



MEMORANDUM

TO: Mayor and Board of Commissioners

FROM: Bryan Gruesbeck, Town Manager

SUBJECT: Updates

DATE: March 14, 2016

Background: Below please find updates on many current projects:

Sanford Sanitary Sewer Line Extension/WWTP Enhancements – The Mayor and I attended a meeting with representatives from the North Carolina Department of Environmental Quality (DEQ) Division of Water Infrastructure (DWI) on March 2, 2016 w/r/t the Town's application to the Clean Water State Revolving Fund (CWSRF) application. You may recall that the Town received a "Notice of Intent" (NOI) for funding improvements to the existing WWTP and the extension of a sanitary sewer force main from Pittsboro to Sanford.

Essentially, the NOI creates a need for more work. We will need to take steps to design the project, allow DWI to review and approve the design, submit bid package for DWI review/approval, allow the Local Government Commission (LGC) to review the design/intergovernmental agreements/developer agreements, select a bidder, execute a contract with the successful bidder, get approval from DWI to approve the bidder/contract...and begin construction.

Once the construction phase begins, we will need to coordinate with the DWI and the Contractor to administer the project and process the payments. I have attached a flow chart from DWI and I will review this with you during our Board meeting.

In our case, the "intergovernmental agreement" mentioned above would be a Service Contract between the City of Sanford and the Town of Pittsboro. I have had initial discussions with Sanford's Town Manager and Utilities Director and they are agreeable to using their agreement with the Town of Goldston as a template. A few items are subject to more discussion – namely the cost of service and ownership of the infrastructure. In other words, the Goldston agreement is a starting point.

Additionally, we will need to execute an agreement with the developer, which will spell out how they will assist the Town with the loan repayments. Preston has indicated their willingness to guarantee the payment of capital fees as a means of guaranteeing CWSRF payments.

I have been reaching out to Financial Advisors (FA) who have experience in infrastructure, the LGC as well as intergovernmental and developer agreements in order to assist the Town through this critical stage. I look forward to presenting more information for your review on the March 28 meeting.

Chatham Park PDD Master Plan: Additional Elements – Preston Development reports that the Additional Elements will be submitted to the Town by the end of March or early April 2016. Staff will provide an overview of process for the Additional Elements to the Town Board of Commissioners during a subsequent meeting. The first Small Area Plans are anticipated by early May 2016.

Proposed Chatham Park Special Assessment District – Preston Development presented information to the Chatham County Board of Commissioners on March 7, 2016 (Please see attached PowerPoint). The Chatham Board of Commissioners received the information and asked questions. There was no formal decision. Attached please find additional information sent to you earlier via Town Attorney Paul Messick. Also attached is a description of the Issue as discussed at the Legislative Breakfast on February 25, 2016. Please note that this attachment contains a red-lined “Article 9A –Special Assessments for Critical Infrastructure Needs” with proposed language edits.

Northside Water System Improvements – Town Staff and developers have been reviewing the engineering plans. Hydrostructures is reviewing the water pressure modeling on behalf of the Town in order to determine sufficient flow based on the design.

Salisbury Street Storm Drain Improvements – The drain replacement is complete. New asphalt was patched around the structure in advance of paving Salisbury Street.

Engineering/Planning/Parks/Utilities Office Space – Move in is complete. The Town has arranged for repainting of the parking areas – particularly the handicapped spaces – as well as the asphalt speed bumps. The landlord has also committed to repairing the damaged areas the end of March.

Finance Director Replacement: I have scheduled and conducted interviews with two (2) candidates. The Finance Department is scheduled to interview the candidates during the week of March 7.

Planner II Hiring: An additional position was budgeted to accommodate an increased workload associated with development associated with Chatham Park and other developments. With the move to the new office in Chatham Mills complete we are ready to bring on a qualified planner. Staff has placed a “help wanted” advertisement in various publications, listserves, and the local newspaper. Applications and resumes will be accepted until April 1, 2016. Interviews are anticipated during the week of April 11, 2016. The successful candidate could start work in early/mid-May 2016.

