



Town of Pilot Mountain  
Town Hall 124 West Main Street Pilot Mountain, NC 27041  
Monday, January 11, 2021, 7:00 PM

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## **BOARD OF COMMISSIONERS REGULAR MEETING AGENDA**

**Call to Order/Moment of Silence/Pledge of Allegiance**

**Adoption of Agenda**

**Public Comment**

*Anyone may speak on any issue. Before speaking, please state your name and address. Please limit comments to three minutes.*

**Consent Agenda**

- [1.](#) Approval of Minutes

**Board & Committee Reports**

- [2.](#) ABC Board Report

**New Business**

- [3.](#) Mt Airy Interconnect Bid Acceptance
- [4.](#) Mt Airy Water Agreement Amendment
- [5.](#) Mt Airy Interconnect Additional Funding Acceptance
- [6.](#) County Water Agreement Amendment

**Administrative Reports**

- [7.](#) Town Manager & Staff Reports

**Mayor and Commissioners Comments**

**Other Business**

**Adjourn**

**Town of Pilot Mountain  
Board of Commissioners Meeting  
Monday, December 7, 2020  
Regular Meeting 7:00 PM**

**Members Present:** Mayor Evan Cockerham, Commissioner Rachel Gilley, Commissioner Donna Kiger, Commissioner Scott Needham and Commissioner Dwight Atkins

**Staff Present:** Town Manager, Michael Boaz and Town Clerk, Holly Utt

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**Call to order 7:00 PM**

Mayor Cockerham called the meeting to order at 7:00 PM. After a moment of silence, Commissioner Quinn led the pledge of allegiance.

**Organizational Matters**

Commissioner Atkins made a motion to appoint Commissioner Needham as Mayor Tempore and it was unanimous.

**Adoption of Agenda**

Commissioner Needham made a motion to adopt the agenda as presented and it was unanimous.

**Public Comment**

No comments

**Consent Agenda**

- October 12, 2020 Regular Meeting Minutes
- Approval of Hazard Mitigation Plan
- Transfer of Cemetery Plots

Commissioner Needham made a motion to approve the consent agenda as presented and it was unanimous.

**ABC Board Report**

October 2020 sales were \$170,688, an increase of 49.3% over October 2019 sales of \$114,305. November 2020 sales were \$163,806, an increase of 22% over November 2019 sales of \$134,598.

Mayor Cockerham presented an award to Christy Craig. This award from CivicPlus recognizes Christy as a Top 100 National Volunteer for her community

**New Business**

**Resolution Honoring Service of Kimberly Quinn**

**Resolution Honoring Service of Hilda Willis**

Mayor Cockerham read the resolutions honoring former Commissioners, Kim Quinn and Hilda Willis and presented them with plaques.

Commissioner Collins made a motion to approve Resolution 2020-17 honoring the service of Kimberly Quinn and it was unanimous.

Commissioner Collins made a motion to approve Resolution 2020-18 honoring the service of Hilda Willis and it was unanimous.

#### **Resolutions Honoring Service of Zoning Board of Adjustment Members**

Commissioner Needham made a motion to approve the following resolutions and it was unanimous.

- Resolution 2020-19 Recognizing the service of Dr. Rick Smith
- Resolution 2020-20 Recognizing the service of Lee Cook
- Resolution 2020-21 Recognizing the service of Greg Smith
- Resolution 2020-22 Recognizing the service of Erin Needham
- Resolution 2020-23 Recognizing the service of Charlotte York

#### **Resolutions Honoring Service of Planning Board Members**

Commissioner Collins made a motion to approve the following resolutions and it was unanimous.

- Resolution 2020-24 Recognizing the service of Carolyn Boyles
- Resolution 2020-25 Recognizing the service of Jerry Reid
- Resolution 2020-26 Recognizing the service of David Thomas

#### **Commissioners Meeting Schedule**

Mr. Boaz asked the Board to set the official meeting schedule for the next two years. Mayor Cockerham asked that the workshops be moved to Thursdays. Commissioner Needham made a motion to adopt the meeting schedule of regular meetings the 2<sup>nd</sup> Monday of each month at 7:00PM and workshop meetings be held the 3<sup>rd</sup> Thursday of every other month at 6:00PM and it was unanimous.

#### **Resolution Honoring Service of Jimmy Collins**

Mr. Boaz stated that Jimmy had retired from the Pilot Mountain Police Department with 15 years of service to the town. This resolution will honor his service and award his badge and gun upon retirement from part time service. Commissioner Needham stated that Sergeant Collins had gone above and beyond the call of duty and was available at any time and his service is very commendable. Commissioner Atkins made a motion to adopt Resolution 2020-27, honoring the service of Jimmy Collins, and it was unanimous.

#### **Armfield Civic Center Pool Discussion**

Mr. Boaz explained that the HVAC unit that regulates the pool temperature and humidity at the Civic Center has went out. The replacement cost is well over \$200K. At the previous workshop it was discussed whether or not the town should support the project. Mr. Boaz recommended the town contribute \$20K towards the project. If the Civic Center raises more money than needed for this project, they will save towards other projects in the pool area such as re-surfacing the pool and repair of therapeutic equipment. Commissioner Atkins asked when the money would be sent to the Civic Center if it was approved. Mr. Boaz stated that it could be sent whenever the Board decides to send it. Mayor Cockerham asked if the Board could send half of the contribution and then the other half later in the fiscal year. Commissioner Kiger asked how much the Armfield Center budgets yearly for maintenance and capital improvements. Mr. Boaz stated that he was not on the finance committee and did not have their financial statements available. Commissioner Atkins stated that he didn't know if they budgeted

for those types of capital needs, just mainly for operational purposes. Commissioner Kiger asked when the last time their financial statements were reviewed. Commissioner Atkins stated that he had requested the year to date and quarterly statements. After only receiving and reviewing the year to date, they are running at close to a \$10K deficit. Commissioner Kiger asked if they were not budgeting for maintenance on their equipment and facility then wouldn't the town just budget \$20K for them each year instead of coming up last minute and asking for funding. Commissioner Atkins stated that between their revenue and expenses then they just have enough to operate. Mayor Cockerham stated that there was not enough membership to support capital projects in their budget and this would be better for discussion at the budget meeting. Commissioner Needham suggested town residents get discounts due to the funding received from the town. Discussion ensued about funding to the Armfield Center with other agencies. Commissioner Atkins stated the he was in favor of contributing to the pool project but he would like the contribution to be distributed later on in the fiscal year. Commissioner Kiger stated that she would like to wait until closer to the end date of their fundraiser since they are reporting that they have raised most of it, and with all the unknowns of Covid-19, it's just a surprise to the town and she doesn't want to pass the burden on to the taxpayers. Commissioner Needham made a motion to contribute \$10K to the Armfield Center with reconsideration at a future meeting. Commissioner Kiger asked if any funding was received from the Federal Government due to Covid. Commissioner Atkins stated that they did receive some funding and it was used to keep the center open. The motion passed with Commissioner Kiger opposed.

