



C O U N C I L M I N U T E S S E P T E M B E R 6, 2 0 1 8 1 : 0 0 P M, O A K R I D G E T O W N H A L L

The meeting was called to order at 1:05pm. The following were present:

Council

Gail Dunham, Mayor
 Dena Barnes, Mayor Pro-tem
 Teresa Pegram
 Reece Walker

Staff

Scott Whitaker, Town Manager
 Lance G. Heater, Town Clerk

This was a joint meeting of the localities of Guilford County, Oak Ridge, Stokesdale and Summerfield called for the purpose of hearing a joint presentation by the Timmons Group of a regional study of a public water system. Following a welcome by Spencer Sullivan, Mayor of Oak Ridge, Marty Lawing, Guilford County Manager, provided a historical review of the project. The General Assembly appropriated \$3.6 million in 2017 for Guilford County to develop a regional water system. These funds have to be spent or encumbered by June, 2020. Oak Ridge, Stokesdale, Summerfield and Guilford County contracted with the Timmons Group to perform a feasibility study at a cost of \$175,000. The main purpose of the study was to determine if a regional water system could be developed for the purposes of improving public safety and public health.

David Saunders, of the Timmons Group, gave an overview of the presentation: study area, objectives, background efforts, groundwater investigation done to date, engineering approach, financial analysis, system governance and next steps. The study area was northwest Guilford County, including Stokesdale, Oak Ridge and Summerfield. Objectives were to identify water sources, service area priorities, water system layout, estimated cost of infrastructure, cost to customers and governance options.

Brent Waters, of Golder Associates, reviewed the groundwater investigation efforts of the study. This resulted in a preliminary assessment of groundwater resources in the area.

David Saunders reviewed service area priorities which had been identified in each community. Saunders then reviewed the water supply source assumptions. The first scenario was a combination of groundwater and purchased surface water. The second scenario was purchased water only. That scenario assumes supply by the City of Reidsville. Demand projections were made using usage assumptions for residential, commercial and industrial customers. The study envisioned elevated storage tanks in Oak Ridge, Summerfield and Guilford County, in addition to the existing storage tank in Stokesdale. The primary utility corridor would be State Route 150, with larger mains transitioning to smaller mains off of that corridor. The financial analysis resulted in an infrastructure cost of \$52.5 million for the first 5 years of the project with a groundwater/purchased water alternative versus \$58.3 million for the purchased water only alternative. For years 6-10, capital costs would be shared by developers. Infrastructure costs would be financed through traditional loans or bond sales. Operation and maintenance costs were estimated and escalated at 2.5% annually. Purchased water costs were escalated at 3% annually. Initial consumption is estimated at 312 million gallons annually. Various monthly customer costs were estimated under different supply scenarios.



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Robert Oast, of McGuire, Wood & Bissette, presented options for governance of the water system. The main options discussed were a water authority and a water district, both of which are special purpose local governments with their own governing boards.

Saunders listed the next steps: 1) conduct a geophysical groundwater investigation to confirm the availability and anticipated well yields and water quality; 2) prepare a preliminary engineering report with NC DEQ for their review and approval; 3) obtain commitments from localities and determine the governance of the structure; and 4) engagement of legal and financial consultation. The meeting was then opened up for questions. The consultants responded to numerous inquiries from the representatives of the participating localities in relation to the information presented. It was noted that a detailed written report would be issued by the consultants in the near future.

The meeting was adjourned at approximately 2:00pm.

Gail Dunham, Mayor

Lance G. Heater, Town Clerk