



Chairman Lankford turned the meeting over to County Manager Rick Morris.

Manager Morris noted that representatives from NCDOT, Forsyth Tech, and Stokes Family YMCA were also in attendance for today's presentation.

Manager Morris noted County Attorney Ed Powell was unable to attend today's meeting as planned due to being under the weather, but can be reached by phone if needed.

Manager Morris noted everyone needed to leave this meeting with a clear understanding of what the project entails, how it can be accomplished, how it is going to be done and most of all be comfortable with the entire project.

Manager Morris expressed his appreciation to those in attendance for today's meeting.

County Manager Rick Morris presented the following overview for today's meeting:

**Briefing Overview**

- Purpose
- Map of Affected Area + Aerial View
- Background
- Project Partners
- Potential Federal Funding Sources

--10 Minute Break --

- Path Forward
- Discussion of Pilot View RC&D Agreement
- Action Items

Manager Morris discussed the following presentation with the Board of Commissioners:

**Purpose**

- To update the BOCC and the Public on Stokes County's project to extend sewer or water / sewer service from the Town of Danbury to the Early College / Forsyth Tech Stokes-Campus, and to the adjoining Meadows area in close proximity to the intersection of Highways #8 and #89.
- To discuss the draft agreement between the County of Stokes and Pilot View RC&D and make any required adjustments.

**Map of Affected Area + Aerial View**

- Provided the Board with a detailed map with the proposed sewer alignments to serve the FTCC/Early College

**Background**

- Initially, a presentation was given by the County Manager to granting agencies at the N.C. Rural Center. Only sewer was addressed at that time.

- Attendees included representatives from Stokes County Government, Forsyth Tech (Dr. Green), and NCDOT.
- N.C. Rural Center meeting was followed by a visit by Vice Chairman Inman, - Manager Rick Morris and ED Director Alan Wood to Raleigh to discuss the sewer project with legislators and the Golden Leaf Foundation
- These two meetings were followed by direction on 26 Sep 2011 from the Stokes County BOCC to apply for assistance from Pilot View RC&D in pursuing grant funding for the project.
- Application was submitted, followed by a presentation of the project to Pilot View RC&D Board of Directors (BOD) by the County Manager.
- The Pilot View RC&D BOD unanimously approved the project.
- The Pilot View RC&D internal task force next reviewed the project and approved the project, on the condition that the county agreed to stipulations as specified in their letter, which was dated 28 Nov 2011.
- Stokes County replied to the 28 Nov 2011 letter and agreed in principle to its stipulations.
- Other meetings to discuss this project were next held between Stokes County with Forsyth Tech (Dr. Green) and NCDOT (Pat Ivey), with Charles Anderson (Pilot View RC&D) in attendance.
- In each of these two sessions, it was noted by the attendees that the addition of water to the sewer expansion should be seriously considered if adequate grant funding could be obtained.
- The project, including the addition of water, was next presented to Congresswoman Virginia Foxx to solicit her support.
- In the meantime, Pilot View RC&D asked one of the engineering firms they deal with to price a design proposal, which would deliver a procurement ready package for the construction phase of this project. Baker Engineering completed this task and their cost estimate is included as part of the Pilot View RC&D draft agreement.

Manager Morris noted that originally only sewer was proposed for the expansion project; the Board of Commissioners will need to decide if adding the expansion of water is feasible for the project.

### **Project Partners**

- Stokes County has a number of partners and potential partners supporting this project
  - Forsyth Technical Community College
  - North Carolina Department of Transportation (has need for the project)
  - Stokes County Soil & Water Conservation District (non-monetary)
  - Supporters also include current businesses in the area and future businesses that might locate in the Meadows area (will alleviate the need for pump and haul by businesses who have failed systems)
  - Potential funding partners that were briefed at the initial Rural Center meeting on this project were:
    - USDA
    - N.C. DENR

- Golden Leaf Foundation
- Appalachian Regional Commission
- Rural Center
- NCDOT
- Forsyth Tech
- Potential Federal Funding Sources
  - Department of Commerce
  - Community Development Block Grant
  - Appalachian Regional Commission
  - USDA, Rural Development Grant Program
- Environmental Protection Agency
  - Watershed Program
  - Waste Water & Water Quality Assistance Program
- Department of Education

County Manager Morris turned the meeting over to Executive Director Charles Anderson, Pilot View RC&D. Manager Morris noted that additional information will be presented following Director Anderson's presentation.

