

# CAROLINA BEACH

Budget Workshop Meeting Minutes  
Tuesday, May 5, 2020 @ 9:00 AM  
Council Chambers  
1121 N. Lake Park Boulevard  
Carolina Beach, NC 28428

## ASSEMBLY

A Budget Workshop Meeting of the Town of Carolina Beach Town Council was held on Tuesday, May 5, 2020, at 9:00 AM in Council Chambers.

PRESENT: Mayor LeAnn Pierce, Mayor Pro Tem Jay Healy, Council Member Lynn Barbee, Council Member Steve Shuttleworth, Council Member JoDan Garza

ALSO PRESENT: Town Manager Bruce Oakley, Assistant Manager Ed Parvin, Finance Director Debbie Hall and Town Clerk Kim Ward

### 1. MAYOR PIERCE CALLED THE MEETING TO ORDER

### 2. DISCUSSION ITEMS

#### a. COVID-19 Update

Town Manager Bruce Oakley gave an update on COVID-19, including plans for reopenings and public participation in Council meetings.

#### b. Water Study

Adam Kiker of LKC Engineering and Brian Cox of Engineering Services gave a presentation about the Town's Water Supply Improvements Study via Zoom. The purpose of the study was to address long-term challenges with water supply quality and quantity.

What is the challenge?

Water system peak day supply has exceeded 12-hour pumping rates in recent years

- Consecutive peak days cause operational challenges
- Current available system supply: 1,956,600 gal/day

Other challenges

- Concerns over degradation in water quality with the existing wells
- Develop a plan to satisfy growth in system demand while planning for changes in water quality
- Land availability creates challenges for new water supply infrastructure

Alternatives considered

- Construct more storage to buffer peak days
- Add a third filter at the Alabama WTP to increase supply
- Construct a new treatment plant using membrane filtration: 801 Dow Road site, Cape

- Fear WTP site, MOTSU site near the sewer plant
- Bulk water purchase from Cape Fear Public Utility Authority

#### Phased approach

##### Phase 1

- Install a third filter at the Alabama WTP site with new wells
- Construct a new 1,000,000-gallon clearwell and pump station
- Begin the NPDES permitting process for Phase 2

Preliminary Budget: \$7,735,000

- Increases available supply by approximately 500,000 gallons
- Added storage provides a buffer for consecutive peak days in the near-term
- Infrastructure will be used in Phase 2

#### Phased approach

##### Phase 2

- Construct a membrane treatment facility on MOTSU property (near the sewer plant) with one 1.0-mgd skid
- New, higher-yield supply wells
- Re-direct Cape Fear WTP flow to membrane plant

Preliminary Budget: \$15,068,000

- Adds 1,000,000 gal/day capacity initially
- WTP sized for 4.0 mgd buildout capacity
- Add membrane trains in the future as needed
- Existing wells can be directed to the new membrane plant over time

Total: \$22,803,000

#### Schedule

##### Phase 1

- Start design, funding, land acquisition 2020
- Begin construction 2022
- Phase 1 completion 2023

##### Phase 2

- Discharge permit acquisition 2021-2023
- Start design and funding 2024
- Begin construction 2026
- Phase 2 completion 2028

#### Future investments

- As water quality degrades in the existing wells, more water can be directed to the membrane facility; water can be blended downstream of the membranes, delaying the expense of new membrane skid(s)
- Membrane skids can be added at a relatively low cost
- Consider drilling new, higher-yield wells rather than piping networks to the existing wells

Due to audio difficulties, Mayor Pro Tem Healy recommended that Council postpone the rest of

the presentation and discussion until Mr. Kiker and Mr. Cox were able to attend a meeting in-person. Council Member Shuttleworth said he thought they had done a good job summarizing the report and giving a path forward, but questions remain about timing and finances. Mayor Pierce said she was also concerned about how the Town would pay for the improvements. Mr. Oakley said capital planning is a challenge, but he is working with a modeling program to show scenarios for such projects and suggested meeting with Council members individually to demonstrate how it works.

Mayor Pierce brought up the matter of permission from Military Ocean Terminal Sunny Point (MOTSU) for anything that needs to be done on that property. Assistant Manager Ed Parvin said there was not an active request in, so Mayor Pierce asked for this to be done. Council Member Shuttleworth said he wanted to see a diagram of the MOTSU chain of command, including names. He said at some point in the future MOTSU will need to be involved in decisions about significant utility needs for the Town, and this information would be beneficial now and in the future to start laying the groundwork for those discussions.

### c. Budget Update

Mr. Oakley led a discussion on the FY 20/21 budget. He reviewed handouts that outlined revenue numbers. He said the budget was still short in the General Fund and Utility Fund. He said it was likely possible to balance the General Fund without raising taxes, but he was unsure about the Utility Fund.

Council Member Shuttleworth said he wanted to see what last year's revenue and expenses were for the Utility Fund. He said he was expecting a loss of revenue of at least \$1 million for March-May of this year due to COVID-19.

Mayor Pierce said State Senator Harper Peterson has asked for a projection of the Town's loss due to COVID-19. She said assistance funds would go to the County and then be distributed to municipalities via a method that is yet to be determined. Mayor Pierce asked Mr. Oakley to reach out to County officials to find out more.

Mayor Pierce asked about the possibility of using room occupancy tax funds to help with Town expenses instead of for some of the activities that money usually funds. While the New Hanover County Tourism Development Authority would have to approve a move like this, she said she thinks they might be lenient due to the current economic circumstances.

Mr. Oakley said the Town is doing everything possible to slow spending for the remainder of the current fiscal year and is looking at the next fiscal year as a maintenance budget that keeps things operating.

Council also discussed more COVID-19 issues, including reopening Freeman Park and public bathrooms as well as restaurant restrictions and other matters under State control.

### **3. NON-AGENDA ITEMS**

Council Member Garza asked if the Town was planning to use the beach rake this month. Plans call for this to be done around Memorial Day.

Council Member Shuttleworth asked about reducing the number of blue barrels along the beach because he said it encourages people to pile up there trash even if they are full. He said people are more likely to take their trash with them if they don't see a barrel. Mayor Pierce said she also would like to see the number of blue barrels reduced.

Council Member Garza mentioned that Carolina Beach Lake could use skimming and grass carp to reduce the growth of nuisance vegetation. Public Works Director Brian Stanberry said draining and pumping the lake can be a challenge for the fish because they get sucked into the equipment, but the Town can look into some alternatives.

Council Member Barbee said he thinks the Internet connection at Town Hall may not be sufficient for video conferencing, such as the virtual presentation earlier via Zoom. He suggested that the Town get its IT vendor to do an analysis and make changes as necessary because this could become a major form of communication as the COVID-19 pandemic continues.

Mayor Pierce asked Council members to please support her as she issues upcoming proclamations for changing and easing COVID-19 restrictions. She noted that the public can be very opinionated regardless of the route that Council takes.

Council Member Barbee expressed concern about people across the country not respecting stay-at-home orders and wondered what could be done. He also said people should prepare for a difficult time as supplies continue to be short. Mayor Pierce said she also worried about short supplies for businesses as they reopen because everyone would be pulling from the same sources.

#### **4. ADJOURNMENT**

Mayor Pierce made a motion to adjourn at 11:00 AM. Motion passed unanimously.