

MINUTES
CHATHAM COUNTY BOARD OF COMMISSIONERS
WORK SESSION
NOVEMBER 21, 2005

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 3:00 PM on November 21, 2005.

Present: Chairman Bunkey Morgan; Vice Chair, Tommy Emerson; Commissioners Patrick Barnes, Mike Cross, and Carl Outz; County Manager, Charlie Horne; County Attorney, Robert L. Gunn; Assistant County Manager, Renee Dickson; Finance Officer, Vicki McConnell; and Clerk to the Board, Sandra B. Sublett

The meeting was called to order by the Chairman at 3:00 PM.

Work Session Agenda

1. Water System Presentation
2. Impact Fees/Mobile Homes
3. 3M Options
4. Library Grant
5. Solid Waste Decal Update

The County Manager reviewed the Work Session Agenda.

BOARD OF ELECTIONS:

Dawn Stumpf, Elections Director, stated that the Chatham County Board of Elections would like to drop the lease agreement with EMJ from the November 21, 2005 Board of Commissioners’ consent agenda. She stated that a potential office site has been located that would better serve the needs of the Elections Office; that she had talked to the builder, Mr. Tom Cochran, and that he had verbally agreed to build office and storage space to suit the needs of the Elections Office and secure storage as well as space for One Stop Voting for \$12 per foot; that he could have the space ready by the end of January, 2006; that she had already spoken to the Finance Officer and Assistant County Manger regarding the issue; that they were in agreement on the change of sites; that filing for County offices begins on February 13, 2006; and that offices would need to be moved before that time.

The Board of Commissioners agreed to remove the lease from their consent agenda and voted to give the County Manager’s staff the authority to make decisions on the new lease without coming to the Board for a vote in order to expedite the process.

Chairman Morgan moved, seconded by Commissioner Emerson, to permit staff to negotiate the lease, with the approval of the County Attorney, for rental space for the Board of Elections to provide on-site One Stop Voting, at a cost of \$3,000 per month, to be taken from contingency funds. The motion carried five (5) to zero (0).

WATER SYSTEM PRESENTATION

Tim Carpenter, Hobbs, Upchurch & Associates, gave an update of Chatham County Water System projects and options. A copy of his presentation is as follows:

Group “B” Pea Ridge Road 16” Transmission Main:

- Funding
 - NCDENR-SRF Low Interest Loan
- Total Project Costs \$7,986,898
- Project Status
 - Contractor Selected – Reynolds, Inc.
 - Pre-construction conference held on October 26, 2005
 - Contract Execution – in progress
 - Start date: November 28th
- Completion Date
 - Contract time is 335 days
 - Constructor expects to complete project in approximately 5-6 months

Group “B” Projects: WTP High Service Pump Station Upgrade

- Project
 - Expand the existing high service to service the North Chatham water system, as well as the south and westward expansion of the water system
- Funding
 - NCDENR-SRF Low Interest Loan
- Total estimated project cost: \$561,600
- Project Status
 - Plans have been permitted and ready to bid
 - Bid date needs to be coordinated with the construction of the Pea Ridge Road water main and the North Chatham Hydraulic Improvements (Tank and Booster Pump Station)
 - Anticipated project bid date: February 1, 2006

North Chatham Hydraulic Improvements

- Project
 - To construct a new elevated storage tank, booster station and water main to supply water to the Governor’s Club tank and proposed Manns Chapel Road tank
 - To install control valve stations
- Funding
 - Chatham County/Impact Fees
- Total Project Costs: \$2,429,396
 - Contract 1: Tanks & BPS \$2,113,100 (bid costs)
 - Contract 2 & 3: Water mains & control valve \$316,296 (completed construction costs)
- Project Status
 - Contract 2 & 3: Complete
 - Contract 1: Construction began November 1, 2005
 - Completion date: February 1, 2007 (by contract)

Silk Hope School Water Main Extension – Started September, 2005

- Project
 - To provide water service to the Silk Hope School
 - Water is being supplied through an interconnect with the Town of Siler City
 - Project was originally bid as one contract, then due to the bid prices the project was divided into two contracts: water main construction & directional bore under Rocky River
 - The directional bore bids were later rejected & NCDOT authorized the permitting of a bridge attachment across the Rocky River.
- Total Project Costs: \$1,135,517
 - Water main construction \$1,035,517
 - Bridge attachment & culvert crossing \$100,000 (estimated)
- Project Status
 - The water main is under construction
 - Bridge attachment is being submitted for review by the NCDOT
- Completion Date: April 2006