### **Pilot View RC&D**

Director Charles Anderson presented the following outline for today's meeting from Pilot View RC &D:

#### **Briefing Outline**

- Background\*
- Considerations\*
- 2009 Hobbs & Upchurch Associates Preliminary Report on Water & Sewer Alternatives\*
- HUA Estimate of \$4.383 million for Comparing Routes\* (Phase I and Phase II)
- Danbury-Stokes Water & Sewer Systems\*
- Identified Areas of Additional Costs
- Areas of Conceptual Design to be Refined
- Possible Schedule for Going Forward!

*\* Material Drawn from Previous HUA Work.*

Director Anderson noted the following:

- Glad to be back in Stokes County
- Pilot View RC&D and Resource Institute are doing projects statewide as well as nationwide
- Debbie Dodson, Pilot View and Don Hunley, Michael Baker Engineering are also in attendance for today's meeting
- Have worked with Baker Engineering on several projects

- Objective of today's meeting:
  - Make sure everyone knows where we are going
  - What the boundaries are
  - What is expected at the end
- Always like to go after the big picture
- Can always scale back, very hard to increase the project
- Biggest part of the funding will come from state and federal funding
- Always want to ask for funding and not have to go back to request additional funding
- Like to do preliminary designs instead of studies in order to be able to use the design for the project (at least 30% of the design is completed)
- Urged the Board to not let money scare them regarding what something is going to cost
- Have learned over the years that there is money always available in any economic time, it just depends on who is going to get the money
- Need to have the best application possible
- Need to bring potential funders to the project site to make sure they know exactly what the project is about
- Like to get potential funders involved so that they have no questions about what the project is about

Director Charles Anderson presented the following outline for today's meeting from Pilot

View RC &D:

**Briefing Outline**

- Background\*
- Considerations\*
- 2009 Hobbs & Upchurch Associates Preliminary Report on Water & Sewer Alternatives\*
- Hobbs and Upchurch's estimate of \$4.383 million for Comparing Routes\* (Phase I and Phase II)
- Danbury-Stokes Water & Sewer Systems\*
- Identified Areas of Additional Costs
- Areas of Conceptual Design to be Refined
- Possible Schedule for Going Forward!

*\* Material Drawn from Previous Hobbs and Upchurch Work*

Senior Project Manager Don Hunley, Michael Baker Engineering, noted the following:

- Have worked with Pilot View on over one hundred projects
- Have a long standing working relationship
- Noted that items in the outline with an asterisk (\*) is material taken from the previous Hobbs and Upchurch Report – Water/Sewer Alternatives to serve FTCC Stokes County Campus – prepared March 2010
- Site for the community college has been identified and will need water/sewer
- NCDOT has an interest in the project with their large facility adjacent to the site
- Everything out that way depends on septic systems

- There are always limitations with septic systems even when the soil is good
- Septic systems work great for houses, but are often problematic when used for a large facility
- Have already applied for a Cleanwater Grant

Project Manager Hunley briefly discussed the following:

#### **Background\***

- Stokes County has approved construction and identified the funding source for a new Forsyth Tech Community College campus in the Meadows area of Stokes County
  - The Forsyth Tech site currently hosts an Early College campus in a mobile POD, with an additional POD recently added.
  - A permanent building is planned for construction starting in 2013.
  - Even with the expansion to the existing septic system, the existing system will not support the future permanent Forsyth Tech facility
- The NCDOT has a large facility that borders the community college site; NCDOT would like to connect when the sewer system is extended
- A major restaurant along the route of the proposed extension has been placed on permanent “pump & haul” due to sewer failure
  - Lack of sewer currently prohibits any further business development between Meadows and Danbury

#### **Considerations\***

- The extension of the current water & sewer systems are critical to the construction of Forsyth Tech’s permanent facility.
- Poor soil quality at the Forsyth Tech location and throughout the Meadows area limits options & redevelopment of former prison and impacts existing businesses and the NCDOT facility
- An extension of the sewer system would likely trigger other economic growth in Meadows area near intersection of highways #8 and #89, which are main transportation routes through the county; Meadows is geographically near the center of the county (including businesses attracted specifically by the presence of the community college satellite )
- Prior to current hospital lease arrangement, previous hospital management company had an option on land across the road from the Forsyth Tech campus for construction of a new hospital; the Meadows area is a logical location for additional business growth
- Many of the 500,000 annual visitors to Hanging Rock State Park plus thousands of river users pass through the Meadows area in route to their destinations

Project Manager Hunley noted that there are limitations as to what you can do on the site and there are economical advantages to take a regional approach with extending sewer near the intersection of Highways #8 and #89.

