

**MINUTES OF MEETING
OF THE BOARD OF COMMISSIONERS OF
CHATHAM COUNTY
SITTING AS THE GOVERNING BOARD OF THE
SOUTHEAST CHATHAM WATER DISTRICT
FEBRUARY 05, 2009**

The Board of Commissioners of Chatham County, North Carolina sitting as the Governing Board of the Southeast Chatham Water District (“the Board”) met in the Henry Dunlap Building Classroom, 80 East Street, located in Pittsboro, North Carolina, at 12:53 PM on February 05, 2009.

Present: Chairman George Lucier; Vice Chair, Sally Kost; Commissioners Mike Cross, Carl Thompson, and Tom Vanderbeck; County Manager, Charlie Horne; County Attorney, Jep Rose; Assistant County Manager, Renee Paschal; Finance Officer, Vicki McConnell; and Clerk to the Water District Board, Sandra B. Sublett

Commissioner Vanderbeck moved, seconded by Commissioner Thompson, to convene as the Southeast Chatham Water District Board. The motion carried five (5) to zero (0).

SOUTHEAST WATER DISTRICT

Commissioner Vanderbeck moved, seconded by Commissioner Thompson to recess as the Chatham County Board of Commissioners and convene as the Southeast Water District Board. The motion carried five (5) to zero (0).

SOUTHEAST WATER BOARD

- David Hughes, Public Works Director, reviewed a financial impact spreadsheet of costs/revenues over 20 years. The issue is to get enough revenues to cover the costs. Could charge the chicken houses a higher rate.
- Could look at excluding Truth Road for now until they have more sign ups. Would save \$50,000 up front but would lose the tap fee and monthly service fees of those customers.
- Still do not have a firm commitment from Harnett County. Likely not to start construction until next year.
- Do not know if the poultry farmer is willing to pay the \$7 rate.
- Are there other options to serve this area and protect this enterprise fund? Could potentially charge a higher rate or negotiate a contract with the poultry farmer.
- Could Board of Commissioners get more information on charging higher rates for all customers?
- **Request:** Run two scenarios—
 - Deleting Truth Road, as potential option in terms of savings and costs from putting in the line and with regard to lost revenue
 - Showing what tap-on fee and/or water rates would have to be set at to make this pay off in 10 years and what it would take to make it work under our policies.
- Get a formalized agreement from Harnett County.

Meeting with Towns on Water:

- Mr. Hughes is to set up a meeting with the towns on water/sewer issues.
- Meeting Water Demands — Mr. Hughes reviewed how the various customers are now being served. Two present value options were provided. Also looked at analyses for buying water from Sanford alone or both Sanford and Siler City.
- Chairman Lucier noted that conservation measures could help reduce the maximum day peak usage.
- About 4,000 units in the Northeast with 10-15 year build out. Would need the water from Durham.
- All of this ties back to the Capital Improvements Plan (CIP) and the booster pump from Sanford.

- Need both the Durham and Sanford partnership, but did not include the water tower (3M).
 - Given what's going on in Pittsboro, would we have quantity to supply Pittsboro in this timeframe? They may not be able to meet 2012 standard using Haw River. We have to be prepared for this.
 - Equity of tap fees. Helps cover the cost of the plant upgrades and expansions. The question is how to treat this countywide. Don't we need to look at legal precedents and ramifications of changing the fee countywide? What to do about those who have paid the full amount already? Need to get with county attorney on these issues.
 - Is there a way to establish a rate for those who are lower income? Look into hardship rules. May have to see if DSS, JOCCA, or some other agency could verify incomes and criteria. Action: Look into these options and see if any are legally viable.
-
- By consensus, the Board decided to not do the reduced tap fees but explore options for hardship cases.

ADJOURNMENT

Commissioner Vanderbeck moved, seconded by Commissioner Kost, to adjourn as the Southeast Water District Board and reconvene as the Chatham County Board of Commissioners. The motion carried five (5) to zero (0).

George Lucier, Chairman

ATTEST:

Sandra B. Sublett, CMC, Clerk to the Board
Southeast Chatham Water District Board