## **Administrative Reports**

### **Town Manager's Report**

- The town is continuing to work with Smith-Rowe and the engineers on the Interconnect Project. A revised budget has been presented and in talking to the State, the town could be eligible for loan funding but no more grant funding. The 1.4 million additional needed has been shared with Surry County and the City of Mt. Airy. This would raise the payment approximately \$20K. They are still working with engineers to shave off more costs and more accurate numbers will be presented at the January meeting.

### **Mayor and Commissioners Comments**

**Commissioner Needham:** Wished everyone happy holidays and thanked them for persevering through these trying times. He also noted that the garbage cans on Main Street were full and needed to be emptied. Mr. Boaz stated that he would have that taken care of. He also thanked former Commissioners, Kim Quinn and Hilda Willis, for their service on the Board.

**Commissioner Collins:** Thanked Kim Quinn, Hilda Willis and those who had served on the Planning Board and Board of Adjustment for their service. She thanked Christy Craig for having the Mistletoe Market and the Rescue Squad for the parade.

**Commissioner Kiger:** Thanked former Commissioners, Kim Quinn and Hilda Willis and their service was appreciated. She also thanked Christy Craig for all her volunteer efforts.

**Commissioner Atkins:** Expressed his appreciation for Kimberly Quinn and Hilda Willis, as well as those who had served on the Planning Board and Board of Adjustment and Sergeant Jimmy Collins. He hopes that the town can be instrumental in helping the Armfield Center.

**Mayor Cockerham:** Thanked former Commissioners, Kim Quinn and Hilda Willis for their service to the town. He also expressed appreciation of those who served on the Planning Board and Board of Adjustment. He congratulated Jimmy Collins on his retirement and the promotion of Adam Livengood to Sergeant. Mayor Cockerham reminded everyone that the January meeting will be held remotely. He thanked the Pilot Mountain Rescue Squad and the Police Department for assisting with the parade. He encouraged everyone to wear a mask and shop local.

**Other Business**

No other business to discuss.

**Adjourn or Recess**

Commissioner Collins made a motion to adjourn and it was unanimous.

Respectfully Submitted:

Attest:

\_\_\_\_\_  
Holly Utt  
Town Clerk

\_\_\_\_\_  
Evan Cockerham  
Mayor



TOWN OF PILOT MOUNTAIN  
BOARD OF COMMISSIONERS MEETING

ABC Board Report	
<b><u>Background Information:</u></b>	
ABC Board Chairman Billy Pell provided the monthly report on the ABC Store.  December 2019: 164,549 December 2020: 255,094 Increase of 35.5%	
<b><u>Staff Recommendation:</u></b>	Information only
<b><u>Possible Board of Commissioner Actions</u></b>	
<ul style="list-style-type: none"><li>• Take no action</li></ul>	
<b><u>Attachments</u></b>	
<ul style="list-style-type: none"><li>• None</li></ul>	



TOWN OF PILOT MOUNTAIN  
BOARD OF COMMISSIONERS MEETING

Mt Airy Interconnect Bid Acceptance	
<b><u>Background Information:</u></b>	
The Town received bids for the Interconnect project in November 2020. Of 7 bids, Smith Rowe Construction's bid was the lowest. We have negotiated with Smith-Rowe, and the final bid price is \$4,491,041.65. McGill and I recommend that the Board tentatively award the contract for this project to Smith-Rowe.	
<b><u>Staff Recommendation:</u></b>	Approve resolution tentatively awarding contract to Smith-Rowe
<b><u>Possible Board of Commissioner Actions</u></b>	
<ul style="list-style-type: none"><li>• Approve resolution</li><li>• Deny approval of resolution</li><li>• Table until a later date</li><li>• Take No Action</li></ul>	
<b><u>Attachments</u></b>	
<ul style="list-style-type: none"><li>• Resolution R2021-01 Mt Airy Interconnect Tentative Contract Award</li></ul>	

**RESOLUTION OF TENTATIVE AWARD OF CONTRACT FOR  
MT AIRY INTERCONNECT PROJECT**

**WHEREAS**, the **Town of Pilot Mountain**, North Carolina has received bids, pursuant to duly advertisement notice therefore, for construction of the **Water Interconnect Project**, and

**WHEREAS**, the Town’s Consulting Engineer, McGill Associates, has reviewed the bids; and

**WHEREAS**, of seven (7) bids, Smith-Rowe, LLC of Mount Airy, North Carolina was the lowest bidder for the Water Interconnect Project, in the total bid amount of \$4,491,041.65, and

**NOW THEREFORE BE IT RESOLVED, BY THE BOARD OF COMMISSIONERS OF THE TOWN OF PILOT MOUNTAIN:**

That **TENTATIVE AWARD** is made to Smith-Rowe, LLC in the Total Bid Amount of \$4,491,041.65.

That such **TENTATIVE AWARD** be contingent upon the approval of the North Carolina Department of Environmental Quality, Division of Water Infrastructure.

That James Michael Boaz, Town Manager / Finance Officer, the **Authorized Official**, and successors so titled, is hereby authorized to execute and approve all contract documents and change orders for this project on behalf of the **Town of Pilot Mountain**.

