



Board of Commissioners

Gates County Government

115 Court Street | Gatesville, NC 27938 | 252.357.2411

GatesCountyNC.gov

September 19, 2025

Shadi Eskaf, Director
Division of Water Infrastructure
NC Department of Environmental Quality

Christyn Fertenbaugh, PE
Supervisor, Viable Utilities Project Unit

Re: **Gates County Water & Wastewater, Distressed Unit Supplemental Report**

Dear Mr. Eskaf and Ms. Fertenbaugh:

On behalf of the Gates County Board of Commissioners, I am pleased to present Gates County's Viable Utilities supplemental report in compliance with NCGS 159G-45, as a designated "distressed unit" local government for water and wastewater.

Gates County's designation by the NC Department of Environmental Quality and the Local Government Commission as a "distressed unit" for our water and wastewater systems in August 2022 was a wake-up call, and an important call to action for the Board of Commissioners.

In 2022, Gates County experienced the resignation of our Public Utilities Director and Finance Officer. We were successful in recruiting an experienced and certified water and wastewater operator from another local government in our region, and he joined us in April 2022.

In January 2023, our County Manager resigned. Gates County secured a recently retired county manager in February 2023, hired under a six-month interim contract and his employment agreement has been extended for three additional years.

On May 1, 2023, our new Finance Director joined us in Gates County and previously served in a nearby county for more than twenty years. He has signed on for a five-year contract with an automatic two-year extension.

I want to assure the NC Department of Environmental Quality that Gates County is taking bold steps to build a management team and seek out resources to upgrade our nearly fifty-year-old infrastructure, correct the mistakes of the past; and plan, invest and prepare for the next fifty years.

When Mr. Arnold joined Gates County in April of 2022 as Public Utilities Director, his office was void of records—no maintenance logs, no operational reports or any of the required documentation for a water system, and certainly for a county with two wastewater facilities.

Also, at the time of Jonathan Arnold's appointment as the Gates County Public Utilities Director, he nor the current sitting Board of Commissioners was not aware that the NC Department of Environmental Quality, in November 2017, served notice of a Sewer Moratorium for Permit No. WQ0000267. NCDEQ determined at the time "the Gates County WWTF is unable to adequately collect and treat waste tributary to its wastewater treatment facility."

The sewer moratorium (with no new sewer taps, sewer extensions or additional flow) at Gates County's wastewater treatment became effective January 13, 2018.

Action Steps by the Board of Commissioners since 2022

In addition to the management team realignment described above, the Gates County Board of Commissioners has set strategic priorities and adopted a ten-year capital improvement plan for water and wastewater infrastructure. These action steps have paid dividends in the form of the North Carolina General Assembly's S.L. 2023-134 appropriation of \$10,145,000 to Gates County for directed projects. The Board of Commissioners has also successfully secured NCDEQ Division of Water Infrastructure state revolving funds and ARPA grants totaling \$7.3 million as described in the attached report.

Gates County's wastewater system (Permit No. WQ000267) consists of two wastewater treatment plants, the first of which was constructed in 1989 to provide sewer service to a state prison facility in Gatesville. The state prison was closed a decade later, and the property and 0.025 MGD wastewater treatment plant (WWTP) were conveyed to Gates County. NCEQ derated this WWTP to 0.015 MGD in 2012 due to on-site run off at the spray application field located on Honey Pot Road and currently serves only seven (7) non-residential customers, including two schools.

In 2017 the County upgraded the central pumping station on Honey Pot Road and constructed a second 0.04 MGD Sequential Batch Reactor WWTP on Hill Lane (north of US Highway158) intended to provide additional operational relief to the original 0.015 MGD WWTP constructed in 1989. The 0.040 MGD Sequential Batch Reactor (lagoon and mechanical storage system) prior to pumping to the spray field). The SBR plant constructed in 2018 was never permitted by the State, nor operational for six (6) years.

On March 8, 2024, NCDEQ issued a "Letter of Intent to Fund" for the Restoration of Gates County's original 0.015 MGD Wastewater Treatment Plant in the amount of \$2,217,816 from the September 2023 Application Cycle. This restoration project is being designed based on the Soils Remediation Study for the 0.015 MGD WWTP as part of the Wastewater AIA study and will be completed in October 2025.

