
MINUTES
CHATHAM COUNTY BOARD OF COMMISSIONERS
WORK SESSION
NOVEMBER 05, 2001

The Board of Commissioners (“the Board”) of the County of Chatham, North Carolina, met in the Henry H. Dunlap, Jr. Building Classroom, located in Pittsboro, North Carolina, at 1:00 PM on November 05, 2001.

Present: Chairman Gary Phillips; Vice Chair Margaret Pollard; Commissioners Bob Atwater, Rick Givens, and Carl Outz; County Manager, Charlie Horne; County Attorney, Robert L. Gunn; Assistant County Manager, Paul Spruill; Finance Officer, Vicki McConnell; and Clerk to the Board, Sandra B. Lee

The Chairman called the meeting to order at 1:05 PM.

Work Session Agenda

- 1.) **Continuation of Water System Presentation**
- 2.) **Bailiff**

PRESENTATION BY BROOKS COMPOST FACILITY

John Craig, Brooks Compost Facility representative, stated that their composting facility, located at 1195 Beal Road, Goldston, NC, is situated on a 375 acre farm containing cattle, horses, pasture, and woodlands; that the actual area used for composting is approximately 25 acres; that the compost facility was the first private compost facility in North Carolina to receive a five-year, level-three permit from the State of North Carolina for the operation of composting issued to Dean Brooks Farm; that trucking and sales are handled through Brooks Contractor, owned and operated by Dean and Judy Brooks; that they recycle a wide variety of organic products including clean wood waste, eggshells, food waste from restaurants, cafeterias, and food processing plants, drinking water residue; sawdust, and certain animal manures; that carbon bulking materials used may include shredded paper, cotton gin waste, waxed cardboard, leaves, and animal bedding; that the aged, finished compost is screened and used as a soil amendment or mixed with sand, pine bark fines, permatil, soil, etc. to make topsoil and special flower or vegetable bed mixes.

He stated that these carbon and nitrogen products are homogeneously and mixed and placed in windows; that during the decomposing process, the rows are turned for aeration using a specialized windrow turner; that temperatures and moisture content are monitored on an on-going basis to insure a high quality end product; that compost samples are taken during and after the decomposing process to be analyzed for chemical composition; that their compost facility recycles over 38,000 tons of organic materials per year; and that this is material that in the past was land-filled and now is safely and efficiently turned into a usable product that improves the plant life in our communities. He stated that they would be glad to partner with the County in the County’s recycling efforts and would be available to discuss the issue if the Board so desired.

WATER SYSTEM EXTENSION POLICY

Ron Singleton, reviewed the water system extension policy as follows:

<u>CHATHAM COUNTY</u>	Policy Statement No.
<u>POLICY STATEMENT</u>	Effective:
	Supersedes:
<u>WATER SYSTEM EXTENSION POLICY</u>	Prepared by: Title:
	Approved by: _____

1.0 PURPOSE:

The purpose of this policy is to provide an equitable mechanism by which Chatham County can plan and extend its water system to better serve the citizens of the County.

2.0 OVERVIEW:

Chatham County periodically extends the county water system for various reasons including citizen request, developer request, economic development and system enhancement. This policy will set forth the parameters by which the County shall make or allow such extensions and the rights and responsibilities of potential customers.

3.0 SCOPE:

This policy shall apply to all new water system extensions that are planned and constructed after the adoption date of this policy.

4.0 SYSTEM EXTENSION PROCEDURE:

The extension of the Chatham County water system shall be accomplished by one of the following methods as recommended by the Director of Public Works (DPW) and approved by the Chatham County Board of Commissioners (BOC):

- 4.1 Citizen Request: Chatham County may extend the county water system at the request of a citizen or group of citizens. The decision for such extensions will be made after an economic analysis and basis of need survey is completed by or under the direction of the DPW.

The economic analysis will be performed based on a preliminary cost estimate to determine the length of time needed for the line extension to be self supporting. The analysis will take into consideration the estimated cost of the line, the number and type of potential customers, the resultant estimated usage and the cost of providing the bulk water to the proposed extension.

The calculation will be made by estimating the total annual water payment by all potential customers and subtracting the cost of providing the bulk water. The resultant amount will be divided into the estimated construction cost to determine the payback period. The payback period will be compared to

the payback period for other requests for water service to determine the priority by which projects will be undertaken.

Establish a minimum Payback Period or use length of payback period to rank projects?

