

POA Town Hall Meeting Saturday January 22, 2011

1:00 PM

Agenda:

1:00 Treasurers Report
 Recreational Park
 Community Center Status
 Interest in an Annual Yard Sale at Lockwood
 Bingo Night
 Grounds Maintenance Contract
 Questions from the floor

1:30 First Presentation of
 Sewer Service in Lockwood

3:00 Adjourn

POA Board of Directors Meetings, the second Thursday of the month at 2:00 PM, are OPEN to all property owners

2010/2011 Mid -Year Highlights

	<u>Current Year</u>	<u>Better/(Worse) 2009/2010</u>	<u>Better/(Worse) Budget</u>
Income	\$566,300	\$35,500	(\$2935)
Expense	\$294,500	(\$31,800)	\$60,600
Reserve Account	\$544,026	\$121,600	N/A
Total Equity	\$1,643,500	\$154,600	N/A
Accounts Receivable	\$68,737	\$9,181	N/A

Reserve Account Spending

Lot 54 purchase	\$55,250
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Storm water Program	\$65,000
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Spring 2011: Tennis Court Replacement	\$110,000
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Grounds Contract

- ❑ Appearance of vacant grass lots was poor during 2010 growing season
- ❑ Charlie Pepe took over responsibility for grounds last July
- ❑ Charlie conducted a study of the number of grass lots vs. treed lots
- ❑ Gordon observed mowing operations & determined the time necessary to mow a lot
- ❑ The data showed that with a dedicated 40 hour work week, all grass lots could be mowed once per week during the growing season
- ❑ The conclusion was that the vacant lots should be maintained in much better condition than they are currently being maintained

New Grounds Contract

- ❑ The bid package requested 3 bids:
 - POA grounds
 - Vacant lots
 - Combined POA grounds & vacant lots
- ❑ The bid package required 80 hours per week for POA grounds and 40 hours per week for vacant lots, total 120 hours
 - We made it clear to bidders that we wanted dedicated employees here 5 days per week in fulfilling the 80 and 40 hour requirements
- ❑ The bid package mandated the contractor to hold NC permits/licenses for application of chemicals or sub-contract the work to one who does

Bids

- ❑ 6 bids were received
 - Grass Roots \$155K
 - Greenup (Sunset Beach) \$124K
 - Integrity Landscape (Wilmington) \$149K
 - Champion Gutters \$192K
 - Jason (Vacant lots only) \$35K plus equipment
 - Dwayne (POA grounds only) \$110K

Bids

- ❑ 6 bids were received
 - Grass Roots \$155K
 - ~~Greenup (Sunset Beach) \$124K~~ (too low)
 - ~~Integrity Landscape (Wilmington) \$149K~~ (too far)
 - ~~Champion Gutters \$192K~~ (too high)
 - Jason (Vacant lots only) \$35K plus equipment
 - Dwayne (POA grounds only) \$110K

Finalists

Dwayne: Advantages/Disadvantages

Knowledge & experience of maintenance duties

Not interested in continuing lot maintenance

POA would have to use Jason for lots & purchase equipment for him

Dwayne has to sub-contract application of all chemicals

We would expect grounds to be maintained as they are today

Combined costs \$145K plus \$30K-\$50K equipment

Finalists

Grass Roots

We get synergies of combining labor for grounds & vacant lots

Contractor has all the necessary equipment

Contractor has all the necessary licenses

Contractor has horticulture knowledge

Contractor can purchase materials at wholesale

Contractor knows Lockwood & has expressed an independent vision for the quality of maintenance appropriate for the community

Cost is roughly a trade-off at \$155K

Conclusion

The board was unanimous in our conclusion that Grass Roots will, in the longer run, provide a higher standard of quality maintenance for Lockwood at an equal or lower cost

Sewers for Lockwood Folly

Informational Presentation

Are Sewers Required for Lockwood Folly?

- ❑ Not at this time. The county has no plans to require communities like Lockwood to install sewers.
- ❑ It is possible that due to the fecal contamination of the LF river, the Dept. of Coastal Mgt. or other state agency may mandate sewers to be installed in the future.

Why Are We Interested in Sewers Now?

- ❑ As many as 150 lot owners have expired septic permits and several lots don't perc. New guidelines will make acquiring permits more difficult and could make some properties virtually worthless if permits aren't issued
- ❑ Many installed septic systems are reaching the end of their useful life
- ❑ Sewers will boost property values and make Lockwood much more competitive in the property market
- ❑ In the event the county mandates sewers for Lockwood, it will likely cost property owners much more in the future, and the county will dictate payment terms
- ❑ The county is offering significant financial incentives for new hook-ups now

Where does the POA Board Stand on Sewers?

