

MINUTES
CHATHAM COUNTY BOARD OF COMMISSIONERS
BUDGET WORK SESSION
MAY 22, 2006

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 9:00 AM on May 22, 2006.

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 9:04 AM.

BUDGET

The County Manager led budget discussions on schools and water in the proposed Fiscal Year 2006-2007 budget.

Schools:

The Board discussed the school’s capital outlay request. The Assistant County Manager explained that the difference in the school’s capital request and the budgeted amount of \$1,585,300.00.

A discussion ensued and Commissioner Emerson asked that the Board of Commissioners fund the Board of Education at half their requested capital outlay amount (\$750,000.00) to be taken from fund balance for capital expenditures.

Chairman Morgan stated that he would like to see the Board provide funding to build the auxiliary gym at Northwood High School at a cost of approximately \$3.4 million, the debt service to be funded one-half impact fees and one-half recreation fees.

WATER

Vicki McConnell, Finance Officer, reviewed the Utility Capital Projects and upgrade options.

A copy of Ms. McConnell’s presentation is as follows:

Utility Capital Projects – Harnett County - Option #1

Assumptions Option #1:

- Availability Fee = \$3,500
- Term = 20 years (even principal payments)
 - Interest rate = 5.25%; 4.5% SRL
- Availability fees from developers based on approved developments
- Transfers from general fund and utility operating
- \$5,000,000 additional contribution from general fund balance
- Does not include Districts or West Side Intake
- 2 Cent contribution from general fund
- Not a cash flow model

CHATHAM COUNTY BOARD OF COMMISSIONERS
 MINUTES OF MAY 22, 2006, BUDGET WORK SESSION
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Harnett County Connection - Option 1

Project	Construction Cost	State			USDA	Availability		County	
		Revolving Loan	Grant			Fees/Transfers	Borrowing		
Group B - Hydraulic Improvements									
High Service Pump Station	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000		2006-07
Pea Ridge Road	8,201,000	5,893,000	-	-	-	-	2,308,000		2006-07
Harnett - 6MGD Connection	32,000,000	-	-	-	-	-	32,000,000		2006-07
Westward Transmission	13,000,000	-	-	-	-	-	13,000,000		2006-07
Raw Water Pump Station - Cary	5,000,000	4,000,000	-	-	-	-	1,000,000		2019-20
Jordan Lake Water Treatment Plant Upgrade	9,000,000	-	-	-	-	-	9,000,000		2020-21
Westside Intake	6,000,000	-	-	-	-	-	6,000,000		-
Silk Hope School	1,700,000	-	-	-	-	1,700,000	-		2005-06
North Chatham Hydraulics	3,000,000	-	-	-	-	3,000,000	-		2005-06
Southern Supreme	420,000	-	240,000	-	-	180,000	-		2005-06
	<u>79,321,000</u>	<u>9,893,000</u>	<u>240,000</u>	<u>-</u>	<u>-</u>	<u>4,880,000</u>	<u>64,308,000</u>		

Utility Capital Projects – Harnett County Option #1

	Revenue							Expenses		
	General Fund							Cash	Debt	Balance
	Balance - Reserve	One/Two Cent	Additional Contribution	Utility Operating	Availability Fee	Grants	Total			
	759,904						759,904			759,904
2005 - 2006	1,395,561	588,098	500,000	700,000	830,000	240,000	4,253,659	4,567,500		446,063
2006 - 2007		625,295	5,500,000	900,000	4,112,500		11,137,795		4,312,155	7,271,703
2007 - 2008		1,288,108		900,000	4,245,500		6,433,608		4,202,800	9,502,510
2008 - 2009		1,326,751		900,000	2,128,000		4,354,751		4,985,195	8,872,067
2009 - 2010		1,366,553		900,000	3,220,000		5,486,553		4,853,003	9,505,618
2010 - 2011		1,407,550		900,000	1,050,000		3,357,550		4,720,809	8,142,359
2011 - 2012		1,449,777		900,000	1,050,000		3,399,777		4,588,617	6,953,518
2012 - 2013		1,493,270		900,000	700,000		3,093,270		4,456,424	5,590,364
2013 - 2014		1,538,068		900,000	700,000		3,138,068		3,546,669	5,181,764
2014 - 2015		1,584,210		900,000	700,000		3,184,210		4,214,876	4,151,098
2015 - 2016		1,631,736		900,000	700,000		3,231,736		4,082,683	3,300,151
2016 - 2017		1,680,688		900,000	700,000		3,280,688		3,950,491	2,630,348
2017 - 2018		1,731,109		900,000	700,000		3,331,109		3,818,298	2,143,160
2018 - 2019		1,783,042		900,000	700,000		3,383,042		3,686,105	1,840,097
2019 - 2020		1,836,534		900,000	700,000		3,436,534		4,036,412	1,240,218
2020 - 2021		1,891,630		900,000	700,000		3,491,630		4,815,095	(83,247)
2021 - 2022		1,948,378		900,000	700,000		3,548,378		4,647,652	(1,182,520)
2022 - 2023		2,006,830		900,000	700,000		3,606,830		4,480,209	(2,055,899)
2023 - 2024		2,067,035		900,000	700,000		3,667,035		4,312,766	(2,701,631)
2024 - 2025		2,129,046		900,000	700,000		3,729,046		4,122,486	(3,095,070)
2025 - 2026		2,192,917		900,000	700,000		3,792,917		3,955,044	(3,257,197)