As of October 2024, NCDEQ's Division of Water Resources is allowing flow of wastewater to the new 0.040 MGD SBR plant, and the current sewer moratorium prohibiting new connections will remain in effect until the original 0.015 MGD WWTP is fully restored to operational status.

Gates County's water system is a consolidation of the Town of Gatesville water system constructed in the early 1970s and the County's water system constructed in the early 1980s. The cooperative merger of these two water systems became effective October 1, 2013, and the Gates County Water System serves approximately 4,663 active water customer accounts. The County's population is 10,297.

The Town of Gatesville's population is 261 and this municipality of 0.4 square miles or (1.0 km²) remains an unsewered community.

Gates County's water system consists of approximately 322 miles of water lines and 400 miles of state-maintained roads; four elevated storage tanks, three wells and one 100,000-gallon ground storage tank. The County's water treatment plant was permitted in 1980 and designed to remove Fluoride using activated aluminum, sodium hydroxide, sulfuric acid, and chlorine. At the State's recommendation the activated aluminum Fluoride removal system was shut down in 1989.

Northeastern North Carolina and the tidewater Virginia as a region, for centuries has experienced naturally occurring high levels of Fluoride in the groundwater. In Gates County, state records dating back to 1976 indicate water from the Paleocene and Cretaceous aquifers, particularly in the vicinity of Gatesville and Sunbury contain excessive amounts of Fluoride, as much as 6 to 8 parts per million.

The attached supplemental report reflects the depth of effort by the governing body, the efforts of Gates County Public Utilities Department, and the leadership of our management team in the past three years beginning in 2022. These efforts would not have advanced so rapidly without the infusion of State appropriations from the NC General Assembly and the support of the NC Department of Environmental Quality's Washington Regional Office and NCDEQ's Raleigh senior staff.

The Board of Commissioners has pledged to make strategic and financially sound decisions, based on a foundation of data and available through a detailed assessment of the County's infrastructure. To this end, Gates County has secured two AIA grants for the water and wastewater systems, and these studies are near completion and providing for the hydraulic analysis for the water system is a key component from project development and daily operations.

We are immediately targeting several key areas:

- New Radio Read Water Meters replacement – using County funds, after identifying twenty-five percent (25%) of the County's 4,663 customers have faulty meters, through the America Rescue Plan Act. By updating the "cash register" for the water and wastewater systems, the County will be able to return to a monthly billing schedule, having subjected our customers to a confusing bi-monthly billing cycle for the past four years due to staff shortages and system deficiencies now being addressed by the Board of Commissioners.
- Long term maintenance issues such as numerous water line leaks, neglected for many years, are being addressed and the County acquired ground penetrating radar using local funds to identify water lines not accurately recorded on as-built drawings.
- Aggressively sampling groundwater, testing for Fluoride levels, engaging consultants to conduct hydrogeological analysis to aid in the evaluation of long-term water treatment alternatives. The most recent twelve months of testing indicates the average effluent leaving the Gates County water treatment plant yields a Fluoride level of 3.02 mg/L, the highest concentration of any public water system in the State of North Carolina as reported in 2024. On the Fluoride mitigation project, Gates County has over \$600,000 of local funds committed to water sampling, well performance testing, "packer test" to ensure well screens are adequately functioning, and installation of new submersible pumps at two of the County's supply.
- Ensuring prudent fiscal management and appropriate utility fund reserves provide a positive operating ratio as required by the NC Local Government Commission is our commitment to the citizens of Gates County.

Our governing body is engaged and fully supportive of the County's efforts to enhance and maintain the water and wastewater infrastructure, with a capital improvement plan charting the next fifty years. Gates County is also pursuing Fluoride mitigation daily, and we are pursuing outside resources from state and federal partners to ensure our success. We welcome your interest and support in these endeavors, and you are invited for a site visit and discussion with our staff and the Board of Commissioners at a time convenient for your schedule.

On behalf of the Gates County Board of Commissioners, attached for your review is the County's 2025 distressed unit for water/wastewater supplemental report. If we can provide further information or project details, please contact County Manager Scott Sauer at ssauer@gatescountync.gov or by telephone at 252-357-3138 at your convenience.

Sincerely,

A handwritten signature in cursive script that reads "Emily Truman". The signature is written in black ink and is positioned below the word "Sincerely,".

Emily Truman, Chair
Gates County Board of Commissioners