Public Works staff will investigate the basis of need for each request for line extension by citizen request. The highest category of need will be based on the finding that public water extension is necessary to alleviate an immediate threat to public health such as widespread groundwater contamination.

How much weight to give for immediate broad based health concerns?

The second highest category of need will be based on the finding that at least 30% of a random samples of well water in a study area are found positive for fecal coliform bacteria, indicating contamination from septic tank effluent.

Should site specific health concerns be given same weight as broad based health concerns?

The third highest category of need will be based on the finding that due to prevalent geologic features the quality and quantity of water available from groundwater wells is not sufficient for normal domestic uses.

How much weight should be given to projects in areas of known low groundwater availability and limited soils available for on-site wastewater?

4.2 Developer Request: The developer of a parcel of land is required by the County Subdivision Ordinance to construct all on-site water facilities and to provide connection of the water facilities in his development to the existing water system of the County when a proposed development is within a specified distance of an existing water line. The extension of water systems shall be accomplished by one or more of the following methods as recommended by the Director of Public Works and approved by the Board of Commissioners:

4.2.1 COUNTY FUNDED - ASSESSMENT METHOD: This method shall be used as a means of defraying the expense of water system extensions by special assessment upon the properties benefited by the extension in accordance with N.C. General Statutes 160A-216 through 160A-236.

Is assessment a method the County would want to consider for new projects?

4.2.2 DEVELOPER FUNDED - OVERSIZE REIMBURSEMENT: Under this method, the developer shall be responsible for the full cost of installing water facilities within their own properties and for the connection of their system to the County's existing water system. The County shall share in the cost of constructing oversized facilities when larger sizes are required to serve other tracts outside of the tract being developed.

Does the County want a stated policy for oversize reimbursements or treat each on a case-by-case basis?

County reimbursement for developer funded facilities shall be made for the difference in cost between facilities required for the development and oversized facilities required by the Chatham County. The

methodology of sizing facilities shall be as approved by the Public Works Director. In no instance shall Chatham County reimburse for water lines eight inches or less in size.

Is the BOC comfortable with staff approving methodology for determining oversize reimbursements?

- 4.2.3 **DEVELOPER FUNDED - REIMBURSEMENT CONTRACT:** In instances where County funding is not available for extensions under other provisions of this policy statement and where the County Board of Commissioners deems it in the County's best interest to approve the project, the developer may enter into a reimbursement contract with the County. Any reimbursement contract would provide for developer funding of the entire project with reimbursement to the developer of a percentage up to 50% of the water availability fees paid by all connections to the developer funded project within a five year period from the date of County acceptance of the project. Any reimbursement contract shall be contingent upon approval by the Chatham County Board of Commissioners.

Does the County want to consider reimbursement contracts as a means of funding system extensions to serve new development?

If so, what percentage to use and length of contract period?

- 4.2.4 **DEVELOPER FUNDED - NO REIMBURSEMENT:** This method shall be applicable in those instances where funding is not available under other provisions of this policy statement. Facilities installed under this method shall comply with all County design standards and shall be in accordance with the County's Master Water Plans where applicable or as approved by the Director of Public Works. Approval of projects under this method shall be contingent upon receipt of all County and State approvals and availability of sufficient water supply and treatment capacity.
- 4.3 **Economic Development:** Chatham County may fund the extension or improvement of it's water system for economic development considerations upon approval by the Board of Commissioners. Funds for such extension should be allocated based on the payback period anticipated from projected water sales. A project whose payback period is estimated to be no more than five years based on projected water sales may be funded from Utility Capital Reserves. Projects which have a longer payback period should be funded from economic development funds.

Should projects done to promote economic development be funded from the Utility Fund, the General Fund, or a combination?

- 4.4 **System Enhancement:** Chatham County may fund the extension or improvement of it's water system solely for system enhancement upon recommendation by the Director of Public Works and approval by the Board of Commissioners.

- 4.5 **AVAILABILITY FEES FOR NEW PROJECTS:** A reduced availability fee will be offered to new customers on all new waterline extension projects regardless of funding method. The availability fee will be 50% of the normal applicable fee up to the actual bid date for the project. A 25% reduction may be taken for those customers who apply for service from the date of formal bid up until 90 days after the time actual construction begins. After that time the normal availability fee schedule will apply. For projects that Chatham County may install by force account, the 50% reduced availability fee will be available from the date the project is announced until construction actually begins but no less than 90 days. The 25% reduced availability fee will be available at the end of the 90 day period or when construction actually begins

whichever is later and will expire when construction is substantially completed. Substantial completion occurs when the line has passed a pressure test and bacteriological test and is ready to be placed in service.