Project Manager Hunley noted the following:

- In the Hobbs & Upchurch Report:
  - Bring sewer from Danbury
  - Preferred option for the short term was to a well on site and for the long term was to bring water from Danbury (included in the CIP Plan)

**2009 Hobbs & Upchurch Associates Preliminary Report on Water & Sewer Alternatives\***

- Recommended Danbury Sewer
- Recommended Danbury Water for Long Term
- (Back-up Water Source & Potential Expansion)
- Initial Cost Estimate of **\$4.383 million** for Water & Sewer to serve FTCC Meadows Campus and Meadows businesses.
  
- HUA Estimate of \$4.383 million for Comparing Routes\*
  - Sewer Interconnection w/ Danbury \$1.351 M
  - Water Interconnection w/ Danbury \$2.477 M  
(Most expensive due to having an elevated tank and pump station)
  - Business Sewer Extension \$0.481 M
  - Business Water Extension \$0.074 M

**HUA TOTAL\* \$4.383 M**
  
- Danbury-Stokes Water & Sewer Systems\*
  - Current systems serve Danbury and includes institutional customers such as the hospital and seven Government Center buildings plus several businesses (Water System being upgraded)
  - The waste water treatment plant (WWTP) is a package type, extended aeration system
  - WWTP is currently used at 15% of design capacity
  - (WWTP would operate more easily with increased flow)
  - Extension of the water & sewer systems could easily support Forsyth Tech, NCDOT and other existing businesses plus additional new customers
  - 60% to 70% of the proposed total project area is rated as “very limited” relative to septic tank absorption fields

Project Manager Hunley noted that his firm did not redo the numbers on the report, just reviewed the report to what might be missing.

Project Manager Hunley noted that his firm did not see these items in the report which could increase the cost:

- Identified Areas of Additional Costs
  - Contractor Mobilization
  - Additional Footage for Revised Pump Station Location

- On-site Water Improvements
- No cost for connecting the existing well
- Air Relief Valves for Waterline and Sewer Force Main
- Excavation of Rock by Blasting
- Pavement Repairs &/or Repaving
- Project Grant Administration – funding is available for this item
- Price Adjustments for Price of Oil, etc. – definitely need to bring the estimates up to date – Hobbs & Upchurch Report was done in 2010

Director Anderson noted:

- Currently in an era with \$4 to \$5 million dollar projects going out for bid and coming back 1/3 (20 to 25%) less
- It is a very good time to bid projects
- As the economy gets better, prices will go up
- Objective is to get bids out before prices begin to increase

Project Manager Hunley discussed the following areas of conceptual design to be refined:

- Location of water tank away from the existing septic field (near the entrance, need to find a good solid location)
- Location of water booster pump station near Dan River (could possibly be off the road near the lift station)
- Location of sewer pump station away from ravine and closer to FTCC site and former DOC facility (hope to find a better site than what was previously sited in the report)
- Revised Cost Estimate to be generated through design

Project Manager Hunley discussed the possible locations for the water tank, water booster pump station, the sewer pump station and the need to start looking at obstacles (if any).

Project Manager Hunley expressed appreciation to staff who have already provided valuable information, maps, etc.

Director Anderson noted the need to have a site plan from Forsyth Tech. in order to start locating sites for the water tanks, lines, the location of the campus, etc.