**ADOPTED** by the Board of Commissioners of the Town of Pilot Mountain this the 11<sup>th</sup> day of January 2021.

Attest:

\_\_\_\_\_  
*Evan Cockerham, Mayor*

\_\_\_\_\_  
*Holly Utt, Town Clerk*



TOWN OF PILOT MOUNTAIN  
BOARD OF COMMISSIONERS MEETING

City/County Water Agreement Amendment	
<b><u>Background Information:</u></b>	
<p>In January 2019, the Pilot Mountain Board of Commissioners approved a water agreement with the City of Mt Airy and Surry County. In this agreement each of the three entities agreed to pay 1/3 of the no interest loan on an annual basis, expected to be \$32,500. The agreement allowed that amount to increase by 25% without further action by the three governing bodies, but with the bids coming in high we have exceeded that allowable amount. The current estimated annual payment is \$56,583.33. I have shared this information with the City of Mt Airy and Surry County managers. They will be sharing this with their respective Boards in due course, but I would like to ask this Board to approval an amendment to the current contract that changes the expected payment amount to \$56,584 per year.</p> <p>We will need this updated contract before this new application goes before the LGC for approval as we are depending on the payments from these other entities to make the full payment to the State.</p>	
<b><u>Staff Recommendation:</u></b>	Approve Amendment to Agreement
<b><u>Possible Board of Commissioner Actions</u></b>	
<ul style="list-style-type: none"><li>• Approve amended agreement</li><li>• Deny approval of amended agreement</li><li>• Table until a later date</li><li>• Take No Action</li></ul>	
<b><u>Attachments</u></b>	
<ul style="list-style-type: none"><li>• Revised Contract between Mt Airy and Pilot Mountain</li><li>• Revised Contract between Surry County and Pilot Mountain</li></ul>	

**INTERLOCAL AGREEMENT BETWEEN THE  
CITY OF MOUNT AIRY AND THE TOWN OF PILOT MOUNTAIN  
FOR REGIONAL WATER PRODUCTION AND DISTRIBUTION**

THIS INTERLOCAL MUNICIPAL AGREEMENT is made and entered into as of the 17<sup>th</sup> day of January, 2019, by and between the **TOWN OF PILOT MOUNTAIN**, a North Carolina Municipal Corporation, hereinafter referred to as “Town”, party of the first part, and the **CITY OF MOUNT AIRY**, a North Carolina Municipal Corporation, hereinafter referred to as “City”, and party of the second part;

**WHEREAS**, City has made substantial investments in water treatment facilities and has unused capacity available to treat and supply additional water; and

**WHEREAS**, City has excess water which it is willing to make available for sale to Town which will provide additional income to City; and

**WHEREAS**, Town has installed and maintains water lines, water mains and elevated tanks as well as a water treatment facility which is in need of significant updating; and

**WHEREAS**, Town and City have conferred and agreed that City has adequate resources to supply potable water to Town which would prevent Town from having to expend substantial funds to modernize its water plant; and

**WHEREAS**, the regional water production and distribution contemplated by City and Town will provide public water availability to unserved areas between the municipal boundaries of City and Town which will: (1) facilitate commercial and residential development and provide needed municipal services to existing and future area residents and commercial enterprises; and (2) allow for economic development and growth; and

**WHEREAS**, Town was awarded a 50% grant of \$1,950,000 and 50% zero interest loan in the amount of \$1,950,000 from the State of North Carolina in order to fund the contemplated regional water production and distribution system addressed in this Interlocal Agreement; and

**WHEREAS**, City, Town and County of Surry (“County”) have each approved payment of one-third of the State’s zero interest loan over a period of twenty (20) years; and

**WHEREAS**, in furtherance of these goals, Town and City have agreed to execute this Interlocal Agreement as a framework for the extension of water lines from the terminus of City’s existing lines to a designated point near Simmons Grove Church Road where a master meter will be located (the “Point of Connection”), with each municipality being responsible for the lines and distribution apparatus on its side of the master meter located at the Point of Connection.

**NOW, THEREFORE**, it is agreed as follows:

1. Sale of Treated Water to Town. During the term of this Agreement Town shall purchase from City not less than 100,000 gallons of water per day. For water sold to Town, City shall establish an initial volumetric rate of \$2.84 per 1,000 gallons of water. City further agrees to retain the treatment capacity and raw water necessary to provide Town daily treated water purchases of not less than 100,000 gallons, nor in excess of ~~21,000,000~~ 21,000,000 gallons per day.

In the event that Town uses more than ~~21,000,000~~ 21,000,000 gallons of water in a day, City shall be entitled to a 15% penalty for water consumed by Town over the limit of ~~21,000,000~~ 21,000,000 per day. All above calculations are based on the monthly average of the water passing through the meter.

Minimum Monthly Charge: City's rate structure includes a fixed minimum monthly amount charged by City to its customers. This minimum monthly charge will not be charged by City to Town during the term of this agreement.

Town's water rates will increase no more than the lowest rate increase of City's other customers.

City agrees to furnish Town with treated water to a master meter located at the Point of Connection. It is the intent of the parties that City shall own the utility lines and infrastructure (and be solely responsible for maintenance, insurance, repair and replacement) from the point of terminus of existing lines to the Point of Connection. Town shall own (and be solely responsible for maintenance, insurance, repair and replacement) of water lines and other distribution infrastructure from the Point of Connection to and throughout Town limits. The City shall own their section of the line after the loan is repaid in twenty (20) years or when it is allowed by the lending agency.

2. Term and Financing. The term of this Interlocal Agreement shall commence ninety (90) days after the date that all regulatory agencies have given approval for connection to the project and continue for a term of forty (40) years. Town agrees to begin using City water within this 90 day period as its primary source for supplying water to Town. Upon mutual consent, the parties may extend the term for additional terms of ten (10) years.

Town, County and City shall each pay one-third of the zero interest loan from the State of North Carolina, currently estimated to be ~~\$56,584,0032,500.00~~ paid annually by each (the "Estimated Payment"). Once the actual annual payment is fixed (the "Actual Payment"), any increase in the Actual Payment shall be limited to not more than twenty-five percent (25%) above the Estimated Payment without mutual agreement between County and City. City and County shall remit payment to Town over a term not to exceed twenty (20) years and Town shall timely remit payment to the State, when due.