Utility Capital Projects – County Upgrade Only – Option #3

Assumptions:

- Availability Fee = \$3,500
- Term = 20 years (even principal payments)
Interest rate = 5.25%; 4.5% SRL
- Availability fees from developers based on approved developments
- Transfers from general fund and utility operating
- \$5,000,000 additional contribution from general fund balance
- Does not include Districts, West Side Intake, or Harnett County Connection
- Not a cash flow model

Utility Capital Projects – County Upgrade Only – Option #3

Project	Construction Cost	State			USDA	Availability		County	
		Revolving Loan	Grant			Fees/Transfers	Borrowing		
Group B - Hydraulic Improvements									
High Service Pump Station	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000		2006-07
Pea Ridge Road	8,201,000	5,893,000	-	-	-	-	2,308,000		2006-07
Harnett - 6MGD Connection	32,000,000	-	-	-	-	-	32,000,000		
Westward Transmission	13,000,000	-	-	-	-	-	13,000,000		2006-07
Raw Water Pump Station - Cary	5,000,000	4,000,000	-	-	-	-	1,000,000		2006-07
Jordan Lake Water Treatment Plant Upgrade	9,000,000	-	-	-	-	-	9,000,000		2007-08
Westside Intake	-	-	-	-	-	-	-		-
Silk Hope School	1,700,000	-	-	-	-	1,700,000	-		2005-06
North Chatham Hydraulics	3,000,000	-	-	-	-	3,000,000	-		2005-06
Southern Supreme	420,000	-	240,000	-	-	180,000	-		2005-06
	<u>73,321,000</u>	<u>9,893,000</u>	<u>240,000</u>	<u>-</u>	<u>-</u>	<u>4,880,000</u>	<u>58,308,000</u>		

Utility Capital Projects – County Upgrade Option #3

	Revenue						Expenses		
	General Fund						Cash	Debt	Balance
Balance - Reserve	One/Two Cent	Additional Contribution	Utility Operating	Availability Fee	Grants	Total			
759,904						759,904			759,904
2005 - 2006	1,395,561	588,098	500,000	700,000	830,000	240,000	4,253,659	4,567,500	446,063
2006 - 2007		625,295	5,500,000	900,000	4,112,500		11,137,795	\$ 2,713,905	8,869,953
2007 - 2008		644,054		900,000	4,245,500		5,789,554	3,568,712	11,090,795
2008 - 2009		663,375		900,000	2,128,000		3,691,375	3,477,395	11,304,776
2009 - 2010		683,277		900,000	3,220,000		4,803,277	3,386,077	12,721,976
2010 - 2011		703,775		900,000	1,050,000		2,653,775	3,294,759	12,080,992
2011 - 2012		724,888		900,000	1,050,000		2,674,888	3,203,441	11,552,439
2012 - 2013		746,635		900,000	700,000		2,346,635	3,112,124	10,786,950
2013 - 2014				900,000	700,000		1,600,000	3,020,806	9,366,144
2014 - 2015		-		900,000	700,000		1,600,000	2,929,488	8,036,656
2015 - 2016		-		900,000	700,000		1,600,000	2,838,170	6,798,486
2016 - 2017		-		900,000	700,000		1,600,000	2,746,853	5,651,634
2017 - 2018		-		900,000	700,000		1,600,000	2,655,535	4,596,099
2018 - 2019		-		900,000	700,000		1,600,000	2,564,217	3,631,882
2019 - 2020		-		900,000	700,000		1,600,000	2,472,899	2,758,983
2020 - 2021		-		900,000	700,000		1,600,000	2,381,582	1,977,401
2021 - 2022		-		900,000	700,000		1,600,000	2,290,264	1,287,137
2022 - 2023		-		900,000	700,000		1,600,000	2,198,946	688,191
2023 - 2024		-		900,000	700,000		1,600,000	2,107,628	180,563
2024 - 2025		-		900,000	700,000		1,600,000	2,016,311	(235,747)
2025 - 2026		-		900,000	700,000		1,600,000	1,924,993	(560,740)
2026 - 2027		-		900,000	700,000		1,600,000	473,625	565,635

