



Town of Shallotte

ACTION AGENDA ITEM

2026

TO: Board of Alderman

ACTION ITEM #: _____

FROM: Dan Formydvual

MEETING DATE: _____

DATE SUBMITTED: _____

ISSUE/ACTION REQUESTED: *Discussion of payment of the Town's proportional share based on allocation for upgrades to the County treatment plant's Bio Solids disposal program.*

PUBLIC HEARING: YES NO

BACKGROUND/PURPOSE OF REQUEST: *The Town of Shallotte is a Partner in the West Brunswick Regional Wastewater System. This affords the Town access to a treatment source for the Town's wastewater. The Town currently has a total one million gallon per day allocation of which the daily flow currently averages slightly less than +/- 500,000 GPD. This allocation is split between the Shallotte facility and the County facility on Greywater Rd.*

With the increased volume of treatment and the reduction of available land application sites the County must increase its capacity for the storage and processing of waste leftover as part of the treatment process. In order to handle this increased volume the County will need to adapt the current facility to reduce the amount of water in this material as well as have a place to store it when land application or transport is not available.

The current project will impact the Greywater Rd facility and the Town's share is based on the amount of allocation assigned to this facility. At 500,000 gpd (4% of total) the Town's share is currently \$1,541,667. The County has proposed two options. Option one is a onetime payment in full.

Option two is to add \$1.96 per 1,000gpd of actual treatment. Current annual average of 172.2 million gallons per day would equate to \$336,795 annually with a 4.5 year pay off at current rates. With the impending increase in flow this time horizon would be shortened. This option would increase the bi-monthly base rate bill by \$11.76.

Two additional options have been proposed to the County by system partners. Holden Beach has discussed being billed based on contractor invoicing throughout the project. Shallotte has proposed splitting the payment over the course of three years for equal annual payments.

The County has made it known that any partners in the system that do not decide on one of the afore mentioned options will automatically be enrolled into the \$1.96 per 1,000 treatment repayment method. It is Public Service's request that the Board decide what payment method they would prefer.

FISCAL IMPACT:

- BUDGET AMENDMENT REQUIRED:** YES NO
- CAPITAL PROJECT ORDINANCE REQUIRED:** YES NO
- PRE-AUDIT CERTIFICATION REQUIRED:** YES NO
- REVIEWED BY DIRECTOR OF FISCAL OPERATIONS** YES NO

CONTRACTS/AGREEMENTS:

REVIEWED BY TOWN ATTORNEY:

YES

NO

N/A

ADVISORY BOARD RECOMMENDATION: N/A

TOWN ADMINISTRATOR'S RECOMMENDATION:

FINANCE RECOMMENDATION: N/A

ATTACHMENTS:

- 1.
- 2.
- 3.

ACTION OF THE BOARD OF ALDERMEN

APPROVED:

DENIED:

**DEFERRED
UNTIL:** _____

OTHER:

ATTEST:

CLERK TO THE BOARD

SIGNATURE

Biosolids Project – Capital Cost Participation Summary

Total Project Cost: \$37,000,000

A. Capacity & Upfront Capital Allocation

<u>Participant</u>	<u>Capacity (MGD)</u>	<u>% of Capacity</u>	<u>Upfront Capital Share (\$)</u>
County (Existing)	1.5	12%	\$4,625,000
Oak Island	3.0	24%	\$9,250,000
Holden Beach	1.0	8%	\$3,083,333
Shallotte	0.5	4%	\$1,541,667
County (New Capacity)	6.0	52%	\$18,500,000
Total	12.0	100%	\$37,000,000

B. Optional Rate-Funded (Differential Rate) Scenario

County funds all capital upfront; participants repay their share through rates.

Flow Estimate (Most Recent 12 Months)

<u>Participant</u>	<u>Annual Flow (MG)</u>	<u>% of Participant Flow</u>	<u>Annual Debt Service (\$)</u>
Oak Island	270.6	52%	\$529,249
Holden Beach	79.2	15%	\$154,902
Shallotte	172.2	33%	\$336,795
Total Participants	521.9	100%	\$1,020,947

Uniform Biosolids Rate (Participants Only):
\$1.96 per 1,000 gallons

C. Participant Funding Election

Please select one option below:

Upfront Capital Contribution

Participant pays its allocated capital share at project initiation (see Section A).

Rate-Funded (Differential Rate)

County funds capital costs upfront; participant repays its share through the biosolids rate of \$1.96 per 1,000 gallons (see Section B).

Participant Name: _____

Authorized Signature: _____

Date: _____