3. Water Quality and Water Pressure. City shall be responsible for ensuring that the quality of the treated water leaving its water treatment facility and pumped to the Point of Connection meets the North Carolina Safe Drinking Water Act standards and the regulations established in the North Carolina Rules Governing Public Water Systems (NCAC 15A(18C)) and any amendments thereto. Treated water at the Point of Connection shall have a chlorine residual that exceeds the minimum standards by at least 50%, and any contaminants shall be a minimum of 25% below the maximum contaminant level, based on the current standards and regulations outlined above (which are subject to change). Thereafter, Town shall be responsible for water quality pumped from the Point of Connection toward the Town's corporate limits, which may result in the need for additional pumps, the need for chlorination stations and/or further treatment of water that it deems necessary or desirable.

City shall maintain water pressure sufficient for the flow to fill Town's above ground storage tanks at the maximum contract usage volume except in the case of supply shortages/interruptions as hereinafter provided.

City shall be responsible for water pressure and delivery to the master meter at the Point of Connection in accordance with the terms stated above. Town shall be responsible for water pressure and delivery which may result in needed pumps, tanks and/or additional hardware on its side of the master meter located at the Point of Connection.

4. Design and Easement Acquisition. Town shall, at its sole expense, engage a licensed engineering firm to design all necessary infrastructure contemplated by the parties for the regional water production and distribution system discussed above.

Town and Town's engineering firm shall provide drawings, plats and design work to City which shall timely review and issue comments. City reserves the right to approve or disapprove engineering and design work, but shall not unreasonably delay the installation process or its review process.

Town shall be responsible for the acquisition of any required real property and/or easements over real property, including obtaining encroachment agreements from the North Carolina Department of Transportation. Town reserves the right in its acquisition of land or easements over land to utilize its powers of eminent domain. Town shall be directly responsible for all costs associated with real property acquisition and/or easements over real property acquisition.

Rights of way on the City side of the Point of Connection will revert to City upon termination of this Agreement. Rights of way on the Town side of the Point of Connection will remain with Town upon termination of this Agreement. Three party Encroachment Agreements will be executed between Town, City and the North Carolina Department of Transportation (NCDOT).

5. Non-Revenue Water. To the extent possible, Town and City agree that water used on the Town side of the Point of Connection, which is attributable to a leak or fire suppression, shall be sold by City as close to its cost as possible. City's cost shall be calculated as the total cost of electricity and chemicals (and other variable costs as may arise) divided by the total volume produced. The totals for the previous fiscal year shall be used for these calculations.
6. Conservation Status/Measures. Town shall adopt a water conservation ordinance in the form of "Water Shortage Response Plan, City of Mount Airy, North Carolina, June 2009." Town shall enforce such ordinance on all Town water customers. Town shall enforce the ordinance in accordance with various water shortage stages as announced by City's City Manager or City's Public Works Director.
7. Re-Selling Water/Capacity. Town shall not re-sell water purchased from City to any other entity at less cost than the wholesale rate established between Town and City then in effect.
8. Failure to Deliver/Service Interruptions. The City will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish Town with quantities of water required by the City as outlined in this Interlocal Agreement. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. The parties acknowledge that water is a natural resource, the supply of which is subject to acts of both God and man. The parties further recognize that while each enters this Agreement in good faith, and in the expectation that no event of either God or man will interfere with the desires and intentions of the parties, such can occur. Town acknowledges that, in the case of drought, severe pollution, or other catastrophic failure, City may not be capable of providing service commensurate with the terms of this Agreement. To such end, Town agrees that in the event of severe pollution, drought or other catastrophic failure, the parties shall cooperate to make joint decisions as to transmission or non-transmission of water, commensurate with the health, safety and welfare of the respective citizens and water customers.

Notwithstanding the foregoing, any service interruption shall be remedied and communicated as quickly as possible and service diminution to Town shall be no greater than to any other user of the Doggett or SL Spencer water treatment plants, recognizing that future expanded water supply capacity in City's system may come from other sources. High water demand on City's system shall not be cause for service interruption or diminution, so long as Town is not exceeding its allocated capacity. City warrants that delivery of allocated water capacity to Town shall have first right over all other wholesale water customers of City.

Upon reasonable notice, City shall allow inspection of its water production plants by representatives of Town. Notice shall be deemed reasonable if not less than two business days.

9. Modification of Interlocal Agreement. The provisions of this Agreement pertaining to the schedule of rates to be paid by Town for water delivered are subject to modification from time to time. Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the cost of performance hereunder, but the cost shall not include increased capitalization of City's system, the capital costs of which are built into fees charged by City to Town for water purchases.

In the event that City makes adjustments to the wholesale water charges, it shall notify Town a minimum of sixty (60) days prior to any rate adjustment. To the extent practicable, this notification shall occur not less than thirty (30) days prior to the Town's fiscal year end, June 30<sup>th</sup> of each calendar year.

10. Regulatory Agencies. This Interlocal Agreement is subject to such rules, regulations, or laws as may be applicable to similar agreements within North Carolina, and the Town will collaborate with City in obtaining such permits, certificates, or the like, as may be required to comply therewith.
11. Indemnification With Regard to Employees' Behavior. Both Town and City agree to indemnify and hold the other harmless from all costs, losses, liabilities and expenses incurred with respect to such matters, including but not limited to claims arising from their employees' inappropriate behavior, negligence, dishonesty, slander or theft. Both municipalities recognize that each is solely responsible for its employees' behavior.
12. Meter Maintenance, Ownership and Service Areas. In lieu of a connection fee, Town shall furnish and install metering equipment, including a meter house, or pit, bypass line with valves, backflow preventer, and required devices of standard type for properly measuring quantity of water delivered to Town. All metering equipment shall be acceptable to City. The master meter shall be capable of providing a real time signal and indicating the flow of treated water via phone line or radio telemetry. Town and City agree that the meter will be tested annually to maintain a mid-scale accuracy of greater than 98% of the actual flow. The cost of meter testing and maintenance shall be borne equally by Town and City. The cost of repair, replacement, additions, upgrades, alterations of metering equipment shall be borne equally by Town and City during the term of this Agreement. In addition, Town shall install and maintain a backflow prevention device in accordance with City policy immediately adjacent to Town side of meter.

Town's service area will run from the Point of Connection near Simmons Grove Church Road to the south. City's service area will run from the Point of Connection near Simmons Grove Church Road to the north. The master meter shall divide the respective service areas at the Point of Connection.