5.0 MANDATORY CONNECTION:

5.1 New Projects:

5.1.1 Connection Required: For new waterline extension projects, Chatham County may require the owner of developed property on which there are situated one or more residential dwelling units or commercial establishments located so as to be served by the new water line to connect the owner's premises with the water line and may fix charges for these connections. The decision as to whether to require connection of all developed properties shall be made during the planning stage of the project after an initial signup period during which the water availability fee will be offered at 50% off the regular rate. If the decision is made by the Board of Commissioners to require all properties to connect the 50% reduced rate will apply to all properties affected.

Does the County want to consider mandatory connections for new extension projects?

For all new projects or selected projects?

Reduced availability fee for mandatory connections?

5.1.2 Recurring Charges: In the case of improved property that would qualify for the issuance of a building permit for the construction of one or more residential dwelling units or commercial establishments and where the county has installed new water lines thereof directly available to the property, the county may require in lieu of mandatory connection a payment of a periodic availability charge, not to exceed the minimum periodic service charge for other properties that are connected. The current periodic service charge is \$9.40 per month but may be amended as part of the annual budget process. The question of whether to require mandatory connection or payment of a periodic availability charge will be decided by the Board of Commissioners prior to undertaking any new project.

This would go hand in hand with the mandatory connection policy.

5.2 New Construction Along Existing Water Lines:

This policy was adopted by the Water Advisory Committee several months ago and recommended to the BOC.

5.2.1 POLICY PURPOSE: Chatham County allows and encourages extensions to its water distribution network to provide access to a reliable public water source by both residential and non-residential customers. This policy is intended to specify requirements for connection to this network for each category of customer in a variety of situations.

5.2.2 POLICY: In lieu of individual or community (private) water systems, new residential and non-residential facilities shall be required to connect to the Utility's Water System if its water service is deemed to be available as specified herein (see exceptions listed below). In some instances, developers of such facilities may be required to pay all or a portion of the cost of extending a Utility water main of adequate size to that property. This policy pertains exclusively to new construction, permitted subsequent to the adoption of this policy by the Board of County Commissioners.

Water service shall be determined to be available to a new customer if any portion of the parcel to be developed lies within the following maximum distance requirements:

Customer Classification/Situation	Maximum Distance to Utility main of Adequate Size
Major or minor residential subdivision – one dwelling unit per lot	100 linear feet per lot
Single or Multi-family Residential Unit	(See footnote *)
Non-residential Facility	(See footnote **)
Planned Residential Development	To be negotiated on a case by case basis, in accordance with the approved PRD Master Development Plan
Planned Unit (mixed use) Development	To be negotiated on a case by case basis, in accordance with the approved PUD Master Development Plan

(*) The required connection applies to residential property located on an undivided parcel of land which abuts a road right-of-way in which a Utility water main of adequate size exists and where the residential structure is situated within 300 linear feet of the Utility's main.

(**) The required connection applies to a non-residential facility located on an undivided parcel of land, which abuts a road right-of-way in which a Utility water main of adequate size exists. The owner of an agricultural production enterprise will not be required to connect to the Water Utility.

5.2.3 EXCEPTIONS: No connection to the Utility Water System will be required:

- a. When the Utility determines that the existing water main is not capable of supplying the customer's water needs
- b. Where the proposed facility has an existing adequate water supply, as certified by the property owner/developer at the time of permitting
- c. When the required extension would penetrate an area where public water facilities are otherwise expressly prohibited by Chatham County or other governmental body exercising such authority. Such areas include, but are not limited to, flood zones, critical watershed areas, and other protected lands. Extensions of the Utility Water System into such restricted areas may be authorized by the appropriate governmental body on a case by case basis.

5.2.4 Caveats: In implementing this policy, the Chatham County Board of Commissioners:

- a. Determines that the Water Utility has access to a supply of water adequate to fulfill the needs of customers to be served by the proposed extension.
- b. Where an existing Utility main of adequate size lies within the specified distance and a service extension of the main is to be constructed, requires the developer/customer to fund the construction project. This service extension will be installed in accordance with the Utility's specifications, including line sizing. Upon formal acceptance of the completed extension, these water facilities become the Utility's.
- c. Reserves the right to authorize funding of an extension of an existing Water Utility main of adequate size to within the maximum distance requirement specified above. However; when unusual conditions, such as rock, a swamp, or intervening body of water, raise the unit cost or total cost of such an extension to a level deemed by the Board of County Commissioners to be

excessive, the Board may negotiate an agreement which requires the customer/developer to pay a specified portion of such costs.