- ❑ The board believes each owner must weigh the advantages/costs and decide what is best for him/her
- ❑ The Board will provide accurate information about the benefits, the issues, the risks and the costs
- ❑ After communicating all the known information about sewers, the board will send out a petition to property owners to determine the level of interest in bringing sewers to Lockwood

Types of Sewer Systems

- ❑ Sewer systems today may be gravity systems, low pressure pump systems or a combination of both
- ❑ A gravity system consists of a series of connected gravity fed drainage pipes from the home site to a main collector pipe located outside the community
- ❑ A low pressure pump assisted system consists of a series of drainage pipes supplemented with pumps that push sewage from the home site to a main collector pipe regardless of terrain
- ❑ Combination systems use both gravity and pumps to move sewage from the home site to the main sewer line

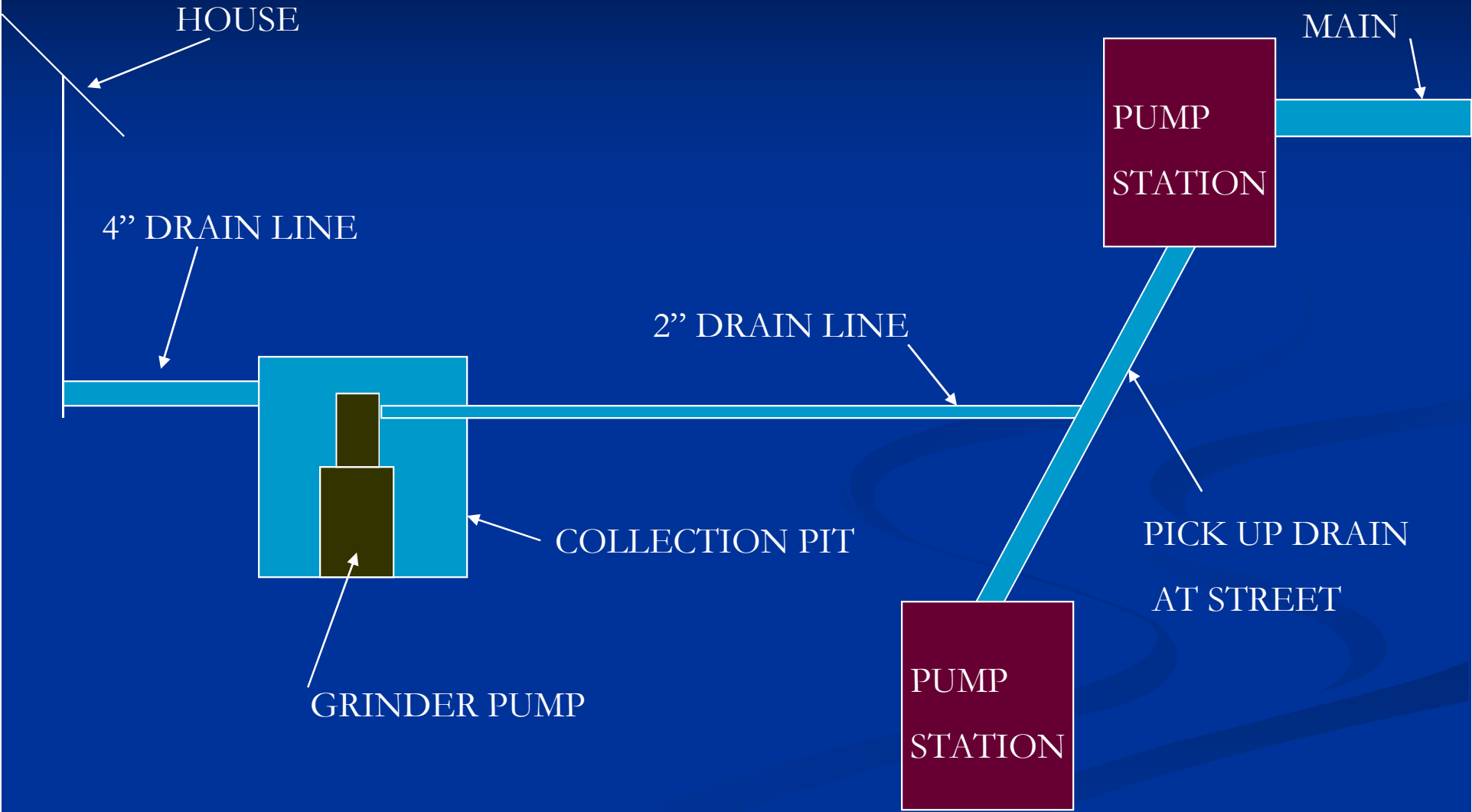
Gravity Sewer System

- ❑ Gravity drain lines must flow downhill, from higher ground to lower ground
- ❑ Typically, a 4" drain from the home connects to a series of increasingly larger pipes
- ❑ In order to ensure downhill flow, trenches must be dug with a specific slope and drain pipes laid in them
- ❑ Depending on the terrain, some pipes may have to be buried quite deep in order to maintain a downhill flow
- ❑ Due to large pipes and all the digging required, gravity sewer line installation is disruptive and costly