FY 2016-2017 Annual Budget Process: Departmental Budgets are due to the Town Manager on March 11, 2016. The initial draft of the Budget will be submitted to the Board of

Commissioners on May 9, 2016. This date allows for at least three (3) regularly scheduled meetings – May 23, June 13 and June 27 for discussion and approval. In the past, we have also scheduled additional meetings. We may consider the addition of one additional meeting in early/mid-June depending on the remainder of our agenda.

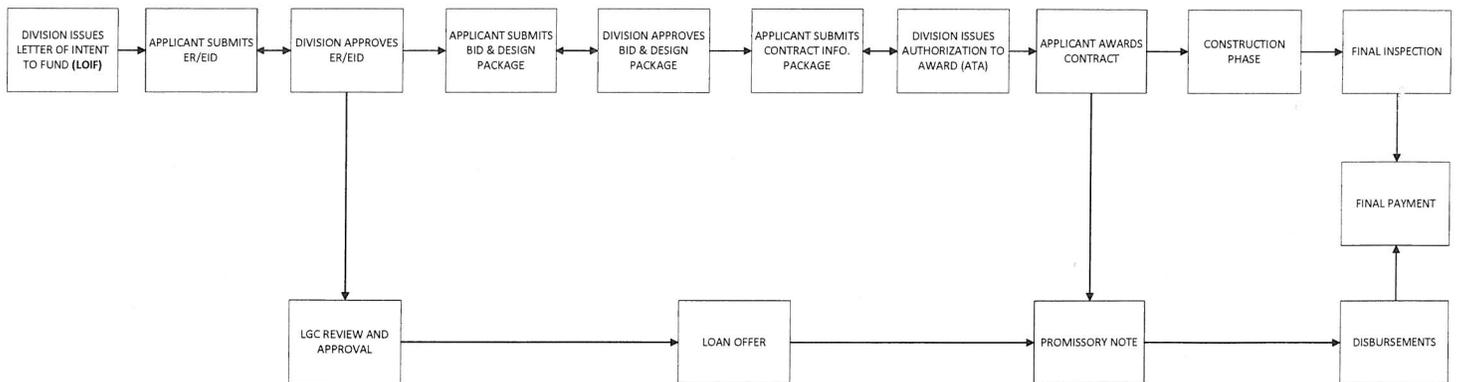
Action Requested: Receive the information and provide feedback.

TITLE: DIVISION OF WATER INFRASTRUCTURE (DWI) LOAN PROGRAM
 FUNDED PROJECT OVERVIEW

UPDATED 02/16/16

PAGE 1 OF 1

DEADLINE FOR 2015 JUN 1, 2016 NOV 1, 2016 MAY 1, 2017 SEP 1, 2017 JAN 2, 2018 FEB 1, 2018
 DURATION 4 MONTHS 5 MONTHS 6 MONTHS 4 MONTHS 4 MONTHS 1 MONTH



**WASTEWATER TREATMENT CONTRACT
BETWEEN
THE TOWN OF GOLDSTON, NORTH CAROLINA
AND
THE CITY OF SANFORD, NORTH CAROLINA**

THIS CONTRACT made and entered into on the _____ day of _____, 2012, by and between the City of Sanford, a North Carolina municipal corporation located in Lee County, North Carolina, hereinafter referred to as "Sanford", and the Town of Goldston, a North Carolina municipal corporation located in Chatham County, North Carolina, hereinafter referred to as "Goldston."

WITNESSETH:

WHEREAS, Sanford owns and operates a wastewater collection and treatment system with capacity capable of serving the customers of Goldston's system as proposed; and

WHEREAS, Goldston is constructing a wastewater collection system to service the wastewater need in and around the town; and

WHEREAS, Goldston is in need of treatment capabilities for the collected wastewater;

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements hereinafter set forth, the parties hereto agree as follows:

1. Collection, Treatment and Disposal of Wastewater: Goldston agrees to collect wastewater from the area shown on the attached map (Exhibit A) and to transport wastewater that complies with Sanford's Sewer Use Ordinance to an approved connection point (see map Exhibit B). Goldston agrees to own, operate and maintain the collection system to the point indicated on the attached map, and to design and operate the system in a manner that eliminates any and all odors at the point of delivery. Sanford agrees to receive wastewater collected by Goldston at a specified point of connection on Sanford's waste system and, to the best of their ability, to transport said wastewater from the point of connection to the treatment facility, to treat said wastewater to state and federal standards, and to discharge effluent in accordance with state and federal requirements. Unless mutually agreed upon hereafter, Sanford shall only accept wastewater at the specified location.
2. Service Area: Goldston shall not provide wastewater treatment services to any customer outside its Service Area without the written consent of Sanford. Goldston's Service Area shall consist of Goldston's corporate limits and the

shaded area as shown in "Exhibit A". Written consent shall be by current application for discharge permit use by Sanford at the time of request.