Tim Carpenter, Hobbs, Upchurch & Associates Engineer, reviewed Chatham County water system projects under construction, upcoming construction projects, summary of project costs, water system growth, projection of water system customer growth (10 years), and water usage projections (10 years), and long-term water supply options, as follows:

Chatham County Water System Project Updates

Projects Under Construction

•Group “B” – Pea Ridge Road Transmission Main:

- Project Costs - \$8,764,000* Including Change Orders #1 and #2
- Project Status – Under construction approximately 50% complete.

•North Chatham Hydraulic Improvements

- Total Project Costs: \$3,000,000
- Contract 1: Tanks & BPS \$2,113,100
 - Project Status – Tank is erected and painting to begin by the end of May.
 - Booster Pump Station construction will begin in July, 2006.
- Contract 2 & 3: Water mains & control valve \$316,296 (completed)

•Silk Hope School Water Main Extension

- Water Main Construction Costs \$1.3 Million
 - Project Status – All pipe has been installed and begun the testing and punchlist phase.
- Bridge Attachment Estimated Costs - \$200,000
 - Project Status – Awaiting final approval from NCDOT for the Bridge Attachment Design.

•Contingencies, Engineering, Inspection, Technical Services - \$200,000

*** Above cost represent budgeted numbers

TOTAL PROJECT COSTS (Budgeted) - \$1.7 Million

Upcoming Construction Projects

•Southern Supreme Water Main Extension

- Construction Bid: \$310,596
- Project Status – Project bid recently and contracts are being prepared for execution by the County.

•TOTAL PROJECT BUDGET - \$420,000

•Group “B” High Service Pump Station Upgrade

- Estimated Project Budget - \$1.0 Million
- Project Status – Project will bid mid summer 2006.

Western Transmission Mains

- **Contract 1** – From Highway #87 to Chatham Church Road, Pete Roberson Road, Pittsboro-Goldston Road then Highway #902 to Old Highway #421
 - Estimated Construction Costs - \$5.3 Million
- **Contract 2** – from Pete Roberson Road along Pittsboro-Goldston Road to Mays Chapel Road. And from Highway #902 along Alex Cockman Road to US Highway #64
 - Estimated Construction Costs - \$1.7 Million
- **Contract 3** – 12" Transmission Main from Alex Cockman Road along US Highway #64 to Siler City.
 - Estimated Construction Costs - \$2.0 Million
- **Contract 4** – 0.50 MG Elevated Tank (Alex Cockman Road)
 - Estimated Construction Costs - \$1.0 Million
- **Contract 5** – Highway #902 Booster Pump Station.
 - Estimated Construction Costs - \$1.0 Million
- **Contingencies, Engineering, Inspection Land Acquisition, Technical Services, Environmental and Administrative:**
 - Estimated Costs - \$2.0 Million

TOTAL PROJECT COSTS (budgeted) - \$13,000,000

Summary of Project Costs

•Projects Under Construction

- Group “B” – Pea Ridge Road Transmission Main \$8,764,000
- North Chatham Hydraulic Improvements \$3,000,000
- Silk Hope School Water Main Extension \$1,700,000

