

MINUTES FOR BOARD OF ALDERMEN SPECIAL MEETING

March 12, 2024

5:30 PM

The following elected officials were present: Mayor Beaty, Alderman Cloninger, Alderman Milton, Alderman Cearley and Alderman Martin. Alderman Withers was absent.

The following Staff members were present: Ben Blackburn, Interim Town Manager; Robbie Walls, Police Chief; Willie Smith, Electric Director; Jonathan Newton, Finance Director; Bill Trudnak, Public Works Director; Zack Foreman, Assistant Public Works Director; Sarah Ballard, HR Director/Town Clerk; Barry Webb, Grant Administrator.

Mayor Beaty called the meeting to order at 5:30pm.

The Town of Dallas has been awarded 2 million in grant funds to address water and wastewater infrastructure needs. The Public Works Department presented the top three water and sewer needs of the Town to be reviewed by the Board. The Board and Staff discussed the different options and best ways to appropriate the funds. (See attached exhibit)

The Public Works Department then presented the rate and structure analysis for supplying water to the neighboring Town of High Shoals. The Assistant Public Works Director, Zack Foreman, presented three different options for the Board to discuss. (See attached exhibit)

At the conclusion, the Board decided on the 5.15 rate for High Shoals along with a 5% yearly increase. Town Staff will follow up High Shoals to discuss the rate and the size of water lines.

Alderman Martin made a motion to adjourn, seconded by Alderman Milton and carried unanimously (6:17).

Hayley Beaty, Mayor

Sarah Hamrick Ballard, Town Clerk



TOWN OF DALLAS

WATER / SEWER UTILITY

ZACK FOREMAN
ASSISTANT PUBLIC WORKS DIRECTOR

BILL TRUDNAK
PUBLIC WORKS DIRECTOR

EXHIBIT 1

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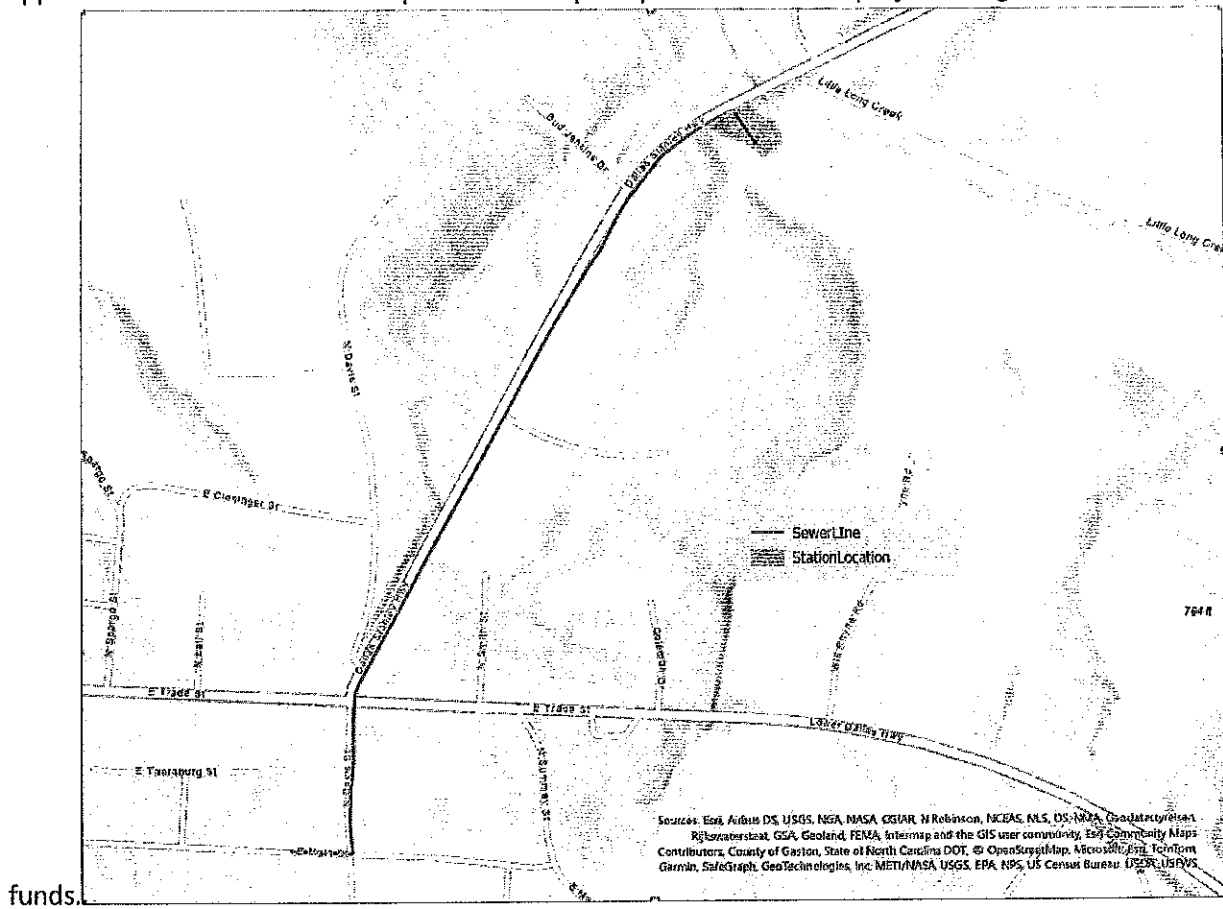
Overview