Western Transmission Mains

- Project:
 - The westward extension of the Pea Ridge Road 16” Transmission Main to continue the supply of water from the Jordan Lake WTP to the western portions of the county. This project will eliminate bulk water purchase and lay the groundwork for the SW Chatham Water District. The project consists of extending 16” and 12” transmission mains, one booster pump station and one 0.50 MG elevated storage tank.
- Funding: Private placement financing.
- Total Estimated Project Costs: \$11,014,160
- Project Status
 - Design is complete and should bid within about three months.
- Project Schedule:
 - It is necessary to allow the construction of the Pea Ridge Road main to get well underway

Group “B” Projects: Raw Water Pump Station

- Project
 - Construct new 10.0 MGD raw water pump station on the Town of Cary intake site
- Funding
 - NCDENR-SRF Low Interest Loan
- Total Project Costs \$2,757,500
- Project Status
 - Project design is approximately 75% complete
 - Need to schedule a meeting with the Town of Cary to review preliminary project design
 - Anticipated bid date: April 2006

Chatham County Water Districts

- Project
 - Southeast Chatham Water District
 - § Approximately 23 miles of water main & one elevated storage tank

- Funding
 - USDA-Rural Development (loan funding)
- Total Estimated Project Costs \$3,612,372
- Project Status
 - Funded by USDA in September 2005
 - Preparing final documents for USDA
 - Water purchase contracts
 - Water system, management contract
 - Engineering design contract
- Project Schedule
 - Begin design in January 2006
 - 4 months for design
 - 1 month for permitting
 - Begin construction in summer 2006
 - End construction in March 2007

Chatham County Water District (continued)

- Project
 - Southwest Chatham Water District
 - Approximately 48 miles of water main, one elevated storage tank and one booster pump station
- Funding
 - USDA-Rural Development (potential loan and grant)
- Total Estimated Project Costs \$6,307,322
- Project Status
 - USDA-RD is putting together funding documents for January to February of 2006
- Project Schedule
 - Letter of conditions anticipated for January to February of 2006

Jordan Lake 4.0 MGD Water Treatment Plant Upgrade

- Project
 - Expand the capacity of the existing Jordan Lake treatment from 3.0 MGD to 7.0 MGD
- Funding
 - Chatham County Loan/Availability Fees
- Total Estimated Project Costs \$6,758,202
- Project Status
 - Design plans 70% complete
 - Anticipated that the first contract bid shall be the construction of the 2.0 MG clearwell to begin in Spring 2006
 - Permits submitted January 2006
 - Possible construction commencing in late summer 2006 (dependant upon Harnett County option)
 - Major issue to consider is allocation from Jordan Lake

Southern Supreme Water Main

- Project
 - To provide water service to Southern Supreme in Bear Creek
- Funding
 - NCDOC-CDBG/ED Grant \$240,000; local match \$179,238 (to be eventually purchased by

USDA Southwest Water District project)

- Total Estimated Project Cost \$419,238
- Project Status
 - CDBG funding nearing completion
 - Project design complete and submitted for permits
 - Bid date in January, provided that the funding package has been formally approved

Water District Early Taps

- Project
 - To provide water service taps to residents that live adjacent to existing water mains and reside in the Districts (Southeast and Southwest)
- Funding: \$123,200
 - Customer Tap Fees - \$47,000(approximate and based on \$500 per customer)
 - County Contribution - \$76,200
- Total Estimated Project Cost \$ \$123,200
- Project Status
 - § Under construction

Total of All Current Water System Projects

■ Group "B" Pea Ridge Road Transmission Mains	\$ 7,986,898
■ Group "B" WTP High Service Pump Station Upgrade	\$ 561,600
■ North Chatham Hydraulic Improvements	\$ 2,429,396
■ Silk Hope School Water Main Extension	\$ 1,135,517
■ Western Transmission Mains	\$11,014,160
■ Group "B" Raw Water Pump Station	\$ 2,757,500
■ Southeast Chatham Water District	\$ 3,612,372
■ Southwest Chatham Water District	\$ 6,307,322
■ Jordan Lake 4.0 MGD WTP Expansion	\$ 6,758,202
■ Southern Supreme Water Main Extension	\$ 419,238
■ Water Districts Early Taps	\$ 123,200