Director Anderson discussed the following Funding Sources:

- Clean Water Management Trust Fund (CWMTF) Grants
  - Have already submitted a grant for approximately \$264,000 (2/3 cost of the design phase) (deadline – February 1, 2012)
  - Have to meet deadlines for the grants or wait another year to apply which slows down the process
- NC Division of Water Resources (drinking water only) Public Water Supply Section Drinking Water SRF Loan Program



- Understand there is an substantial amount of funding available – very few applications being submitted
- NC Division of Water Quality  
Infrastructure Finance Section (IFS) formerly Construction Grants & Loans
  - Clean Water State Revolving Fund
    - NC Department of Commerce  
 Community Development Block Grants (CDBG) (HUD funds)
      - Comes from the federal government
      - Can be used for application projects
    - Appalachian Regional Commission (ARC)  
 Supplements to Other Federal Grants
      - Do not have a lot of funding
      - Approximately \$80 million to cover 20+ states
      - Will help to get other funding from other resources
    - NC Rural Economic Development Center  
 Supplemental Grants Program  
 Capacity Building Grants Program
    - Golden LEAF Foundation  
 Public Infrastructure Grants for Job Creation
      - Project will provide water and sewer for a community college that can help to train and re-train workers
      - Citizens have had to go outside of the county to be educated, thus spending money outside the county
      - A community college will educate citizens who will no longer have to leave Stokes County
    - USDA Rural Development  
 Water and Wastewater Loans and Grants  
 Emergency Community Water Assistance Grants

Director Anderson noted that funding sources can used to leverage funding.

Project Manager Hunley noted that some loans are actually “forgiven loans” and some have zero interest.

Project Manager Hunley discussed a possible Schedule for Going Forward:

- Step 1 –Contract for Services (March)
- Step 2 – Surveying, Geotechnical Drilling & Tank/PS/Line Design (Spring-Summer 2012)
- Step 4– Easement Acquisition, Plan Approvals, Funding & Permitting (2012-2013)
- Step 6 – Bidding & Award (2013)
- Step 7 – Start Construction (2013)
- Step 8 - Project Close-Out (2014)

*\* Material Drawn from Previous HUA Work.*

Project Manager Hunley noted the following regarding issues that needed to be started on:

- First thing, need to get surveying out to map the route
- One of the most important things would be to decide on the pump station and elevated tank locations
- Need to discuss with FFA regarding location of elevated tank
- Need to discuss possible communications located on the elevated tank
- Lot of issues to discuss and decide on
- Easements will need to be acquired
- Plans must be completed and sent out to public water supply for approval
- Obtain environmental permits
- Get ready for bidding and awarding next year

Commissioner Walker confirmed with Project Manager Hunley that some of the activities could be done in concurrence with the building of the Forsyth Tech facility as long as the design and site plans were completed and permits were obtained.

Director Anderson noted that water and sewer needs to be done at the same time if possible, but the project could be done in phases. Director Anderson noted that sewer could be done in order to start construction on the community college while funding was being obtained for water.

Commissioner Walker stated that he felt the well on the property could supply the community college facility.

County Manager Morris noted that he had spoken with Forsyth Tech officials and plans are to go out for a design contractor this summer with the construction of the facility taking at least a year.

Director Anderson noted:

- It would take at least 12 to 24 months to get funding in place if everything goes according to plan strategy
- Finding funding for this project is a team concept
- Stokes County will be a part of the team, knowing exactly what is going on
- Everyone is involved

Finance Director Julia Edwards noted that when the County goes to the Local Government Commission to request approval to go out for financing for the construction of the community college facility, all permitting and designs will all have to be in place.

Director Anderson explained the importance of having design and permitting done early on in order to be used to “chase” dollars and how much time is spent searching for funding.

Director Anderson stressed the importance of everyone being involved every step of the way during the entire project.

Public Works Director Mark Delehant had the following question related to funding:

- Most grants are awarded based on the ability to show a critical need; what are your ideas on how the County might display a document of critical need for this project as it pertains to both water and sewer individually?

Project Manager Hunley responded:

- Feels this goes back to the concept of the original project
- You have an environmental component and a workforce educational economic development component
- These things along with failing systems will be stressed

Director Anderson responded:

- While working in Stokes County several years ago as a soil scientist, soils in the Lawsonville and Danbury areas were mapped
- Areas have very shallow profiles, some places are only 12 inches deep with saprolite (decaying rock) soil which doesn't work well with septic systems
- Many years ago septic permits were very easy to obtain, today that is a different story

Commissioner Booth confirmed with Director Anderson that the jobs being created at the community college could be used for job creation grants.

Director Anderson stated that when the community college comes to the Meadows area, there will be other businesses that will want to locate in the Meadows area such as restaurants.