3. Connections to System: Subject to all conditions stated herein, Goldston's pumping station and force main shall be used for transporting wastewater from within Goldston's Service Area to Sanford's sewer system. GOLDSTON MUST RECEIVE PRIOR WRITTEN APPROVAL BY SANFORD FOR ALL NON-RESIDENTIAL CONNECTIONS. Approval will be subject to review by the Sanford pre-treatment staff, and connections and use shall be required to conform to Sanford Sewer Use Ordinance.
4. Term: The initial term of this Contract shall extend to and include June 30, 2032; and, thereafter shall automatically renew for additional 1 (one) year terms, until written notice is given thirty (30) days prior to the end of the term, by either party, of intent to terminate this agreement.
5. Charges for Treatment: Sanford agrees to charge and Goldston agrees to pay the charges for treatment of the wastewater as shown on list of charges included in "Exhibit C".
6. Annual Rate Changes: All parties agree to an annual review of the rates which may be adjusted accordingly based on treatment costs and volumes, and other reasonable expenses or costs. Sanford shall provide Goldston at least thirty (30) days notice of any anticipated rate changes.
7. Billing: Sanford shall furnish Goldston a monthly bill for the actual amount of measured wastewater delivered to it, and treated at the then applicable rate. Regardless of the amount of actual usage or any usage, Goldston agrees to pay a minimum monthly bill.
8. Quantity: Sanford agrees to receive a volume delivered in a uniform manner up to the monthly average of 0.065 MGD. Sanford and Goldston hereby agree that at such time as Goldston's wastewater discharge exceeds 0.065 MGD as a monthly average, at Sanford's option, Sanford shall refuse to accept more than the maximum volume, Sanford shall charge a surcharge or premium to treat any amount above the maximum volume, or Sanford and Goldston shall negotiate a new treatment volume limit. If a new volume limit cannot be mutually agreed upon, this contract may be terminated.
9. Installation of Metering Equipment: Goldston agrees to furnish and install, at the expense of Goldston, the necessary metering equipment and required devices of standard type, as approved by Sanford, for properly measuring the quantity of wastewater delivered to Sanford and to calibrate the metering equipment, when requested by Sanford, once every twelve (12) months. If requested more than once in a twelve (12) month period, Goldston shall test the metering equipment to see if it registers 3% above or below the test flow.

If so, Goldston shall calibrate the equipment. If the test reveals that the meter is registering accurately (within 3% above or below) Sanford shall pay for the testing.

10. Meter Readings: Goldston agrees to transmit meter readings to Sanford via automatic meter reading technology compatible with Sanford's meter reading and billing capabilities. Metering shall be done such that a report of the daily volumes can be provided to Sanford, along with a log of pump run times, recording charts, calibrations and adjustments, which shall be provided upon request. Sanford, at all reasonable times, shall have access to the meter for the purpose of verifying its readings. A meter registering not more than three (3%) percent above or below the test shall be deemed accurate. The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the three (3) months previous to such test in accordance with the percentage of inaccuracy found by such tests.
11. Meter Failure: If any meter fails to register for a period of fourteen (14) days or less, the amount of wastewater furnished during such a period shall be deemed to be the amount of wastewater delivered in the corresponding period immediately prior to the failure. If the wastewater meter fails to register for a period greater than 14 calendar days, the amount of wastewater furnished after the initial 14-day period shall be billed an amount for a volume equal to the rated capacity of the wastewater pump(s), multiplied by the total time pumped. If the replacement of the meter is deemed necessary by the Engineer of the City of Sanford, the replacement shall be arranged by Goldston and cost of replacement paid by Goldston.
12. Failure of Delivery: Sanford will, at all times, to the best of its ability, operate and maintain its system in an efficient manner and will furnish Goldston with the maximum capabilities as stated herein. Temporary or partial failures to receive wastewater shall be remedied with all possible dispatch but shall not constitute a breach.
13. Force Majeure: It shall not be considered a breach of this contract and Sanford shall not be responsible for an inability to perform or any delays, damages, costs, expenses, liabilities or other consequences that may arise as a result of force majeure. A "force majeure" is defined as any event arising from causes beyond the reasonable control of Sanford, including but not limited to fire, flood, acts of God, terrorism, war, natural disaster, tornado, hurricane, civil strikes or labor disputes, riots, system failure, broken pipes, or other actions causing an inability to serve beyond the reasonable control of Sanford.
14. Regulatory Agencies: This Contract shall be subject to all valid rules, regulations and laws applicable hereto passed or promulgated by the United State of America and the State of North Carolina. The parties agree that this