TOTAL OF ALL PROJECT COSTS **\$43,105,405**

- The Total Project Cost represents projects that are either recently completed, currently under construction, or slated for construction in the very near future.
- The funding of the above projects include: Low Interest Loan Funding, Private Placement Loans, Federal Loans and Grants (USDA), County Funds, Tap Fee Funding and Economic Development Funds

Additional Consideration of Options for Long-Term Water Supply (20 Years)

- Harnett County recently presented other considerations for the long-term supply of water to Chatham County. These options include the following:
 - Three options were presented:
 - 6.0 MGD Supply
 - 10 MGD Supply
 - 12 MGD Supply
 - Each option included transmission network upgrades in Harnett County.
 - Each option also included the purchase of capacity from Harnett County by participating in the upgrade of Harnett County's water treatment plant.

- The 10 and 12 MGD options would require the upgrade of the County's Pea Ridge Road Project from New Elam Church Road to the Jordan Lake water treatment plant.
- Option #1: This Harnett County Option is evaluated by comparing the expansion of the Jordan Lake WTP to 10 MGD to the connection to the Harnett County Water System and supplying bulk water for up to 10.0 MGD.
- Option #2: This Harnett County Option is evaluated by comparing the expansion of the Jordan Lake WTP to 12 MGD to the connection to the Harnett County Water System and supplying bulk water for up to 12.0 MGD.
- Option #3: This Harnett County Option is evaluated by utilizing the expansion of the Jordan Lake WTP along with connecting to the Harnett County Water System for up to 6.0 MGD. This option could yield as much as 12 MGD and still make use of the County's 6.0 MGD allocation from Jordan Lake.

Additional Consideration of Options for Long Term Water Supply (20 Years) – Summary (Options #1, #2, and #3)

- Option #1: Purchase Bulk Water from Harnett County (up to 10 MGD) and convert the Jordan Lake water treatment plant to a regional pump station OR expand the Jordan Lake Plant to 10 MGD.
 - Purchase from Harnett County – Estimated Annual Costs - \$7,270,300
 - Expand Plant – Estimated Annual Costs - \$4,898,500
- Option #2: Purchase bulk water from Harnett County (up to 12 MGD) and convert the Jordan Lake water treatment plant to a regional pump station OR upgrade the Jordan Lake water treatment plant to 12 MGD.
 - Purchase from Harnett County – Estimated Annual Costs – \$7,938,600
 - Expand Plant – Estimated Annual Costs - \$5,057,750
- Option #3: This is a combination of the Harnett and Jordan Lake WTP Option. Participate in 6.0 MGD water purchase from Harnett County and expand the Jordan Lake water treatment plant to 6.0 MGD.
 - Combination – Estimated Annual Costs – \$6,445,772
- **ALL ANNUAL OPERATIONAL COST (bulk purchase and or production of water) WERE ASSUMED AT AN AVERAGE DAILY USAGE OF 7.0 MGD.**

Commissioner Emerson stated that he thought the Board was really going to have to analyze it in order to make a decision; that if the Board makes a commitment to Option #1, #2, or #3 as in Option #3 and enter into a contract with Harnett County, they will incur big costs quickly up front; that concern is to carefully analyze the impact that the up-front costs are going to have on the total cash flow; that the Board cannot really make a decision until they know what the assumptions are or how much money they are going to have to put in and when they are going to have to do so; and then do some analysis.

Commissioner Barnes mentioned an article in the News & Observer giving different county water projections for the next twenty years. He stated that in twenty years there are going to be serious growth problems; that water is going to limit growth in Chatham County; that when a moratorium is mentioned, everyone goes bezerk; that one can't build without water; that the availability of water is going to be a prime factor; that what is now being talked about is going to be the most significant thing that this Board does; that at the last Water Advisory Meeting, this issue was discussed; that the main focus is where the County is going to be in ten-twenty years; that they are opening the "flood gates" as far as people and development coming in; that one of two things has to be done: 1) The Board will have to quickly adopt one of the programs; or 2) Stop growth; that from the Water Advisory Board, he feels that connecting with Harnett County for water would be an excellent idea; that he wouldn't want to see the County sold short; that he feels that the most