Town and City will be responsible for the maintenance and installation of taps, lines and storage tanks within their respective service areas including maintenance and replacement of water taps and other related infrastructure. Town and City will be responsible for connections, disconnections, billing and administrative functions within each

municipality service area. From the date of completion of construction of the aforementioned transmission lines, each party shall have full and complete discretionary control over, and shall be responsible for the maintenance of that portion of the infrastructure within its service area.

13. Billing by City and Payment by Town. City will bill on a monthly basis and Town will remit payment within twenty-five (25) days of such billing for all water volume transmitted during the preceding month. The billing will be adjusted monthly to guarantee City receives revenue commensurate with the minimum purchase guaranteed by Town agreed to herein. Should City be unable to provide the minimum level specified on account of any act of God or force majeure, Town shall be required to pay for only the actual water volume as measured by the master meter.

14. General Provisions.

- a. Modification of this Agreement shall be in writing, signed, duly executed by the parties hereto, and kept on file with the original Agreement.
- b. Any offer, notice, election or other communication, which any party hereto may be required or desire to give to the other party shall be in writing and shall be considered delivered when deposited in the United States Mail, Certified with postage prepaid (or sent by reputable overnight delivery service), addressed to the last known address of the parties as shown below:

City of Mount Airy  
Attn: City Manager  
PO Box 70  
Mount Airy, NC 27030

Town of Pilot Mountain  
Attn: Town Manager  
124 W. Main Street, Box 1  
Pilot Mountain, NC 27041

- c. The parties agree that the terms and provisions of this Agreement shall be construed in accordance with the laws of the State of North Carolina.
- d. This Agreement contains the entire agreement between the parties. There is merged herein all prior and collateral representations, promises and conditions in connection with the subject matter hereof. Any representation, promise or condition not incorporated herein shall not be binding upon either party. The Memorandum of Understanding dated October 1, 2018 between City, Town and Surry County shall be subject to the terms and provisions of this Interlocal Agreement. If there is any conflict between the terms of the Memorandum of Understanding and this Interlocal Agreement, the Interlocal Agreement shall prevail.

- e. This Agreement shall be binding upon and inure to the benefit of the parties and their permitted assigns.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

TOWN OF PILOT MOUNTAIN:

ATTEST:

BY: \_\_\_\_\_  
Mayor

BY: \_\_\_\_\_  
Holly Utt  
Town Clerk

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

\_\_\_\_\_  
James Michael Boaz  
Finance Officer, Town of Pilot Mountain

CITY OF MOUNT AIRY:

ATTEST:

BY: \_\_\_\_\_  
Mayor

BY: \_\_\_\_\_  
City Clerk

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

\_\_\_\_\_  
Finance Officer, City of Mount Airy



TOWN OF PILOT MOUNTAIN  
BOARD OF COMMISSIONERS MEETING

Mt Airy Interconnect Additional Funding Acceptance	
<b><u>Background Information:</u></b>	
<p>The Town received bids for the Interconnect project in November 2020. Of 7 bids, Smith Rowe Construction's bid was the lowest. Unfortunately, the low bid was well above the original construction estimate. After doing some negotiation with Smith-Rowe, we are asking the State for an additional loan of \$1,445,000. This will be 0% interest loan money that will be paid back over 20 years. We believe that our partners in this project, Surry County and the City of Mt. Airy will agree to pick up 1/3 each of this additional loan amount.</p> <p>This resolution would authorize us to accept the new loan amount if it is awarded by the State and approved by the LGC. I am asking that the Board approve this in advance of the award so that we can expedite the process of getting the loan closed and putting Smith-Rowe to work on this project.</p>	
<b><u>Staff Recommendation:</u></b>	Approve resolution accepting additional funding
<b><u>Possible Board of Commissioner Actions</u></b>	
<ul style="list-style-type: none"><li>• Approve resolution</li><li>• Deny approval of resolution</li><li>• Table until a later date</li><li>• Take No Action</li></ul>	
<b><u>Attachments</u></b>	
<ul style="list-style-type: none"><li>• Resolution R2021-02 Mt Airy Interconnect Additional Funding Acceptance</li></ul>	

**RESOLUTION OF FUNDING ACCEPTANCE FOR MT AIRY  
INTERCONNECT PROJECT**

**WHEREAS**, the North Carolina Department of Environmental Quality has offered State Reserve Project funding in the amount of \$3,900,000 for the construction of the **Water Interconnect Project**, and

**WHEREAS**, the North Carolina Department of Environmental Quality Division of Water Infrastructure is expected to offer and provide additional funding in the amount of \$1,445,000 for a total of \$5,345,000 for the construction of the **Water Interconnect Project**, and

**WHEREAS**, the **Town of Pilot Mountain** intends to construct said project in accordance with the approved plans and specifications.

**NOW THEREFORE BE IT RESOLVED, BY THE BOARD OF COMMISSIONERS OF THE TOWN OF PILOT MOUNTAIN:**

That **Town of Pilot Mountain** does hereby approve acceptance of a revised State Reserve Project funding offer of \$5,345,000.

That **Town of Pilot Mountain** does hereby give assurance to the North Carolina Department of Environmental Quality that all items specified in the loan offer will be adhered to.

That **James Michael Boaz, Town Manager / Finance Officer**, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such funding documents; to make the assurances as contained above; and to execute such other documents as may be required in connection with the contract and funding documents.

**ADOPTED** by the Board of Commissioners of the Town of Pilot Mountain this the 11<sup>th</sup> day of January 2021.

Attest:

\_\_\_\_\_  
*Evan Cockerham, Mayor*

\_\_\_\_\_  
*Holly Utt, Town Clerk*



TOWN OF PILOT MOUNTAIN  
BOARD OF COMMISSIONERS MEETING

County Water Agreement Amendment	
<b><u>Background Information:</u></b>	
<p>In January 2019, the Pilot Mountain Board of Commissioners approved a water agreement with Surry County. In this agreement each of the three entities agreed to pay 1/3 of the no interest loan on an annual basis, expected to be \$32,500. The agreement allowed that amount to increase by 25% without further action by the three governing bodies, but with the bids coming in high we have exceeded that allowable amount. The current estimated annual payment is \$56,583.33. I have shared this information with the City of Mt Airy and Surry County managers. They will be sharing this with their respective Boards in due course, but I would like to ask this Board to approval an amendment to the current contract that changes the expected payment amount to \$56,584 per year.</p> <p>We will need this updated contract before this new application goes before the LGC for approval as we are depending on the payments from these other entities to make the full payment to the State.</p>	
<b><u>Staff Recommendation:</u></b>	Approve Amendment to Agreement
<b><u>Possible Board of Commissioner Actions</u></b>	
<ul style="list-style-type: none"><li>• Approve amended agreement</li><li>• Deny approval of amended agreement</li><li>• Table until a later date</li><li>• Take No Action</li></ul>	
<b><u>Attachments</u></b>	
<ul style="list-style-type: none"><li>• Revised Contract between Mt Airy and Pilot Mountain</li><li>• Revised Contract between Surry County and Pilot Mountain</li></ul>	

