

Town of Louisburg

Office of the Mayor

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State of North Carolina

February 11, 2013

Mr. George Vital, Area Director
USDA - Rural Development
253 S. Beckford Drive, Suite A
Henderson, N.C. 27536

Mr. Bruce Pleasant
Acting Director, Community Programs
USDA - Rural Development
4405 Bland Rd., Suite 260
Raleigh, N.C. 27609



RE: Town of Louisburg Comments – NEPA Environmental Assessment for the Proposed City of Creedmoor Wastewater Collection and Treatment System Improvements, Granville County, North Carolina.

Dear Sir:

After reviewing the available data regarding the proposed above-referenced project for the City of Creedmoor, I offer the following comments on behalf of the Town of Louisburg. The Town of Louisburg has a direct and significant interest and opinion as to any proposed impact of the Tar River. As the Town relies on the Tar River for both drinking water and wastewater discharge for the citizens of Louisburg as well as its condition being a major factor in our economic vitality, we are always guardians of its overall condition and health.

The specific comments submitted herein are related to the economics of the project, environmental impacts of the project, and any impact that may affect the future capacity and resource provided the Town of Louisburg by the Tar River. Unlike the City of Creedmoor, the Town of Louisburg is COMPLETELY reliant on the Tar to provide both needed water and wastewater utilities to residents, businesses, schools, and all other entities within our service area. While we are certain that any proposal that may affect downstream entities is considered only after a significant review, such proposal that has a strong environmental, economic impact AND existing alternative, should be reviewed at a much higher standard. We believe that is precisely the case in this instance.

- 1) Economy of Project – The State of North Carolina has, and continues to, experience the economic realities of our recent recession. Local Government in North Carolina has been

affected in a way not seen in decades! Public employee layoffs and terminations, service level reductions, and needed infrastructure (not optional) projects have been postponed in most all communities around the State. These economic conditions have also had a direct impact on funding sources that these local governments so desperately rely on to fund these projects. As a result of the current economic environment, the close consideration of fiscal effectiveness and efficiency has taken on a much higher importance when considering funding from those sources we all rely upon. It would appear that the proposed project is not the most Cost Effective avenue available to serve the City of Creedmoor. The submitted fiscal analysis indicates that the existing plant will be more than able to supply the requested capacity and do so in with a reduced cost than construction the proposed plant. In each subsequent year it appears that the total cost, including capacity availability fees, are significantly less when utilizing the existing plant versus the new construction. It would seem that the continued use of the existing plant is the best course of fiscal responsibility, especially in the current economic conditions. The City of Creedmoor has been a member of SGWASA and has shared the costs of operations of SGWASA facilities. SGWASA has entered into a construction project to adequately treat the discharge of Creedmoor with an expectation of service to satisfy the tremendous debt SGWASA will incur. If the proposed Creedmoor project is approved it will start a chain of events that could result in a disastrous fiscal environment for other SGWASA members who will then solely bear the burden of enormous construction debt from the SGWASA project! This is an extremely important factor when considering the Creedmoor project! It also appears that the factors used to determine cost effectiveness are inaccurate in their basic form. Observations as to the ability of the existing plant to adequately remove nitrogen and phosphorus appear to be in error. Data has been submitted to example how this representation does not reflect the true treatment ability of the existing plant. The Town of Louisburg respectfully requests that the economics of the project be carefully considered, the significant financial impact on SGWASA members and the subsequent impact on the cost of utility services to be shouldered by their citizens/customers, and the most cost effective project be supported. This will assure that the public monies used on this project are spent in a sound fiscal manner and other entities do not suffer in the form of unavailable funding opportunities needed for their respective communities.

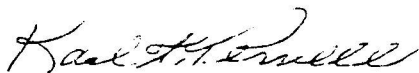
- 2) Impact on the Town of Louisburg Water and Wastewater Utility System – The available data does not seem to indicate a review of the proposed projects impact on the raw water withdrawal or the wastewater discharge into the Tar River by the Town of Louisburg. It is imperative that the Town of Louisburg understand and be made aware of any potential effects on our ability to serve or existing and future customer base. We are unable to ascertain either benefits or liabilities of the proposed project on our service capabilities. This data is vital not only in assuring our continued compliant operation of our facilities but in determining future impacts as we seek additional capacities of raw water or discharge. While the Tar-Pamlico Basin authority may be satisfied with nutrient loading levels, these elements are only one of the many issues that would/may affect the Town of Louisburg. We respectfully request that a thorough analysis of downstream impacts on the Town of Louisburg be conducted in an effort to demonstrate either positive or negative impacts on Louisburg. The proposed plant will have new and additional impacts on federally protect species that will have no impact if the preferable SGWASA alternative is taken. It would appear on its face a more favorable option to choose an available alternative when demonstrated benefits of such option are even further enhanced by significant environmental positives.

3) Support of Comments submitted by the City of Raleigh – Rather than composing a voluminous document that rehashes comments made by other entities, the Town would like to endorse the comments offered by the City of Raleigh concerning this project and RUS consideration. The comprehensive review made by Raleigh and the subsequent comments regarding this project are concise and to the point. Specifically:

- Status of Biological impact and Impact on Protected and other Species
- Extent of Capacity required by Creedmoor to meet 20 year growth needs
- An overestimation of 20 year sewer capacity need for Creedmoor
- The incorrect evaluation for the cost of nitrogen and phosphorus allocations from EEP
- The extent to which Falls rules restrict SGWASA from providing the capacity needed by Creedmoor

Thank you for your review and consideration of the points we have outlined herein. The Town of Louisburg has a direct association with the impacts of the proposed project as well as the possibility of future impacts on our ability to serve present and expanded service areas and customers. Please consider all comments with the diligence deserved and fiscal prudence. We directly request that no action be taken until an impact analysis has been completed to determine the anticipated direct effects on the Town of Louisburg Water and Wastewater Services, both present and future.

Sincerely,

A handwritten signature in cursive script, appearing to read "Karl T. Pernell".

Karl T. Pernell, Mayor
Town of Louisburg, North Carolina