•Upcoming Construction Projects

- Southern Supreme Water Main Extension \$ 420,000
- Group “B” High Service Pump Station Upgrade \$1,000,000
- Western Transmission Mains \$13,000,000

TOTAL BUDGETED PROJECT COSTS \$27,884,000

Water System Growth – Past Six Years
 Projection of Water System Customer Growth (10 years)
 Water Usage Projections (10 years)

	FY 00-01	FY01-02	FY02-03	FY03-04	FY04-05	FY05-06 as of May billing 06
	(Customers)	(Customers)	(Customers)	(Customers)	(Customers)	(Customers)
North Chatham	2,822	3,081	3,274	3,522	3,760	3,937
SouthEast Chatham	340	357	360	382	387	395
Southwest Chatham	903	899	986	993	998	801
Total Customers	4,065	4,337	4,620	4,897	5,145	5,133
Customer Growth	NA	272	283	277	248	185

- **Average Customer Growth from FY 00-01 through FY 04-05: 270 Customers**
- In FY 05-06 Chatham County relinquished approximately 200 customers to Siler City. These customers were located on the periphery of the Siler City Water System and had become burdensome for the County to service. As part of this transfer of customer Siler City also agreed to assume the ownership and operation of the Stockyard Road Sewer System. Therefore the FY 05-06 customer growth was not included in the calculation of customer growth rates for the Chatham County Water

System. However thus far in FY 05-06 the North Chatham and SE Chatham Water Systems have an additional 185 customers from the previous year.

	FY05-06	Year 1 FY 06-07	Year 2 FY 07-08	Year 3 FY 08-09	Year 4 FY 09-10	Year 5 FY 10-11	Year 6 FY 11-12	Year 7 FY 12-13	Year 8 FY 13-14	Year 9 FY 14-15	Year 10 FY 15-16
Normal Growth	5,133	5,403	5,673	5,943	6,213	6,483	6,753	7,023	7,293	7,563	7,833
Subdivision Growth	Lots (total)										
Legacy	475		50	50	100	100	70	55	50		475
Windfall	55	20	10	15	10						55
Booth Mt.	180	80	50	50							180
Briars Chapel	2,389		500		500	339	250	300	250	250	2,389
Williams Pond	185		20	20	20	20	20	20	20	20	160
The Hamptons	89		10	10	15	20	20	14			89
Legend Oaks	63		20	21	22						63
Preserve	516	343	80	50	43						173
Fearrington	200		50	50	50	50					200
Williams Comer	40		20	20							40
Dixon	28		14	14							28
Pennington	18		9	9							18
Governors Village	125	25	25	50	25						125
Total Known Subdivision Growth by year		205	828	352	742	529	360	389	320	270	
Chatham County Water System Expansions Projects											
SE Water District			325								325
SW Water District				400		200					600
ESTIMATE OF TOTAL CUSTOMER BASE AT YEAR 10											12,753

	FY05-06	Year 1 FY 06-07	Year 2 FY 07-08	Year 3 FY 08-09	Year 4 FY 09-10	Year 5 FY 10-11	Year 6 FY 11-12	Year 7 FY 12-13	Year 8 FY 13-14	Year 9 FY 14-15	Year 10 FY 15-16	
Normal Growth	5,133	5,403	5,878	7,301	8,323	9,335	10,334	10,964	11,623	12,213	12,753	
Subdivision Growth by year		205	828	352	742	529	360	389	320	270		
SE Water District			325									
SW Water District				400		200						
Total Customers by year	5,133	5,608	7,031	8,053	9,065	10,064	10,694	11,353	11,943	12,483	12,753	
Daily Customer Usage												
Average Daily	176 gal	903,408 gal	987,008 gal	1,237,456 gal	1,417,328 gal	1,595,440 gal	1,771,264 gal	1,882,144 gal	1,998,128 gal	2,101,968 gal	2,197,008 gal	2,244,528 gal
Peak Daily (x2)	352 gal	1,806,816 gal	1,974,016 gal	2,474,912 gal	2,834,656 gal	3,190,880 gal	3,542,528 gal	3,764,288 gal	3,996,256 gal	4,203,936 gal	4,394,016 gal	4,489,056 gal
Production	400 gal	2,053,200 gal	2,243,200 gal	2,812,400 gal	3,221,200 gal	3,626,000 gal	4,025,600 gal	4,277,600 gal	4,541,200 gal	4,777,200 gal	4,993,200 gal	5,101,200 gal