This pertains to water and sewer infrastructure needs, encompassing discussions on the allocation of state funds that have been granted to us. Additionally, we will delve into the proposed rate structure for the utility.

State Funding Appropriation

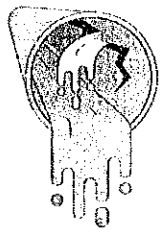
The town has been granted \$2 million for addressing water and wastewater infrastructure needs. Considering our present circumstances and ongoing projects, we propose allocating these funds to prioritize the following projects. The list is organized in descending order of urgency, along with their respective estimated costs.

1. The replacement of the forced main on Dallas Stanley Highway is imperative for optimizing the performance of our recently installed lift station. Originally included in the project scope, it was omitted to adhere to budget constraints. The revised estimated cost is now \$840,800.00 under the existing contract, benefiting from on-site conditions. However, if a bidding process becomes necessary, a new pricing structure may apply. We seek approval and clarification on the procedural steps to proceed with this project using the allocated appropriation

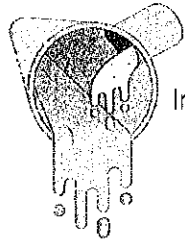


funds.

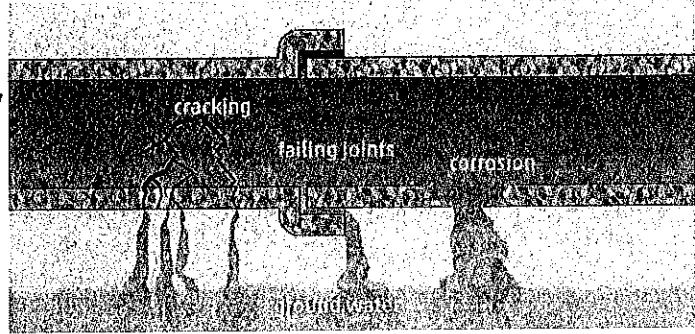
2. Smoke testing the sewer lines has been suggested, utilizing the remaining funds for this purpose. This process aims to identify sources of inflow and infiltration (INI) within the sewer system. The potential sources of INI are in



Infiltration



Inflow



a. Repairs that may come from the Smoking of lines. Depending on the severity of the problem. Use any additional funds to make repairs to the sewer system.