Contract is subject to such rules, regulations, or laws as may be applicable to similar agreement in this State, and Sanford and Goldston will collaborate in obtaining such permits, certifications, or the like, as may be required to comply therewith.

15. Compliance: Goldston shall comply with any terms or conditions of Sanford related to the wastewater. Goldston agrees to act to assure compliance by all of its customers with Sanford's Sewer Use Ordinance. Goldston agrees that if the effluent from Goldston's system exceeds the parameters, the penalties under Sanford's Sewer Use Ordinance apply and shall be paid by Goldston or passed on to its customers, up to and including termination of service.
16. Right of Access: Sanford shall have the right to collect and analyze wastewater samples from within Goldston's collection system to determine compliance with Sanford's Sewer Use Ordinance and to determine sources of non-compliance.
17. Successors: In the event of any occurrence rendering Goldston or Sanford incapable of performing under this Contract, any successor of Goldston or Sanford, whether a result of legal process, assignment, or otherwise, shall succeed to the rights of Goldston and Sanford hereunder, respectively.
18. Indemnity and Limits of Liability: In the event wastewater that does not conform to the Sanford Sewer Use Ordinance and which causes upset at the Wastewater Treatment Plant or causes Sanford to exceed its discharge permit parameters, attributed to Goldston and/or its customers, Goldston shall indemnify Sanford and pay any penalty, costs or expenses that Sanford incurs. Sanford shall not be liable for any failure of the wastewater collection system of Goldston. Sanford shall not be liable for any failure of the wastewater treatment system that is attributable to discharges from Goldston's wastewater collection system.
19. Obligation to Goldston: Payments due by Goldston hereunder shall be made monthly.
20. Goldston to Fix Adequate Rates: Goldston shall fix and collect such rates and charges for sanitary sewer services and will make possible the prompt payment of all expenses of operating and maintaining its sanitary sewer collection system. Failure to do so shall constitute a breach of this Contract.
21. Termination: Following the initial term, either party can terminate this agreement with thirty (30) days written notice, prior to the end of each term, to the parties listed below.
22. Amendment: The provisions of this agreement may be amended at any time upon mutual written agreement of the parties.

23. Severability: If any of the provisions of this contract are held invalid, illegal, void or unenforceable, the enforceability of the remaining provisions shall not be impaired thereby.

24. Notices: All notices required pursuant to this Contract shall be given in writing, to the following :

Town of Goldston
Mayor

P. O. 415
Goldston, N.C. 27252

City of Sanford
Mayor
Manager
Public Works Director
P.O. Box 3729
Sanford, N.C. 27331

25. Municipal Approvals: Each municipality shall cause this agreement to be approved by its governing board.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this Contract to be duly executed in duplicate counterparts, each of which shall constitute an original.