Director Anderson confirmed with Ken Jarvis, Forsyth Tech. that there would be approximately 600 students attending the community college.

Director Anderson noted that job creations would be known up front before the grants were accepted and would be justifiable.

Public Works Director Mark Delehant had the following question related to funding:

- If this project has to be stripped to the “bare bones” of only providing sewer to Forsyth Tech, NCDOT and the existing business area, and an elevated storage tank for fire protection for the Early College campus estimated at \$2.5 million with approximately \$200,000 built in for contingency; do you believe that would be more appealing to funding agencies rather than running water lines to the area from Danbury with very few customers along the route.

Project Manager Hunley responded:

- Funding agencies like to fund regional systems or potential regional systems which eliminate discharge points
- Feels it would be an advantage to run water
- Feels it would be easier to get grants with water included in the project
- Regional systems decrease the number of systems and the number of operators which decreases problems

Director Anderson responded:

- Funding agencies do not like funding temporary systems
- Like to look at a project from the big scope, a lot easier to fund a project that has magnitude
- Funding agencies like to see how their funding is being put to long term use
- Easier to write a grant for a million dollars than one for \$100,000
- Takes the same leg work and resources
- The project in Mount Airy – three miles of river restoration, two and a half miles of greenway, two new parks for a cost of over \$5 million dollars was done two years ago
- Working on Phase II of the Mount Airy project which is estimated at \$5 million
- Success with the first project has brought other funding - \$3 million has already been raised for Phase II
- You must work to leverage funding
- You can always scale back if needed

Commissioner Booth noted the County would need to consider the additional expenses that will be incurred with the addition to system.

County Manager Morris questioned Director Anderson regarding easements that might be needed.

Director Anderson responded:

- Pilot View would work with Stokes County in obtaining easements without condemnation if possible
- A lot of citizens will work with a project such as this

Project Manager Hunley responded:

- Courts have ruled that placing utilities in the DOT right of way is an acceptable usage
- Work closely with DOT staff to make sure right of ways are fixed back
- An encroachment would have to be signed by the County and DOT
- Meeting has been held between the County and DOT discussing the project and possible easement

Commissioner Booth noted:

- The site already has a well that produces 52 gallons a minute
- The site currently has a 6,000 gallon tank that provides water to the early college and NCDOT at the present time
- Once the community college facility is built, a fire suppression tank will have to be placed on the property
- Need to consider the amount of additional funding needed to run water to the area – need to look at all aspects

Director Anderson noted the need to look toward the future needs and the water supply to entire area.

Commissioner Walker agreed with Commissioner Booth that all aspects of the project must be justified, but can understand that it is good to have everything combined when requesting funding.

Commissioner Walker questioned if there was any advantage in including more such as river stabilization with the current project.

Director Anderson responded:

- Feels that Phase I and Phase II are a very good situation and would not want to go more or go less
- Remember if funding is not available, the project can be scaled back
- Once an arrangement with the County is completed, everyone can sit down and make sure the entire project is feasible

Project Manager Hunley responded:

- Before cutting back on the water component of the project, other components of the project could be reviewed

Director Anderson reiterated the need to make sure that everyone is on the same page.

County Manager Morris discussed the Path Forward:

- The next step is to approve the Pilot View RC&D draft agreement.

- Prior to BOCC approval, the Board should be comfortable with and understand the major components of the Pilot View RC&D agreement, which are listed below:
  - Total scope of the project and whether it will include water or not
  - Not to exceed cost of the Phase I design effort estimated by Baker Engineering
  - Estimated cost of the Phase II construction phase of the project
  - Basis of the 12% management fee charged by Pilot View RC&D, and the responsibilities of Pilot View RC&D under this agreement
    - County is currently paying a third party administrator 10% of the Scattered Site Housing Grant which is no way as difficult as the proposed project
  - Pilot View RC&D's relationship to Resource Institute, Inc.
  - Initial \$30,000 payment requirement to Pilot View RC&D upon signing of the agreement; Source of these funds?
  - Any warranties that should be in place for both the design and construction phases
  - Legal sufficiency and requirements of the agreement
  - With final approval of the project agreement by the BOCC and Pilot View RC&D, Pilot View will work with the county to aggressively pursue grant funding and will manage all aspects of the project to include design, solicitation for construction phase and project execution / oversight
  - The next major milestone is to move from the study phase to the project design phase to obtain a complete system design
  - This is needed to develop refined cost estimates and detailed technical plans for the project.
  - The County's Federal and State legislators will also need to be updated soon on the final approved project scope, to gain their support and answer their questions.