Pump Assisted Sewer System

- ❑ Low pressure systems may be installed when the terrain or other circumstances make gravity sewers impractical
- ❑ A grinder pump is installed at each house
- ❑ Solids are ground up so liquid waste can be pumped to a pick-up drain at the street
- ❑ Large pumps move sewage through and out of the community to a main county trunk line
- ❑ Since liquid sewage is being pumped, smaller drain lines can be used
- ❑ Much of the system can be installed without disruptive digging and property destruction
- ❑ Installation costs are therefore lower than gravity systems

Pump Assisted System



Pump vs. Gravity

- ❑ Gravity systems are more disruptive, and drain lines are more expensive to install
- ❑ Gravity systems may not be possible if the terrain slopes from lower to higher ground
- ❑ Pumping systems require a grinder pump at each property, increasing the installation cost for the home owner
- ❑ Pumping systems are lower cost to install because the lines can be installed without much digging
- ❑ At various points throughout any sewer system, pumping stations are necessary to move volume sewage

Where would We Connect?

- ❑ The closest county sewer main is in Holden Beach
- ❑ The main is located near Food Lion
- ❑ We would pay costs for installing sewer lines from Food Lion to Lockwood and throughout the community
- ❑ The total length of sewer lines would be 11-12 miles

How Do We Apply for Sewers?

In the case of a voluntary sewer program:

- ❑ A community may request a preliminary evaluation by the county Engineering Dept.
 - County engineers determine where to connect to an existing sewer main
 - County engineer reviews the sub-division, works up a rough layout for the system
 - Gravity portion, grinder pumps, pump stations
 - County engineering makes a rough cost estimate
- ❑ We have completed this phase of the process

How Do We Apply for Sewers?

- ❑ Then, the community must petition the county to be declared a “Sewer Assessment District” (SAD)
 - ❑ Petitioning can be requested by any property owner
 - ❑ Petitioning means polling property owners to determine the degree of support for sewers
- ❑ In our case, petitioning will be conducted by the POA

LOCKWOOD FOLLY
ASSESSMENT PETITION FORM

PLEASE INDICATE YOUR PREFERENCE ON THE PROPOSED CREATION OF A SPECIAL ASSESSMENT DISTRICT FOR THE CONSTRUCTION OF A SEWER SYSTEM IN YOUR NEIGHBORHOOD BY MARKING THE APPROPRIATE BOX.

I AGREE WITH THE CREATION OF A SPECIAL ASSESSMENT FOR CONSTRUCTION OF A SEWER SYSTEM IN MY NEIGHBORHOOD. I UNDERSTAND THAT I WILL HAVE TO PAY MY FAIR SHARE OF THE COST.

I DO NOT AGREE WITH THE CREATION OF A SPECIAL ASSESSMENT DISTRICT FOR CONSTRUCTION OF A SEWER SYSTEM IN MY NEIGHBORHOOD.

NAME: _____
(Please Sign)

NAME: _____
(Please Print)

PROPERTY ADDRESS: _____

DATE: _____

How Do We Apply for Sewers?

- To be considered for a SAD, the petitions must show that at least 51% of property owners support it
 - Each property owner has a vote for each of his/her properties
 - Unreturned petitions are assumed to vote "DO NOT AGREE"
 - The larger the majority of "AGREE" petitions, the greater the chance that the county will consider further action

How Do We Apply for Sewers?

- ❑ The POA will mail petitions to each property owner
- ❑ The POA will collect the signed petitions and submit them to the county for review
- ❑ Once the signed petitions are submitted to the county Engineering Dept., the POA has no further involvement in the process
- ❑ If 51% of returned petitions "AGREE", the county either verifies the submitted petitions or sends out its own petitions to confirm the results of the POA initiated petition

What Happens Next?

1. County Engineering Dept. forwards our application to the Public Utilities Dept.
2. Utilities Dept. weighs the application based on:
 - ❑ Cost per property owner
 - ❑ Percent of property owners in favor
 - ❑ Public health concerns
 - ❑ Roadway status
 - ❑ County water in the area
3. Public Utilities Dept. makes recommendation and forwards to County Commissioners
4. Public Utilities Dept. sends a letter to all property owners announcing a public meeting
5. County Commissioners review all data and decide for/against creation of SAD
6. County designs and installs the entire system
7. Estimated 2 years from application to first flush

How Does the County Fund a Sewer Project?