3. Initiating expansion planning for the Water Treatment Plant (WTP) is another proposed project, utilizing funds to commence essential preliminary activities for the facility's enlargement. The eligibility of these funds for engineering purposes is uncertain and requires clarification.

Water / Sewer Rates

We need to plan a rate structure to support the future.

Water (inside)		Water (Outside)	
	2024		2024
0 - 1000	\$ 11.38	0 - 1000	\$ 32.35
1001 - 3000	\$ 14.95	1001 - 3000	\$ 35.91
3001 - 5000	\$ 25.64	3001 - 5000	\$ 57.29
5001 - 10000	\$ 39.62	5001 - 10000	\$ 82.22
Over 10000	\$ 77.31	Over 10000	\$ 157.61
0 - 1000	\$ 3.56	0 - 1000	\$ 3.56
1001 - 3000	\$ 5.35	1001 - 3000	\$ 10.69
3001 - 5000	\$ 6.98	3001 - 5000	\$ 12.47
5001 - 10000	\$ 7.53	5001 - 10000	\$ 15.08
Over 10000	\$ 8.08	Over 10000	\$ 16.32
Sewer Inside		Sewer (Outside)	
	2024		2024
0 - 1000	\$ 12.47	0 - 1000	\$ 17.14
1001 - 3000	\$ 16.04	1001 - 3000	\$ 20.70
3001 - 5000	\$ 26.73	3001 - 5000	\$ 31.39
5001 - 10000	\$ 40.71	5001 - 10000	\$ 45.37
Over 10000	\$ 78.40	Over 10000	\$ 83.06
0 - 1000	\$ 3.56	0 - 1000	\$ 3.56
1001 - 3000	\$ 5.35	1001 - 3000	\$ 5.35
3001 - 5000	\$ 6.98	3001 - 5000	\$ 6.98
5001 - 10000	\$ 7.53	5001 - 10000	\$ 7.53
Over 10000	\$ 8.08	Over 10000	\$ 8.08

We are presenting a rate structure proposal that includes an annual incremental increase to align with inflationary changes. This adjustment is essential to ensure ongoing support for our department. It's important to note that rate increases typically lead to a degree of conservation, impacting department funding. Additionally, we are proactively addressing future infrastructure costs by initiating planning efforts now. The chart shows our current rates.

The proposal entails implementing a 5% annual incremental increase in water and sewer rates over the next five years. This would result in an average monthly increase of \$2.50 for in-town users with a consumption of 2000 gallons per month. For customers residing outside town limits, the average monthly rise would be \$4.50. This covers about 38% of our customer base.