important feature of it is to not overlook what the County is going to need and not just need but absolutely have to have twenty years from now; that if the Board of Commissioners had done their homework twenty-thirty years ago, the County would not be where it is today; that future thought, at that time, was that Chatham was not going to grow to capacity; that it is not just Chatham that is in this situation; that the Board has to think about what they have to spend this instant, but what it's going to cost to survive if the County continues as it is going; that from a personal standpoint, he would vote not to let another person come into Chatham County for another twenty years, but that is not reality; that the question is "How much water is Chatham County going to need twenty years from now?" He stated that what the Board does between now and January 1, 2006 as far as the waterline is concerned, determines where the County is going to be twenty years from now; that he doesn't think that the Water Advisory Board is interested in giving up Jordan Lake because it is in the County; that Chatham is not the only one looking at Harnett County; that given a little time, the allocations that Harnett County is now offering is going to be taken by someone else; that he has talked with a Harnett County Commissioner who stated that they had been a lot more aggressive than Chatham has; that they have a group there now that is all for Harnett; that they are looking at 40 MGD; that Chatham has a plant that provided four million maximum; that twenty years from now, the County could be in the same spot that it is today; and that it is not going to be a popular decision.

- The Finance Officer stated that she was more interested in where the Board wants to be and then they will come up with a plan to pay for it.

- Commissioner Barnes stated that he felt that they all agreed that they need to start with a combination; that a combination would cut some of the pressure; that in all honesty, there is going to be a fight with Cary and probably Durham and Orange Counties, over how much water the County is going to suck out of Jordan Lake; that now what the County is taking out of the lake compared to what it is going to want twenty years from now is peanuts; that Jordan Lake is not going to supply what everyone wants; that this is one reason that the County needs to keep its share and increase its share of Jordan Lake; that he feels that if Chatham was depending on Lee, Harnett, and Durham for its entire water system would be unwise; that there will be costs incurred either way; that the County needs to look wisely at what it does; and that it needs to focus on what it needs twenty years from now.

- A question and answer period ensued between the Board and Mr. Carpenter. The Board asked that Mr. Carpenter provide a hard-copy of his presentation.

- Ray Greenlaw stated that the County Manager introduced a twenty-five year, long-term water supply concept; that Mr. Carpenter elaborated on the plan; that there were valid options; that the County needs to do the same thing with wastewater management; that there needs to be a twenty-five year, long-term plan from wastewater management so that it can be spread over all of the County.

- Chairman Morgan stated that this Board will look at long-term plans in order to make commitments.

- The Finance Officer cautioned that no matter which way the Board proceeds, that they are looking at General Fund money; that there is no way to pay for it through "user fees"; that they make look at Special Obligation Bonds that uses sales tax money to back it up; and that they are looking at a commitment of General Fund money, more than the one million dollars already committed.

- Commissioner Emerson restated that it is going to take money; that the County does not have the money; that the County will have to borrow the money; and that it will cost and that the County will have to pay it back. He asked that Moncure not be forgotten by the USDA folks as the project progresses.

- Mr. Carpenter stated that he is meeting with Mike Harris during the first week in December to talk

about the southeast portion of the County.

- Commissioner Emerson asked about the blasting for the Pea Ridge projects.

Mr. Carpenter stated that the contractor has to have a blasting permit; that they are doing seismic evaluations of the houses; that they are basically inspecting the structure to make sure that everything is intact and then after blasting they check to see if there is a crack; that this is done to cover their responsibility to make certain that they are not paying for someone else's responsibility; that the controlled blasting is done to crack the rock into manageable sizes; and that it is something to be terribly worried about.

- Mr. Carpenter stated that they would prepare brochures/fact sheets to distribute to customers along the route.

BUSINESS PARK

- Fred Hobbs, Hobbs, Upchurch & Associates, explained the original design from Alston Bridge Road to Highway #64 in the business park. He stated that when they spoke with the Corps and State Regulatory person, they determined that if they continued in that fashion, they would exceed the project costs; that it is not budgeted at \$6.7 million; that that design was abandoned and they started on the new alignment; that he wanted to make certain that DOT and Corps approval; that they know what type of culverts they are going to use; that they are presented with two changes: 1) the redesign of slightly over half of the project to accommodate the new alignment; 2) the construction of a bridge as opposed to box culverts on Love's Creek; that if the triple barrel box culverts are put in on Highway #64, there are wetlands and stream channel impacts; that in order to avoid that, they want to build a conventional bridge; that they will have zero wetland and zero stream impacts with the design proposed; that the design contract adds \$130,000 to the design fee and \$52,000 for the design of the bridge; that to remove some of the "sting", the project costs from exceeding \$6.7 million to approximately \$6 million by making those changes; that the one exception, as a result of the traffic study, turn lanes will be warranted on Highway #64 and on Alston Bridge Road; that they do not have the turn lanes budgeted into the \$6 million figure; and that he hopes that the Department of Transportation will participate in, if not build, the turn lanes.