Manager Morris noted that he included the following information for the Board's review:

**In-House Assessment of Sewer in the Meadows Area**

- There are 136 total parcels included in our research area.
  - 96 (70.5%) of these parcels have structures of some kind (residential/business), which we assume are served by septic systems.
  - 40 (29.4%) parcels are vacant, or have structures that do not require addresses; therefore we assume they are not served by septic tank systems at this time.
- The smallest parcel size is 0.186 acres.
- The largest parcel size is 45.28 acres. This parcel is owned by NCDOT.
- The average parcel size of all 136 parcels is 3.65 acres. However, if the 45.28 acre lot is removed from the calculation, the average parcel size is 3.34 acres.
  - 44 (32.3%) of the 136 parcels are 1 acre or less in size. It can be very difficult to find ample room to repair, or replace, a septic system on property this small. Most likely these parcels (that have existing homes and septic systems) have space limitations due to existing homes, driveways, sidewalks, drinking water wells, outbuildings, buried utilities such as power, cable, etc., and existing septic systems.
  - 64 (47%) parcels are 1.1 – 5 acres in size.

- 28 (20.5%) parcels are greater than 5 acres in size.
- According to our records, of the 96 existing septic systems, there are 12 (12.5%) that have been previously repaired due to past problems.
- The age of the “repaired” systems vary from 2 years – 51 years in age.
- We did not have ample in-house data to accurately estimate the average age of the remaining 84 existing septic systems in this area.
  - The average life of a septic system is generally 20 – 30 years. Even though our data was limited, we were able to determine that 20 of the 96 (20.8%) parcels have septic systems that fall in or above this age range, thus putting them at a higher risk for system troubles in the foreseeable future.
- Only 25 parcels of the 96 (26%) have designated septic repair areas remaining. This is not to say that the other remaining parcels do not have ample space and/or soil to install another septic system, they just do not have an area that we have designated as such. A soil/site evaluation would have to be conducted before we could accurately determine such.

Manager Morris discussed possible partners such as Forsyth Tech. and NCDOT along with county funding from the sewer fund.

Manager Morris noted that the County had discussed with Forsyth Tech officials using the \$250,000 that was provided by the legislative process on the condition that when Forsyth Tech starts designing the facility, funding could be used from the 4% tax for the design fees.

Manager Morris stressed the following:

- It’s critically important that the BOCC understand the risks associated with the project
- Project is not going to be perfect
- Funding could be spent for Phase I with no funding for Phase II
- Availability of funds in this economical time
- The terrain from Danbury to the Meadows area
- Unexpected issues

Commissioner Walker questioned where the real risk begins.

Ken Jarvis, Forsyth Tech noted the following:

- Forsyth Tech historically takes care of the site plan and are on board to do that
- In full disclosure, Forsyth Tech has been told by the system office in Raleigh that the \$250,000 can’t be used as previously discussed (for the design phase)
- Officials in Raleigh have stated that using the \$250,000 in the design phase is not a proper use of the funding as the law is written
- Understand that Representative Bryan Holloway has been notified of this information

Vice Chairman Inman noted that he had spoken to Dr. Green and Representative Bryan Holloway regarding the use of the funding. Representative Holloway stated that he would research the issue and get back to Vice Chairman Inman.

Commissioner Walker questioned what funding would be needed from the County first.

Director Anderson noted:

- County would pay Pilot View \$30,000 once the agreement is signed
- County would be responsible to pay Pilot View (not to exceed) \$373,113 for Phase I
- Phase I will consist of the planning, permitting, data collection, administration fee, survey and design portion of the project
- Pilot View will submit monthly invoices to Stokes County
- Hobbs and Upchurch completed a conception plan in of March 2010
- Design will provide a better handle on cost and will be used to “chase “ the dollars

Commissioner Booth questioned if engineer firms ever did grant writing.

Project Manager Hunley responded:

- Will assist Pilot View if necessary
- Can do grant writing on some projects
- Varies with engineering firms whether or not they do grant writing

Commissioner Walker questioned County Manager Morris as the County’s budget officer if there were any other risks that needed to be mentioned.