CITY OF SANFORD

TOWN OF GOLDSTON

Mayor

Mayor

ATTEST:

ATTEST:

Clerk

Clerk

Exhibit C



CITY SEWER RATES

SEWER

\$2.25 per 1,000 gallons

MINIMUM MONTHLY CHARGE

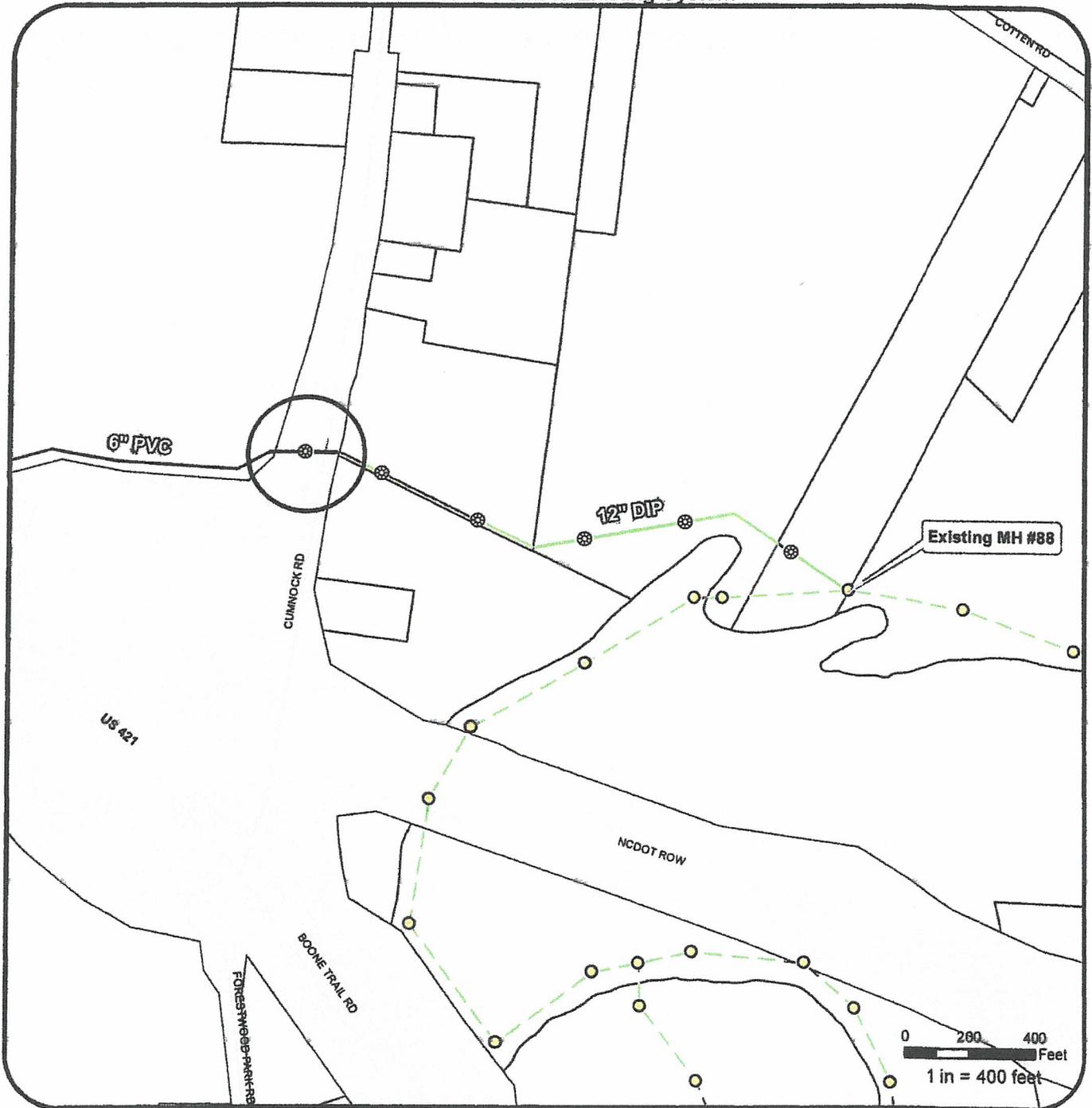
\$1,012.50

(Usage up to 450,000 GALLONS/month)

Exhibit B: Town of Goldston & City of Sanford Wastewater Treatment Contract



Connection Point to Existing System



Legend

- Proposed Town of Goldston Forcemain
- Proposed City of Sanford Gravity Sewer
- - - Existing City of Sanford Sewer