- ❑ Brunswick County borrows from various banks to fund construction (sewer) projects
- ❑ Water and sewer utilities are self supporting; they must generate revenues that cover costs for installation, service and maintenance
- ❑ Therefore, loans for construction projects must be paid back in full (including interest) by property owners who will receive the services
- ❑ The county will not undertake a project without a high degree of confidence that it can collect enough from property owners to repay the construction loan

What Are the Costs?

- ❑ There are three main cost components for sewers:
 - What the county pays to design and install the system
 - Water treatment capital recovery costs
 - What the homeowner pays to hook up to the system

What Are The Costs?

- ❑ A typical sewer installation will be a combination of gravity and low pressure
- ❑ This means some houses will have grinder pumps and some will not
- ❑ Grinder pumps cost \$4000
- ❑ Property owner costs will vary depending on the need for a grinder pump

What Are The Costs?

- ❑ The county only provides an estimate of costs for property owners before installation is complete
- ❑ This is because there may be complications that cause additional costs
 - Severed water lines or phone & electrical cables that must be repaired
 - Other unexpected problems that come up during excavation
- ❑ The actual final cost to property owners is only known at the end of the project

County Financed Costs

Installation costs are initially paid by the county and include:

- ❑ Transmission line installed from the main in Holden Beach to Lockwood Folly
- ❑ Drain lines inside Lockwood Folly that run in front of each house
- ❑ Pump stations (large pumps) that move sewage through the system to the main at Holden Beach

Homeowner Costs

- ❑ Repayment of county financed installation costs
- ❑ Grinder pump (if low pressure)
- ❑ Installation costs for drainpipe from house to street
- ❑ Capital recovery fee – this cost relates to county water treatment capital costs
- ❑ Transmission fee – this relates to the capital necessary to connect Lockwood Folly to the sewer main transmission line

Homeowner Costs

Installation by Brunswick County:

- County estimated costs are \$6000 - \$8000 per property owner
 - Calabash & Sunset Beach projects came in at around \$5000 per property owner
- This includes homeowners and lot owners, i.e., all properties
- Property owners will have at least 3 years to pay (this is negotiated with the county commissioners board)
- Property owners will receive a bill from the county each year for 1/3 (or less) of the total

Homeowner Costs

- ❑ Homeowners have the option of hooking up immediately or waiting until their septic fails
 - If they elect not to hook up, there are no additional lump sum payments beyond the county installation cost recovery charges (\$6000 - \$8000)
 - There are no monthly charges
- ❑ Lot owners cannot hook up unless they plan to start construction within 90 days after completion of sewer installation

Homeowner Costs

- ❑ If home owners elect not to hook up initially, the following costs will apply at some later hook-up date:
 - \$4000 grinder pump, if required
 - \$3000 capital recovery fee
 - \$1000 transmission fee
 - Contractor charge for running drain to sewer line tap
- ❑ Total costs to hook up at a future date \$8000 (\$4000+ if no grinder pump required)
- ❑ These costs are in addition to the initial county installation costs spread over 3 years

Homeowner Incentives

- ❑ The county encourages homeowners to hook up as soon as the installation is complete in order to generate revenues
- ❑ The county offers incentives to those who agree to hook up initially
 - You will not pay extra for a grinder pump, if needed (-\$4000)
 - The capital recovery fee is waived (-\$3000)
 - The county installs your drain line
 - You pay only a transmission fee, an additional \$1000
- ❑ If you agree to hook up immediately, you pay only an additional \$1000, a savings of up to \$7000
- ❑ If you hook up immediately and pay your full installation fee up front, you may receive a 5% discount

Homeowner Costs

- ❑ Once you hook up to the sewer system, you will be charged a monthly usage fee
- ❑ The fee is based on water usage
 - \$39 per month for the first 3000 gallons of water used
 - If you installed a grinder pump, the county charges \$5 per month to insure it
 - For 3000 gallons usage your maximum bill is \$44 per month

Cost Summary

Hook Up Immediately

Installation \$6000-\$8000 (3 yr or longer payback)

Grinder Pump Cost - Included

Capital Recovery Fee – Waived

Transmission Fee –\$1000

Total - \$7,000 - \$9,000

\$39 or \$44 Monthly

Hook Up Later

Installation \$6000-\$8000 (3 yr or longer payback)

Grinder Pump Cost - \$4000

Capital Recovery Fee – \$3000

Transmission Fee – \$1000

Drain line installation costs

Total - \$10,000 - \$16,000

No monthly charge until hookup

Questions