**AMENDED INTERLOCAL AGREEMENT BETWEEN THE  
COUNTY OF SURRY AND THE TOWN OF PILOT MOUNTAIN  
FOR REGIONAL WATER PRODUCTION AND DISTRIBUTION**

THIS INTERLOCAL AGREEMENT is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2021, by and between the **TOWN OF PILOT MOUNTAIN**, a North Carolina Municipal Corporation, hereinafter referred to as “Town”, party of the first part, and the **COUNTY OF SURRY**, a body politic and corporate, hereinafter referred to as “County”, and party of the second part;

**WHEREAS**, Town has entered into an Interlocal Agreement with a nearby municipality that has made substantial investments in water treatment facilities and has unused capacity to treat and supply additional water; and

**WHEREAS**, the nearby municipality has entered into an Interlocal Agreement to sell excess water to Town and Town has installed and maintains water lines, water mains and elevated tanks as well as water treatment facility which is in need of significant updating; and

**WHEREAS**, Town was awarded a grant of \$1,950,000 and 50% zero interest loan in the amount of \$1,950,000 from the State of North Carolina in order to fund the contemplated Regional Water Production and Distribution System to be created by Town and the nearby municipality water source; and

**WHEREAS**, the nearby municipality, Town and County have each approved payment of one-third of the state’s zero interest loan over a period of twenty (20) years;

**NOW, THEREFORE**, it is agreed between Town and County as follows:

1. Town and County shall each pay one-third of the zero interest loan from State of North Carolina, currently estimated at \$56,584 paid annually by each (the “Estimated Payment”).
2. Further, the nearby municipality serving as the water source has also agreed to pay one-third of the zero interest loan from the State of North Carolina, currently estimated to be \$56,584 paid annually as documented in the Interlocal Agreement between the City of Mount Airy and Town of Pilot Mountain for Regional Water Production and Distribution dated \_\_\_\_\_, 2021.

Once the actual amount paid is fixed (the “Actual Payment”), any increase in the Actual Payment shall be limited to no more than twenty-five percent (25%) above the Estimated Payment without mutual agreement of County and Town. County shall remit payment to Town over a term not to exceed 20 years and Town shall timely remit payment to the State when due. County reserves the right to prepay its obligation to Town.

1. General Provisions.

- A. Modification of this Agreement shall be in writing, signed, duly executed by the parties hereto, and kept on file with the original agreement.
- B. Any offer, notice, election or other communication, which any party hereto may be required or desire to give the other party shall be in writing and shall be considered delivered when deposited in the United States Mail, certified with postage pre-paid (or sent by reputable overnight delivery service), addressed to the last known address of the parties as shown below:

Town of Pilot Mountain  
Attn: Town Manager  
124 W. Main Street, Box 1  
Pilot Mountain, NC 27041

Surry County  
Attn: County Manager  
114 West Atkins St.  
PO Box 1467  
Dobson, NC 27017

- C. The parties agree that the terms and provisions of this Agreement shall be construed in accordance with the laws of the State of North Carolina.
- D. This Agreement contains the entire agreement between the parties. There is merged herein all prior and collateral representations, promises and conditions in connection with the subject matter hereof. Any representation, promise or condition not incorporated herein shall not be binding upon either party. The Memorandum of Understanding dated October 1, 2018 between City of Mount Airy, Town of Pilot Mountain and Surry County shall be subject to the terms and provisions of this Interlocal Agreement. If there is any conflict between the terms of the Memorandum of Understanding and this Interlocal Agreement, the Interlocal Agreement shall prevail.
- E. This Agreement shall be binding upon and inure to the benefit of the parties and their permitted assigns.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed in their respective names by their duly authorized officers, all of the day and year first above written.

TOWN OF PILOT MOUNTAIN:

ATTEST:

BY: \_\_\_\_\_  
Evan Cockerham, Mayor

BY: \_\_\_\_\_  
Holly Utt, Town Clerk

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

\_\_\_\_\_  
James Michael Boaz  
Finance Officer, Town of Pilot Mountain

COUNTY OF SURRY:

ATTEST:

BY: \_\_\_\_\_  
Van Tucker, Chairman,  
Surry County Board of Commissioners

BY: \_\_\_\_\_  
Tammy Johnson, City Clerk

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

\_\_\_\_\_  
Sarah Bowen, Surry County Finance Officer

**Pilot Mountain Town Hall  
124 West Main St.  
Pilot Mountain, NC 27041**



**(Phone) - 336.368.2247  
(Fax) - 336.368.9532  
www.pilotmountainnc.org**

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## **MEMORANDUM**

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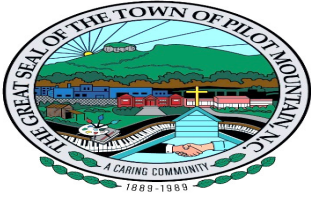
**TO: Mayor and Board of Commissioners**  
**FROM: Michael Boaz, Town Manager/Finance Officer**  
**DATE: January 4, 2021**  
**RE: January 2021 Manager's Report**

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- We are still planning to have a report for the Board on the AIA studies later this month or in February. WR is finishing up the work on these projects now.
- WR has finally gotten some communication from Duke Energy about the streetscape designs and we hope to have these finalized in the next few weeks. Duke Energy has asked for the heights of all the buildings on Main Street to ensure that the new poles that we have requested they design will clear the buildings.
- We will be having the kick-off meeting for our Downtown Associate Community program on February 2. This will be via Zoom and I will share the invite with the Commissioners soon.
- We have completed the audit report for FY 2020. We did not make any significant changes over the draft that the Board saw earlier. I have uploaded the report to our website and if any member of the Board would like a printed copy, please let me know and I will get it printed for you. We eliminated the printed copies from the auditing firm to save money. We will be submitting it for the Certificate of Achievement for Excellence in Financial Reporting award from the Government Finance Officers Association.
- We will have the Facebook page for the Comp Plan update up and running early the week of January 11 if it is not already up.