Manager Morris responded:

- Feels there could be technical and financial risk such as the information received today from Ken Jarvis regarding the \$250,000 appropriated by legislators
- Risk of spending county funding for the design phase and not being able to complete the project
- Risk of spending county funding
- Sufficient grant funding not available
- Eminent domain
- Nature of the terrain
- State of the economy

Director Anderson noted that Mount Airy provided \$1 million dollars towards the \$5 million dollar project previously discussed.

Manager Morris noted that the county had funding that could be used from the Sewer Fund and left over funding from the Nancy Reynolds Project.



Commissioner Walker commended Manager Morris for setting up the meeting and bringing forth issues for the Board to consider.

Finance Director Edwards confirmed with Director Anderson that upfront funding could be used as an in-kind match.

Manager Morris noted that if the \$250,000 legislative allocation is approved to be spent for the design phase, it needs to be clearly defined that the funding is being used for Forsyth Tech's part of the system.

Commissioner Booth questioned what percent would the County and their partners have to put into the project.

Director Anderson responded:

- This process is a big puzzle that must be put together
- It is very hard to determine until the exact dollar amount of the project is determined
- Need to know what contributions are coming from the partners

Commissioner Booth noted that his understanding was that the funding from NCDOT would not be available on the frontend; it would be much later before funding could be approved.

Manager Morris responded:

- NCDOT must have a site plan that determines what will be connected
- NCDOT must show cost savings before any allocation can be made

Director Anderson noted that funding sources would like to see at least 20% from Stokes County and their partners.

Commissioner Booth confirmed with Director Anderson that the County would be fully responsible for the \$373,113 no matter what amount (if any) of funding was obtained.

Director Anderson stated that if the County is afraid of putting the \$373,113 on the table, the County is not ready for this project or bringing Forsyth Tech to Stokes County.

Director Anderson feels great opportunities have been lost for Stokes County.

Commissioner Walker questioned if there was any other information that could be

provided to the BOCC to help get a better perspective on the \$373,113.

Director Anderson responded:

- No contracts are signed until the funding is available
- The \$373,113 is a risk, but there might be funding from the Cleanwater Grant to offset \$373,113
- Reiterated the projected start date for the community college -2013
- If the county does not take advantage of this opportunity to build a community college facility, it would set Stokes County back 20 years
- Can't have industry without water and sewer
- Industries today will not even look at a location that does not have water, sewer and roads
- As a citizen of Stokes County, would like to see Stokes County grow and feel this project is an opportunity to help Stokes County grow

Chairman Lankford questioned the following:

- Why has the cost of the project grown from \$3 million to \$4.3?
- How was the \$373,113 for Design Phase I derived?

Director Anderson responded:

- Before being provided the Hobbs and Upchurch Report, an estimate was given in the amount of \$3 million
- After receiving and reviewing the Hobbs and Upchurch Report about three weeks ago, the actual figure was defined \$4.3 million in the report
- The \$4.3 million is the estimate from the Hobbs and Upchurch Report
- The \$373,113 for Design Phase consist of planning, permitting, data collection, administrative fee, survey, and design portion of the project; also contains \$20,000 in contingency
- The \$373,113 includes the 12% administrative fee

Project Manager Hunley noted that he had examined the fees quoted by Hobbs and Upchurch and saw no issues and actually used the figures from the Hobbs and Upchurch Report.

Chairman Lankford confirmed that the agreement states that the County will secure all needed easements.

Chairman Lankford confirmed with Director Anderson that delaying the signing of the agreement could lose the connection of the cycle of funding.

Chairman Lankford noted that he had several other questions pertaining to the proposed agreement.

Director Anderson reiterated that this was the County's project and the County could take as

much time as needed to be certain about the project.

The Board discussed recessing today's meeting to further discuss the proposed agreement.

Manager Morris noted the need to set aside plenty of time at the next meeting to review and discuss the agreement.

All parties agreed to recess the meeting until Friday, March 2<sup>nd</sup> starting at 12:00 noon.

**Adjournment**

Chairman Lankford recessed the meeting to Friday, March 2<sup>nd</sup> at 12:00 noon.

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**Darlene M. Bullins**  
Clerk to the Board

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**Ernest Lankford**  
Chairman