- ***See Minutes of June 05, 2006 Work Session for clarification.**

SOLID WASTE DECAL UPDATE

- The Chatham County Waste Management Staff presented a proposed change to the current decal policy as follows:

The proposed decal policy should:

- Create a more equitable use of the centers (those who pay for the program have access to the program)
- Better management of the decal program (they will actually expire)
- Potential improvement of the collection of taxes and solid waste fees
- Increase public awareness of the Solid Waste Program
- No exemptions – no out-of-county or business use

- Bob Holden, Solid Waste Manager, explained that on October 17, 2005, staff and Solid Waste Advisory Committee members (SWAC) met with the Town Board of Siler City; that they had a good discussion; that the town board voted unanimously to support the County's proposed decal policy as long as it was optional, and not mandated, for town residents to purchase a decal.

He stated that on October 20, 2005, staff met with the Town Board of Goldston; that an interesting discussion ensued; that the Town Board, with a split vote, supported the County's proposed decal policy as long as it was optional, not mandated, for town residents to purchase a decal.

He further stated that on October 24, 2005, staff and Solid Waste Advisory Committee (SWAC) members met with the Town Board of Pittsboro; that again this meeting generated an interesting conversation; that their concerns ranged from: 1) the availability fee seems too high for infrequent use of the centers; 2) the swap shop should still be accessible without a decal; 3) the decals must be voluntary; and that the town board did not take any action.

Chairman Morgan asked why the Town of Pittsboro Board did not vote on the revised decal policy.

Mr. Holden responded that he was not under the impression that the towns were supposed to vote on the decal policy; that it was the staffs' understanding that they were to just inform the town boards of the proposed decal policy; and that they gave the impression that they were ok with it.

Commissioner Barnes stated that staff and the Solid Waste Advisory Committee have done an exceptional job; that they have spent a lot of time on this proposed policy; and that he feels they have come up with an excellent plan.

Commissioner Emerson moved, seconded by Commissioner Barnes, to adopt **Resolution #2005-58 Adopting the Chatham County Solid Waste Decal Policy**, attached hereto and by reference made a part hereof. The motion carried five (5) to zero (0).

3M PROJECT

Fred Hobbs stated that the Town of Pittsboro has continued to express concern that they get nothing out of this project with regard to the 3M project; that their staff is meeting with them to explain that they do indeed get something out of it; that Mr. Hughes has indicated some lack of interest in whether or not they go forward; that 3M is still vitally interested in the project perhaps to the extent that they may be willing to invest money in the project; that he suggests that the Clean Water Management Trust Fund be looked at for more money; that Rural Center money can be used for this project; that he believes that they can get \$300,000 later; that they think that this is important that they keep Pittsboro engaged in the project; that he feels that it does have value to them; that the Board of Commissioners also has a million dollar federal grant through the congressman's office, as well as Clean Water Management grants, that to turn back in would have a negative implication on the County for future grant cycles; that they are working on it, trying to find additional funding; and that they would like for it to be known that this is a win-win situation for the County, the Town of Pittsboro, and 3M.

LIBRARY

The County Manager asked that the Board acknowledge that the library was applying for a grant to study the operations of a joint County-Pittsboro-Central Carolina Community College library; that it would be all State money; and that there would be no County match.

Commissioner Emerson moved, seconded by Commissioner Outz, to approve the application for the library to apply for the grant. The motion carried five (5) to zero (0).

IMPACT FEES

Commissioner Cross moved, seconded by Commissioner Barnes, to adopt the revised Impact Fee Policy with respect to mobile homes effective January 1, 2006, attached hereto and by reference made a part hereof. The motion carried five (5) to zero (0).

ADJOURNMENT

Commissioner Barnes moved, seconded by Commissioner Cross, to adjourn the meeting. The motion carried five (5) to zero (0), and the meeting was adjourned at 5:07 PM.

Bunkey Morgan, Chairman

ATTEST:

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