## **PROJECT UPDATES**

1. Depot Street Stream Restoration Project: All easements have been collected and design/build is underway. We have been granted an additional extension.
2. Main Street National Register District: These applications have been submitted to the State Historic Preservation Office..
3. Street Paving Project: We are preparing to submit the application to the LGC for approval.
4. Sunset Sewer Sub-Basin Project: The project is under construction with completion expected in April or May.
5. Water Treatment Upgrade: We are still working on easements. We have received bids and will be asking for additional funds from the State.
6. Streetscape Project: WR continues to work with Duke Energy on Plan B.
7. WWTP & Pump Station Project: Design is underway.
8. Asset Inventory & Assessment Project: This project is nearing completion with final reporting expected in January or February.



# TOWN OF PILOT MOUNTAIN

Monthly Financial Dashboard

FISCAL YEAR ENDING June 30, 2021

Reporting Period: December 1-December 31 2020

<b>OUR CASH AND INVESTMENTS</b>		
Balances on December 31 2020, in whole dollars		
<b>CASH &amp; INVESTMENTS BY FUND</b>		
<b>GENERAL FUND</b>		
	December 2019	December 2020
Central Depository	\$ 600,687	\$ 448,431
NCCMT	2,319	96,377
NCCMT-Powell Bill	708	711
NCCMT-Term Account	35,432	-
Police Drug Forfeiture	2,195	2,196
Centura Bank CD	25,031	25,031
Fiduciary Funds	57,275	16,609
<b>TOTAL GENERAL FUND</b>	<b>\$ 723,648</b>	<b>\$ 589,354</b>
<b>OTHER FUNDS</b>		
	December 2019	December 2020
Water & Sewer Fund	\$ (27,226)	\$ 61,063
NCCMT-Water/Sewer	\$ 3,633	\$ 4,482
Water & Sewer AIA	\$ (27,987)	\$ (48,087)
Interconnection CP	\$ -	\$ 7,000
WWTP Upgrade	\$ (13,500)	\$ (64,101)
Sunset/Simmons Water	N/A	(\$31,120)
Water Treatment Upgrade	(\$272,635)	(\$333,017)
Streetscape Project	\$5,222	(\$34)
Sunset Sewer Project	(\$216,044)	\$60,803
Street Resurfacing	\$12,951	\$6,019
Capital Reserve	\$ 38,522	\$ 84,829
<b>TOTAL OTHER FUNDS</b>	<b>\$ (497,062)</b>	<b>\$ (252,163)</b>
<b>TOTAL CASH &amp; INVESTMENTS TOWN-WIDE</b>		
	December 2019	December 2020
ALL FUNDS	\$ 226,586	\$ 337,192

<b>OUR CASH FLOWS...</b>			
GENERAL FUND REVENUES & EXPENDITURES	Comparison of FYTD %		
	Fiscal Year Budget	Prior FYTD %	Current FYTD %
Fiscal Year Budget	\$ 1,892,090	\$ 1,754,560	
Revenues Fiscal Year to Date		66.00%	62.00%
Expenses Fiscal Year to Date		59.12%	55.94%
<b>WATER &amp; SEWER ENTERPRISE FUND</b>			
Fiscal Year Budget	\$ 906,480	\$ 986,135	
Revenues Fiscal Year to Date		50.41%	48.38%
Expenses Fiscal Year to Date		53.01%	48.65%
<b>WWTP &amp; PUMP STATION REHAB PROJECT</b>			
Project Budget		N/A	\$ 1,374,500
Revenues Project to Date	\$ 52,606	N/A	3.83%
Expenses Project to Date	\$ 64,101	N/A	4.66%
<b>Water Treatment Upgrade Project</b>			
Project Budget	\$ 3,978,000	\$ 3,978,000	
Revenues Project to Date	\$ 306,530	0.00%	7.71%
Expenses Project to Date	\$ 332,244	7.03%	8.35%
<b>Sunset Sewer Rehabilitation Project</b>			
Project Budget	\$ 2,573,038	\$ 2,573,038	
Revenues Project to Date	\$ 646,841	1.72%	25.14%
Expenses Project to Date	\$ 586,880	10.31%	22.81%
<b>WATER &amp; SEWER AIA PROJECT</b>			
Project Budget		NA	\$ 305,000
Revenues Project to Date	\$ 191,603	9%	63%
Expenses Project to Date	\$ 162,442	18%	53%

