budgets, capital spending at the Water Plant has been less than \$30,000 per year, up until fiscal year 2013 when a significant upgrade was made to the electrical system.
- Capital spending since fiscal year 2009 has been as follows:
  - o Fiscal year 2009: \$22,000
  - o Fiscal year 2010: \$30,000
  - o Fiscal year 2011: \$7,000
  - o Fiscal year 2012: \$5,000
  - o Fiscal year 2013: \$288,000
- Approximately \$30,000 has been spent at the two water system pump stations for the pump and motor maintenance as well.
- The somewhat more abbreviated list of capital items for the next five years mostly includes rehab of old, but serviceable, equipment.
- Most of the plant's raw and finished water pumps are at the point where they need complete removal, disassembly, machining and part replacement, but if properly serviced, they will last many more years.
- Similar issues at the plant's two pump stations are included.
- Other equipment that will require replacement soon includes some of the plant's water quality monitoring equipment.
- All of the plant's turbidimeters have been obsoleted by the manufacturer and are no longer eligible for factory service. Staff has been procuring used replacements via the internet as a short-term measure so staff can plan for a comprehensive replacement of the system.
- Additional items that are in the planning stages at this point include removal of the Pendleton Street water tank, and the plant's conversion from chlorine gas to a liquid chlorination feed system.
- The Town's current CIP list (showing costs) is as follows:
  - o 2015 (total of \$450,000):
    - Chlorine bleach conversion (\$100,000)
    - Finished water pump rebuild (1 of 3) (\$20,000)
    - Flow meter replacement (\$30,000)
    - Parking lot lighting (replacing 400 watt bulbs to LED) (\$15,00)
    - Blackwater Dam (safety project that cannot be put off due to nature of the project (\$25,000)

- Turbidity meter replacement/steaming current monitor (\$25,000)
- Pendleton Tank removal (\$235,000)
- 2016 (total of \$80,000):
  - Finished water pump rebuild (2 of 3) (\$20,000)
  - Parking lot rehab/security gate (\$30,000)
  - Lower pump station – pump/motor rehab (1 of 2) (\$15,000)
  - Air handler with coils – replacement (\$15,000)
- 2017 (total \$57,500):
  - Finished water pump rebuild (2 of 3) (\$20,000)
  - Lower pump station – pump/motor rehab (2<sup>nd</sup> of 2) (\$15,000)
  - Upper pump station – pump/motor rehab (2<sup>nd</sup> of 2) (\$15,000)
  - Basement floor rehab (\$7,500)
- 2018 (total of \$35,000)
  - Sludge collection system replacement (\$50,000)
  - Flocculator mixers – replace all (\$35,000)
- 2019 (total of \$75,000)
  - Raw pump rebuild (2<sup>nd</sup> of 2) (\$25,000)
  - Tank mixer – 220 South tank (\$50,000)
- Grand total for five year CIP plan is \$697,500

During the presentation by the Superintendent of the Water Plant, the following was discussed:

- The Superintendent of the Water Plant has tried to space the listed items over the next five years, and although some of the items have been pushed back, others may needed immediate need, but allowed flexibility.
- Discussed the conversion of chlorine gas to liquid chlorination feed system, with the Town Manager emphasizing that this is a current high priority for protection of the staff and residents because in the past, a former Water Plant employee had been affected by the chlorine gas.
- Regarding the parking lot, will have information and quotes available about this during the next fiscal year budget process. The Superintendent of the Wastewater Plant indicated that this will be in his budget also and he and the Superintendent of the Water Plant will get together and more than likely, submit as a joint endeavor.
- Discussed that a lot of the cost for the Blackwater Dam project is for the permitting costs. The rocks will only cost about one-half of the projected cost. Town needs to maintain the site safely, and also show that the dam's area in relation to the natural settling is kept up. This project is the first touch-up since the placement of the rock and will have to be looked at again in four years.

#### Public Works Department Five-Year Improvement Projections:

Due to the Public Works Director not being present, the Town Manager presented the following:

- Replacement of North Main Street 8" water line (\$350,000)
- Convert to radio-read meter reading (\$786,618)

- Extend sewer line on Scuffling Hill Road (\$60,000)
- Extend State Route 40 West sewer line (\$100,000)
- Extend sewer line on Bernard Road (\$25,000)
- Grand total for five year CIP plan is \$1,336.618

During the presentation by the Town Manager in lieu of the Public Works Director, the following was discussed:

- The proposed converting of the radio-read meter reading is more of a wish-list item.
- Have discussed in the past the extension of the sewer line on Scuffling Hill Road in that it is difficult to cost justify the project as it will only serve a few people, which also is the same for the extension of the sewer line on Bernard Road.
- Discussed how far the sewer line now goes on State Route 40 West.
- Discussed if the land where the formerly proposed housing project was going to be on Bernard Road would be developed any time soon, but not sure due to the past decline in the housing industry.

Five Year Estimate of Capital Revenues and Expenses:

Prior to the meeting, Council had received a spreadsheet breakdown showing a five year estimate of capital revenues and expenses, along with the 2013 water/sewer/trash rates, and the proposed 2014 through 2016 water/sewer/trash rates.

There was discussion regarding:

- The Town's proposed rate plans ends at fiscal year 2017-2018.
- In January 2014, the sewer plant will be paid off and should be able to dedicate \$2 million or more for capital expenses.
- If Council looks at everything presented to them at this time, should have an estimated shortfall of \$756,181, which is good news as Council has a fiscal fund in place to pay 78% of costs. If Council stays on the current plan to 2018, will be really close to balance.
- In next fiscal year's budget, will push some things forward to get in the Town in the "black", and will spread the costs out.
- Council will get a budget that has a five year plan that is within reach.
- The proposed water/sewer/trash rates were discussed. By and large, the Town did a massive job in communicating to customers the capital recovery fee for meters. The Town has significantly lowered the elderly/disabled rate. Last year was the heavy lifting, but next year and the following should be very little change.
- Discussed that the Town Manager will make arrangements regarding the debt service.

Council Member Cundiff stated that since the Town is now averaging around 87% of water accountability, he would like to see that the Water Plant has the proper equipment to keep a good average. Discussed replacing the flow meter now to make sure the accountability percentage stays good. The Town Manager advised the Water Plant Superintendent to bid out this item (flow meter replacement) and to bring before Council during the regular December Council meeting.

**ASSISTANT TOWN MANAGER'S REQUESTS**

The Assistant Town Manager had a couple of items to bring before Council at this time that was not related to the Utility Fund, being:

1. Request to hold a special Council meeting related to an item dealing with the Virginia Tobacco Commission grant funds.
  - After discussing which date best fits for Council to meet, the date of Thursday, November 21, 2013, at 5:00 p.m. was determined to be the best time.
2. Update regarding 20 Spring Street.
  - Trying to deal with 20 Spring Street as a nuisance as the Franklin County Building Inspector has determined that the house is not condemnable.
  - The Town has hired LMW Engineers, with an inspection of the home taking place today. Did discover some structural damage and other issues. Should have a report back from them soon. If the Franklin County Circuit Court Judge determines the house is not livable, the Town does have money in the budget for demolition, if that is what the judge allows.

**ADJOURNMENT**

At 5:45 p.m., motion was made by Council Member Stockton to adjourn, seconded by Council Member Love and carried unanimously.

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Steven C. Angle, Mayor

ATTEST:

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Patricia H. Keatts, Town Clerk

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