TOWN OF DALLAS WATER DEPARTMENT

HIGH SHOALS RATE STRUCTURE ANALYSIS

Zack Foreman

Assistant Public Works Director

Bill Trudnak

Public Works Director

EXHIBIT 4

OVERVIEW

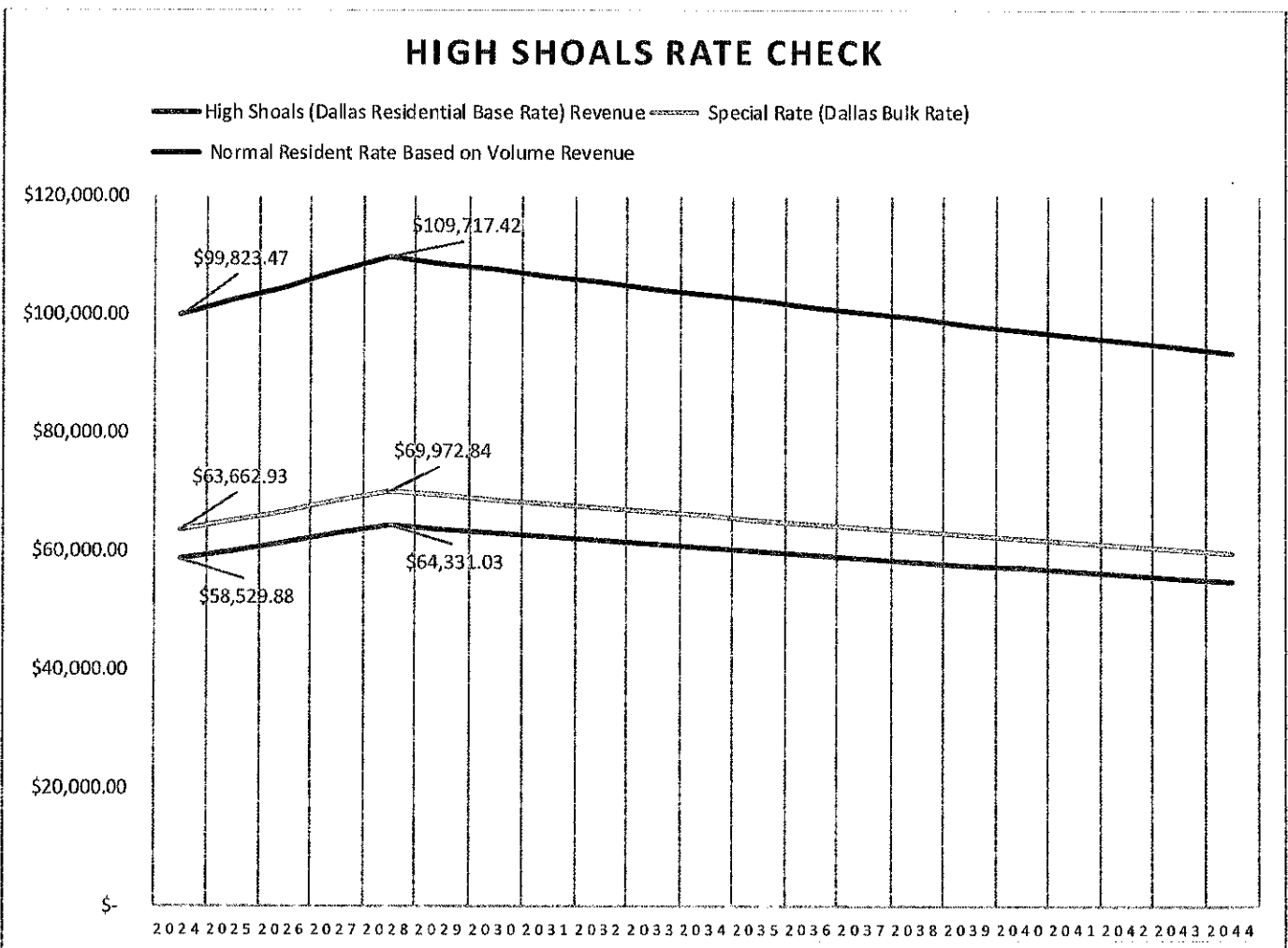
Analysis of the rate structure for providing water to High Shoals. This is to look at several rates to see what best fits Dallas and High Shoals.

RATE STRUCTURES (HIGH SHOALS)

This shows the rates based on the volume in our rate structure, Base residential rate, and special bulk rate. Rate structures include the annual increase that would be requested for the Dallas rate structure.

Rate	2024	2025	2026	2027	2028
Special Bulk Rate	\$5.15	\$5.41	\$5.68	\$5.96	\$6.26
Residential Rate (in Volume Range)	\$8.08	\$8.48	\$8.91	\$9.35	\$9.82
Base Residential Rate	\$3.56	\$3.74	\$3.93	\$4.13	\$4.33

Ran analysis based on 35,000 gallons a day of usage for the town. This equates to 1,050,000 gallons per month. Considering a 2% per year uncollected billings, 1% per year for projected change in average consumption, and 3% Reduction in consumption average after a 10% increase in rate. The calculated annual revenues are as follows. See chart below.



The cost that would be associated with providing water to High Shoals with a new water tank (estimated \$16,000 Annually). Operation of the new pipe and repair of the line (unknown).

EXHIBIT 5