## SPECIFIC REVENUE COLLECTIONS AT A GLANCE...

	Comparison of FY %			Comparison of Monthly Expenses			
	Prior FY %	Current FY %		Fiscal Year 2021 Budget	YTD Expenses		
				Prior FY	Current FY		
<b>AD VALOREM PROPERTY TAX</b>							
Fiscal Year Budget	\$ 847,090	\$ 867,500					
Revenues this Month	\$ 26,231	3.42%	3.02%				
Revenues FYTD	\$ 646,565	71.24%	74.53%				
<b>SALES &amp; USE TAX</b>							
Fiscal Year Budget	\$ 469,790	\$ 398,600					
Revenues this Month	\$ 45,324	8.07%	11.37%				
Revenues FYTD	\$ 261,639	52.34%	65.64%				
<b>UTILITY FRANCHISE TAX</b>							
Fiscal Year Budget	\$ 106,020	\$ 118,140					
Revenues this Month	\$ 29,319	28.37%	24.82%				
Revenues FYTD	\$ 51,622	52.34%	43.70%				
<b>REFUSE COLLECTION FEES</b>							
Fiscal Year Budget	\$ 69,840	\$ 73,010					
Revenues this Month	\$ 6,275	9.32%	8.59%				
Revenues FYTD	\$ 36,963	52.74%	50.63%				
<b>SALES &amp; SERVICES</b>							
Fiscal Year Budget	\$ 23,500	\$ 81,700					
Revenues this Month	\$ 766	2.83%	2.18%				
Revenues FYTD	\$ 12,142	43.79%	51.86%				
<b>WATER &amp; SEWER ENTERPRISE FUND REVENUES</b>							
Fiscal Year Budget	\$ 906,480	\$ 986,135					
Revenues this Month	\$ 77,852	8.66%	8.46%				
Revenues FYTD	\$ 477,062	50.41%	48.38%				
<b>GENERAL FUND DEPARTMENTS</b>							
	Fiscal Year 2021 Budget	Prior FY	Current FY				
Governing Body	\$ 69,400	\$ 95,968	\$ 80,014				
Administration	272,660	162,404	180,403				
Community & Economic D	41,330	23,952	25,969				
Downtown Revitalization	107,550	83,158	48,115				
Police Dept	903,258	449,441	419,113				
Street Dept	95,230	62,703	49,708				
Powell Bill	43,420	3,919	34,898				
Sanitation	224,580	120,772	116,857				
Pilot Center	20,340	10,799	20,964				
Library	40,340	6,566	3,661				
Debt Service	65,330	47,137	73,910				
Non Departmental	-	3,832	-				
	\$ 1,883,438	\$ 1,070,651	\$ 1,053,613				
Fiscal Year Budget	\$ 1,811,040	\$ 1,883,438					
YTD % of Annual Budget Expended		59.12%	55.94%				
<b>WATER &amp; SEWER ENTERPRISE FUND</b>							
	Fiscal Year 2021 Budget	Prior FY	Current FY				
General	\$ 167,190	\$ 74,858	\$ 74,508				
Water/Sewer Administration	134,790	74,092	66,768				
Production	165,530	109,431	110,375				
WWTP	254,790	110,371	125,974				
Line Maintenance	263,835	111,789	102,146				
	\$ 986,135	\$ 480,541	\$ 479,773				
Fiscal Year Budget	\$ 906,480	\$ 986,135					
YTD % of Annual Budget Expended		53.01%	48.65%				

**Pilot Mountain Police Department  
Monthly Report for December 2020**

**Accidents**

12/11/2020 506 Dodson Mill Rd  
 12/14/2020 731 S Key St  
 12/28/2020 204 W Main St

	<b>TOTAL</b>	<b>AMOUNT</b>	<b>RECOVERED</b>
<b>Police Service</b>	195		
<b>Wrecks Investigated</b>	3	\$ 14,650.00	
<b>Assaults</b>	0		
<b>Larcenies</b>	3	\$ 1,095.97	
<b>Disturbances/Domestic</b>	4		
<b>Burglar Alarms</b>	<b>6</b>		
<b>Breaking &amp; Entering</b>	1	\$ 1,080.00	
<b>MIP &amp; Property Damage</b>	2	\$ 1,160.00	
<b>Traffic Citations</b>	<b>27</b>		
<b>Intoxicated Drivers</b>	1		
<b>Intoxicated Pedestrians</b>	0		
<b>Forgery/Fraud</b>	0		
<b>Armed Robbery</b>	0		
<b>Drug Charges</b>	<b>5</b>		
<b>Other Crimes</b>	15		
<b>Total Arrests</b>	<b>8</b>		
<b>Totals:</b>	<b>270</b>	<b>\$ 17,985.97</b>	<b>\$ -</b>

**OTHER:**

**12/2/2020** Served OFA X 2  
**12/14/2020** Served OFA  
**12/15/2020** Assault on a Female  
**12/18/2020** Served OFA X 4  
**12/21/2020** Served OFA  
**12/22/2020** Assault on Gov't Official  
 Resist, Delay & Obstruct an Officer  
 Carrying Concealed Weapon  
 Open Container  
 DWI  
 DWLR  
**12/30/2020** Poss of Marijuana  
 Poss of Schedule V  
 Poss of Schedule IV  
 Poss of Drug Paraphernalia  
 Poss of Methamphetamine  
 Served OFA

**NOTES:**

**12//14 thru 12/12/2020** Officers participated in the GHSP  
**12/20/2020** Officers held a GHSP Check point

# Pilot Mountain Police Department YEARLY REPORTS

<u>TYPE</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Police Service	3592	3102	2633	1913
Security Checks	45924	69406	62636	53834
Wrecks Investigated	87	110	112	129
Assaults	5	2	4	10
Larcenies	57	51	44	48
Disturbances	105	106	117	97
<b>Burglar Alarms</b>	<b>234</b>	<b>250</b>	<b>211</b>	<b>232</b>
Breaking & Entering	12	3	4	4
Property Damage	41	24	22	18
Traffic Citations	139	277	153	277
Intoxicated Driver	2	5	7	23
Intoxicated Pedestrains	1	2	4	4
Forgery	1	4	9	4
Armed Robbery	0	0	0	0
Other Crimes: included Drug Charges	14	14	116	162
Arrest	<u>29</u>	<u>35</u>	<u>72</u>	<u>91</u>
<b><u>TOTALS</u></b>	<b>50,243</b>	<b>73,391</b>	<b>66,144</b>	<b>56,846</b>

**MONTHLY STATUS REPORT OF  
OPERATION FOR THE PILOT MOUNTAIN  
WASTEWATER TREATMENT PLANT**

**MONTH:** November

**YEAR:** 2020

**OPERATIONS:**

<b>MILLION GALLONS OF WATER TREATED</b>	<b>6.03</b>	<b>PERMIT LIMIT MGD</b>	<b>.500</b>
<b>AVERAGE DAILY VOLUME TREATED</b>	<b>.201</b>		
<b>TOTAL RAINFALL INCHES</b>	<b>7.75</b>		

**CHEMICALS USED:**

<b>CHLORINE/BLEACH</b>	<b>90 Gallons</b>
<b>POLYMER</b>	<b>0 Gallons</b>

**CHEMICAL ANALYSIS:**

Parameter	Permit Limits	Monthly Results
<b>BOD</b>	<b>30 max. avg. monthly</b>	<b>2.00</b>
<b>TSS</b>	<b>30 max. avg. monthly</b>	<b>15.7</b>
<b>D.O.</b>	<b>5 minimum avg. daily eff.</b>	<b>7.44</b>
<b>Fecal Coliform</b>	<b>200 max. avg. monthly</b>	<b>1</b>
<b>Ammonia-Nitrogen</b>	<b>28.6 max. avg. monthly</b>	<b>5.77</b>

**We are in compliance with all permit requirements.**