Subject: Replacing the pre-clarifier tank

February 22, 2023

I was optimistic, and the staff was too, that the town would receive a state grant to replace the aging pre-clarifier tank at the water tank. The town had resubmitted the grant we applied for last year.  The project is a big-ticket item, somewhere around 3 million dollars.

Our town manager gave the bad news at the town board meeting last Thursday night that we did not get the grant. In fact, our application scored so low that the state folks managing the grant process told us we neededn’t apply again.

So, where are we in the process now that this grant source is not available?  The town public works and financial staff will do an in-depth update to the board at the March 9 town retreat.

But I believe I already know where we are heading.  Like the old Buck Horn water tank that was replaced on Satulah a number of years ago, we can continue to use the current pre-clarifier tank as we begin the process of replacing it.   As in the case of the Buck Horn water tank, it remained in service, albeit leaking, until the new tank was completed. We may be able to implement a similar procedure for the pre-clarifier tank.

I foresee the town staff and expert engineers beginning an extensive design process for the new pre-clarifier tank this coming fiscal year.  The critical first stage in such a major waterworks project is to develop and test a design plan before construction begins.  It will take time for the engineering of this new tank to be completed. We did a similar process with replacing the Buck Horn water tank. One year was pretty much devoted to the design/engineering phase, followed in the next year of the actual construction phase.

The engineering phase of this new project will give the town a more exact cost estimate for building the new pre-clarifier tank.  Inflation has changed our previous estimates.  There are several design and construction options that will have to be carefully considered.

In the meantime, town staff will explore financing options for the project. There may be other grant sources, or we may have to consider a low-interest revolving loan.  Several financial options must be considered. Do we tap into town reserve funds to build the tank? Do we use some reserves and finance the rest? Or do we finance what entire project with a low-interest loan.  Right now, financing a project like this using conventional loan sources would not be desirable. But, maybe in a year, the rates may be lower.

At the all-day town retreat Lamar Nix, our public works director, will present a more detailed report assessing the situation with the pre-clarifier tank and how to proceed.  Lamar will also present an overview of public works projects that are on the schedule for the next fiscal year. We will also hear reports from directors of the recreation, IT, police, and fire departments.

There will also be a review of utility rates.  I anticipate, like last year, that electric, water/sewer, and garbage rates will remain the same despite the inflationary pressures we all have experienced.

Mayor Pat