- d. In the process of negotiating a mutually beneficial agreement, considers such factors as:
- 1) Effects on the planned future development of the County Water System
 - 2) The developer/customer's cost recovery potential
 - 3) Implications for the effectiveness and efficiency of Water System operations
 - 4) Potential effects on the development of nearby parcels of land
 - 5) Also considers input provided by other County departments and appointed boards and committees whose interests would be affected by a proposed extension

OTHER DISCUSSION:

1. Acreage fees versus availability fees
 - a. Many of our urban neighbors charge an acreage fee based on the number of acres in the tract being developed. Acreage fees are more applicable to property that can be developed intensely such as where both water and wastewater service is available.
 - b. Availability fees such as what Chatham County currently uses is based on the potential volume of water use by a particular property. Since the size of residential lot may be dictated by the amount of land necessary for a wastewater disposal system this method is probably the most applicable for Chatham County's situation.
2. Wastewater issues
 - a. Implementation of a wastewater program in Chatham County will be expensive and will change the nature of any areas served.
 - b. Continued reliance on individual developer's to install and operate WWTP's for individual developments is not felt by staff to be in the citizens best interest.
 - c. One alternative would be to work with potential developers to implement a system that could be turned over to the County for operation and which could be oversized to accommodate additional development in the area.
 - d. Because of the great distances and less dense development in Chatham County, a County-wide system utilizing a single plant location is probably not feasible.
 - e. Regional WWTP's utilizing either stream discharge or land application depending on the area would be a more likely alternative. Such a system could be initiated by County acquisition and operation of existing privately operated facilities.
3. Funding alternatives
 - a. Private market
 - b. General Obligation Bonds
 - c. Revenue Bonds
 - d. USDA
 - e. SRF
 - f. Supplementation from General Fund

4. Next steps
 - a. Discussions with neighboring systems
 - b. Set a timetable for deciding:
 - i. Size of project(s) to be undertaken
 - ii. Funding method
 - iii. Consultant selection?

BAILIFFS

A discussion ensued with regard to Judge Joe Buckner's former request for additional bailiff requirements, in order to provide better security, for the District Courts in Chatham County.

It was stated that in order to meet this request, Chatham County would need two to four full-time officers per day for District Court only.

Commissioner Pollard moved, seconded by Commissioner Givens, to approve two sworn officer bailiff positions for the Sheriff's Department, effective 2002, to be funded from lapsed salaries, if available, with remainder to be taken from fund balance. The motion carried five (5) to zero (0).

NO BOATING ZONES

The Public Works Director explained, that in a meeting with the Army Corps of Engineers, State Parks, and Cary/Apex representatives, it was suggested that a "no-boat zone" be established around certain areas of the Jordan Lake water intake structure for security reasons. He stated that this measure will require approval by resolution by the Board of Commissioners.

Commissioner Givens moved to put the buoys in place around the Jordan Lake Intake.

After further discussion, Commissioner Givens withdrew his motion.

Commissioner Givens moved, seconded by Commissioner Atwater, to approve the placement of buoys as a "no boat zone" around the water intake at Jordan Lake. Staff will develop more specific information for locating said buoys and number and return to the Board of Commissioners for approval at a later date. The motion carried five (5) to zero (0).

Water Line Extension Fund:

Chairman Phillips stated that since the fund for water line extension has been designated, he would like for the Board to pass on to the Public Works Director and the Water Board the perimeters of how the fund should be developed and used and return to the Board with suggestions for same.

Durham Water Agreement:

Chairman Phillips stated that since so much has changed, he would like to revisit the original agreement with Durham; that his concern is that there is a mandatory minimum water purchase; that it needs to be reevaluated to see if it is still appropriate or if changes need to be made.

December Board of Commissioners' Meeting Change:

The Board decided to cancel the meetings regularly scheduled for December 3, 2001 and December 17, 2001 and reschedule one meeting to be held on December 10, 2001, 7:00 PM, in the District Courtroom.

ADJOURNMENT

Commissioner Givens moved, seconded by Commissioner Atwater, that there being no further business to come before the Board, the meeting be adjourned. The motion carried five (5) to zero (0), and the meeting was adjourned at 3:04 PM.

Gary Phillips, Chairman

ATTEST:

Sandra B. Lee, Clerk to the Board
Chatham County Board of Commissioners