WITHERS & RAVENEL

ENGINEERS | PLANNERS | SURVEYORS

111 MacKenan Drive, Cary, North Carolina

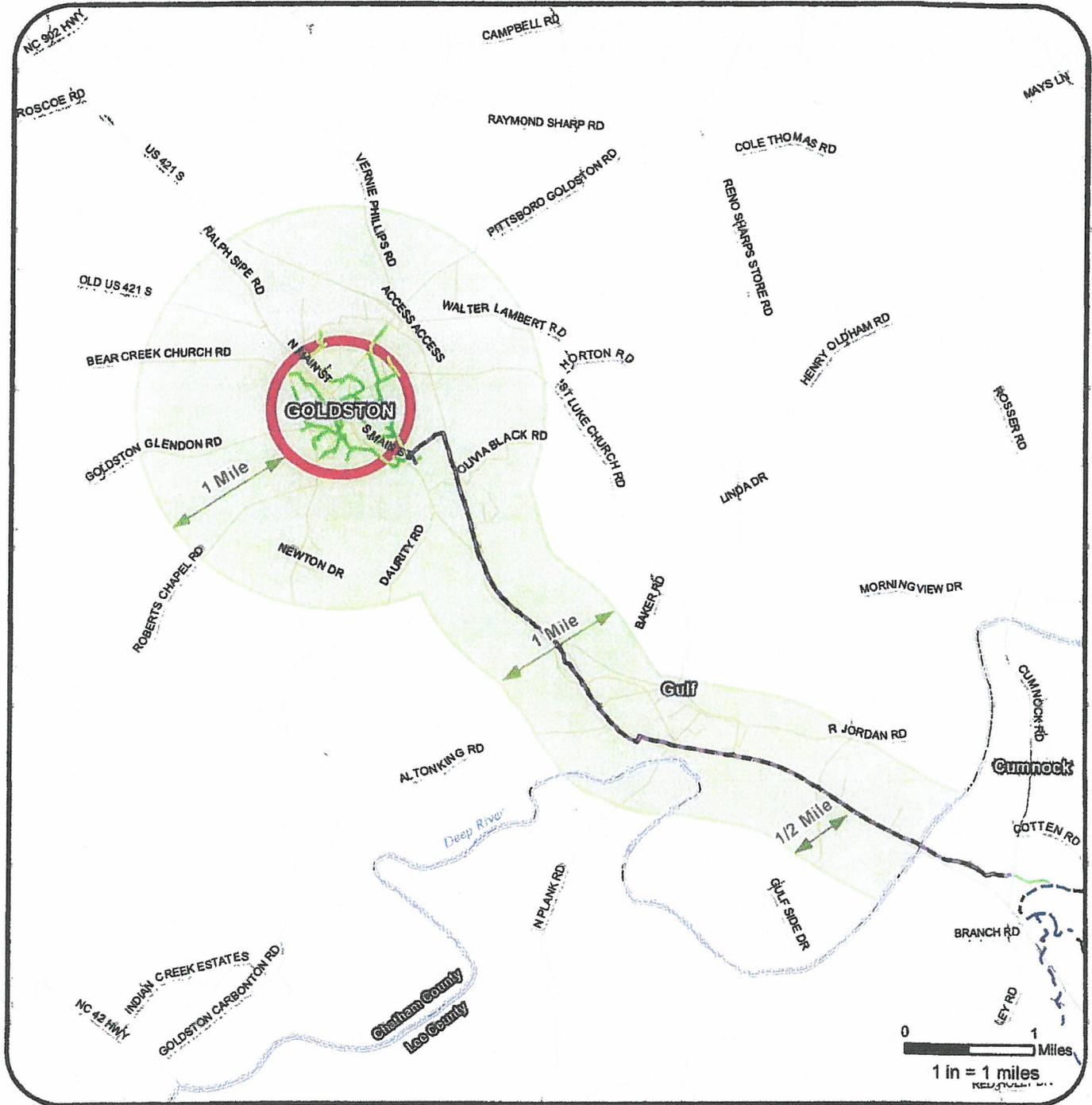
Tel.: 919.469.3340

www.withersravenel.com

Exhibit A: Town of Goldston & City of Sanford Wastewater Treatment Contract



Town of Goldston Sewer Service Area



Legend

- Service Area
- Town Limits
- Proposed Gravity Sewer
- Proposed Force main
- City of Sanford Sewer System

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