



**OAK RIDGE TOWN COUNCIL SPECIAL MEETING  
JULY 22, 2021 - 2:00 P.M.  
OAK RIDGE TOWN HALL**

**MINUTES**

**Members Present**

Ann Schneider, Mayor  
Jim Kinneman, Mayor Pro Tem (Via Zoom)  
George McClellan  
Doug Nodine  
Martha Pittman

**Staff Present**

Bill Bruce, Town Manager  
Sandra Smith, Town Clerk  
Sean Taylor, Planning Director  
Michael Thomas, Town Attorney  
Sam Anders, Financial Officer (arrived 2:05 p.m.)

**1. CALL TO ORDER**

Mayor Ann Schneider called the meeting to order at 2 p.m.

**2. APPROVE AGENDA**

*Councilman George McClellan made a motion to approve the meeting agenda, and Councilwoman Martha Pittman seconded the motion. Via a roll call vote the motion was passed unanimously (5-0).*

**3. CONSIDERATION/APPROVAL OF ENVIROLINK CONTRACT**

Town Manager Bill Bruce said that Council had copies of the proposed Envirolink contract in their packets for water system management that was based upon terms that were approved by them in July of 2020. Bruce then asked Council members to remove page 23, Exhibit F from the contract and to replace WWTP on page 17, Exhibit C with Oak Ridge Town Hall. He said that a spreadsheet had been prepared by the water subcommittee showing projected revenues and expenses associated with the proposed water system. Bruce stated that the spreadsheet was based on a thorough analysis of all anticipated expenses based on actual financials as well as an analysis of water usage based on real standards and best practices. Bruce said that the analysis included a rate increase that is currently in front of the North Carolina Utilities Commission.

Mayor Schneider stated that representatives from Envirolink were in the audience.

*Councilman George McClellan made a motion to approve the Envirolink Inc. contract, and Councilwoman Martha Pittman seconded the motion.*

*Council discussion:*

Councilman McClellan said that he noticed that the new numbers on the spreadsheet were more conservative than initially thought, and Bruce confirmed that the new numbers were slightly more conservative than reflected in earlier versions.

Councilman McClellan asked if the wells would become profitable in year two, and Bruce confirmed that that he was reading the spreadsheet correctly.

Councilman McClellan asked if Envirolink was going to take care of any day-to-day matters and help the Town get approval with the N.C. Utilities Commission, and Bruce replied yes.

Mayor Pro Tem Kinneman asked if there was any need for a confidentiality agreement, and Town Attorney Michael Thomas replied that state law would control that information and that an additional agreement was not needed.

Councilman Nodine asked if the numbers across the top of the spreadsheet were projections showing up to 40% of the wells were being currently occupied, and Bruce replied that those numbers were based on the current number of water customers which was 44%.

Councilman Nodine asked if the profitability was based upon full occupancy, and Mayor Schneider replied yes.

Councilwoman Pittman wanted to verify her understanding that there were three conditions in order for the actual contract to become effective, and Bruce said that her understanding was correct.

Councilwoman Pittman said that she was happy with the spreadsheet, that the rates were reasonable.

Mayor Schneider said that the terms that Councilman Pittman was referring to could be found on page three that included the following conditions:

- (1) Envirolink shall materially assist the Town as set forth in the attached scope of work with the collection, review, and submittal of all required documentation to NCDEQ for water system approval; and,
- (2) The Town's receipt of NCDEQ approval for the Town water system; and,
- (3) The acceptance by the town of its first community well system, including all relevant state approvals for such purchase, by warranty deed in fee simple, shall be completed and such deeds duly recorded in the Guilford County Registry.

Josh Powers, Area Manager for the Metro Carolinas for Envirolink, said that they do not know the actual cost for purchasing, tracking and monitoring without having an actual well system. He said that the contract would need to be updated with financial information once a well comes on.

Mayor Schneider asked if a contract amendment could be expected, and Bruce replied that Powers had an old version of the contract and that the current contract had been verbally agreed upon with Envirolink President Mike Myers.

Councilman McClellan asked if the focus would be to gain approval from the N.C. Utilities Commission, and Powers replied yes.

Powers said that Envirolink would take care of all of that and take the hassle off of the Town. He said with the N.C. Utilities Commission's approval that Envirolink would ensure that vendors were doing what they say before a well becomes a part of the water system.

Councilwoman Pittman asked if Mr. Strum with Envirolink was present, and Mr. Strum replied yes.

Councilwoman Pittman said that her understanding was that Mr. Strum would be the primary point of contact for the administration of this agreement.

David Strum, Director of Operations for Envirolink, said that Envirolink would be assisting the Town until it became an approved utility.

Councilman Nodine asked what would happen if the contract did not go through in terms of cost, and Strum replied that the first step would be for Envirolink to help the Town gain its utility status.

Bruce said that the current contract included the negotiated rates. He said that he was not sure if the Town would come back and renegotiate. Bruce said that after a 5-year period that the Town could potentially renegotiate but that the rate was fixed for five years.

Mayor Schneider said that fixed rate is a monthly cost that is based on the size of the well and the number of homes served.

Councilwoman Pittman said that the price breakpoint would be 30 wells.

Mayor Schneider said that she thought the contract looked great. She said that the Town had been working on the contract for nine months and had done a lot of due diligence work. She said that today's discussion was about the contract, but the real decision would be about moving forward with a modest municipal well system based on community wells. Mayor Schneider said that she had heard about dry wells and water contamination in pockets of the Town for years. She said that the government was responsible for the health, welfare, and safety of residents and that water was key to all three. Mayor Schneider said that this decision would probably would not affect current residents unless they moved into a new subdivision. She said that the Town had a 3-pronged plan that included starting with a municipal water system, improving access to water for the Oak Ridge Fire Department, and someday linking these efforts to surface water access for the Town. Mayor Schneider said that the system would pay for itself and would be supported by the users of the system, not by tax revenues. She said that Old North State, the current owner, had applied to the state for a 68% rate increase which is far higher than Aqua's rates. Mayor Schneider said that the Town had done all of its homework and that she believed it was time to move forward.

*Councilman George McClellan made an amendment to his original motion to approve the Envirolink Inc. contract to include the amendments as articulated by Town Manager Bill Bruce,*

*and Councilwoman Pittman seconded the motion. The motion was passed (4-1) by a roll call vote with Councilman Nodine voting no.*

**4. CLOSED SESSION**

*Councilwoman Pittman made a motion to go into closed session at 2:25 p.m. to discuss a real estate matter, and Councilman McClellan seconded the motion. Via a roll call vote the motion was passed unanimously (5-0).*

*Councilwoman Pittman made a motion to return to open session at 2:56 p.m., and Councilman McClellan seconded the motion. Via a roll call vote, the motion was passed unanimously (5-0).*

**5. PUBLIC COMMENT**

None

**6. ADJOURNMENT**

*Councilman George McClellan made a motion to adjourn the meeting at 2:59 p.m.; and Councilwoman Martha Pittman seconded the motion. Via a roll call vote, the motion was passed (5-0) with Mayor Pro Tem Kinneman not voting.*