- **Existing Water Supplies**
 - Jordan Lake Water Treatment Plant – Capacity 3.00 MGD
 - City of Sanford supply to SE Chatham and Asbury – Capacity 0.50 MGD
 - Siler City (SW Chatham) – Capacity 0.30 MGD
- **Current Water System Demands**
 - Average Daily Demand (365 day average) 0.903 MGD
 - Peak Demand (2 times average) 1.80 MGD
 - Required Water Production Capacity (400 gpd/cust) 2.05 MGD
- **Projected 10 Year Water System Demands**
 - Average Daily Demand (365 day average) 2.24 MGD
 - Peak Demand (2 times average) 4.49 MGD
 - Required Water Production Capacity (400 gpd/cust) 5.10 MGD
- **Option #1 Participate in Harnett County Infrastructure & Defer Jordan Lake WTP Plant Expansion**
 - Capacity from Harnett County – 6.00 MGD
 - Capacity at the Existing Jordan Lake WTP – 3.00 MGD

- Total Combined Capacity – 9.00 MGD
- **Key Points with Option #1**
 - In light of the 10 year projections shown for production this option will carry the County well past the 10 year projection of 5.1 MGD.
 - Utilizing Option #1 will commit a capacity of 6.0 MGD in the Harnett County Water System.
 - There will be a minimum usage of 1.0 MGD once the necessary infrastructure is in place to transfer this water.
 - Allows the County to maintain the utilization of the Jordan Lake Allocation (6.0 MGD).
 - Allows the County to defer the Cost of upgrading the Jordan Lake Plant (\$9.0 million).
 - Provides a potential of 12.0 MGD at such time that Chatham County upgrades the Jordan Lake Plant.
 - Provides available water capacity for Chatham County to the 20 year water use!
- **Option #2 Participate in Harnett County Infrastructure / Expand the Jordan Lake WTP Plant Expansion to 6.0 MGD**
 - Capacity from Harnett County – 6.00 MGD
 - Capacity at the Existing Jordan Lake WTP – 6.00 MGD
 - Total Combined Capacity – 12.00 MGD
- **Key Points with Option #2**
 - As shown in the 10 year projections shown for production this option will carry the County well past the 10 year projection of 5.1 MGD.
 - Utilizing Option #2 will commit a capacity of 6.0 MGD in the Harnett County Water System.
 - With Option #2 the resultant production capacity will far exceed the 10 year projections, based on the requests for water from the Harnett County Water System it is important to secure the allocation of capacity in Harnett County. However, it is not necessary to expand the Jordan Lake WTP at this time to satisfy the 10 year demand projections.
 - Allows the County to maintain the utilization of the Jordan Lake Allocation (6.0 MGD).
 - Provides a potential of 12.0 MGD
 - Provides available water capacity for Chatham County for the 20 year water use!
 - Will cause operational problems in the short-term due to lack of water demand.
- **Option #3 Expand the Jordan Lake WTP Plant Expansion to 6.0 MGD with NO Participation in Harnett County**
 - Capacity from Harnett County – 0.00 MGD
 - Capacity at the Existing Jordan Lake WTP – 6.00 MGD
 - Total Combined Capacity – 6.00 MGD
- **Key Points with Option #3**
 - As shown in the 10 year projections for water production this option will carry the County past the 10 year projection of 5.1 MGD.
 - Utilizing Option #3 there will be guaranteed no capacity in the Harnett County Water System.
 - Selection of Option #3 would assume the following:
 - The planning period for long term water supply is approximately 10 years!
 - Confidence that the County can obtain additional allocation from Jordan Lake!
 - Allows the County to maintain the utilization of the Jordan Lake Allocation (6.0 MGD).
 - Does NOT provide available water capacity for Chatham County to the 20 year projection!
- **NEXT STEP-**
 - **SELECTION OF LONG-TERM WATER SUPPLY OPTION**

- **PROCEED WITH THE PLANNING STAGE OF THE SELECTED OPTION.**
 - **Option #1 –**
 - Jordan Lake Water Treatment Plant (WTP) Design and Environmental is in progress, permit the project and complete the Environmental Assessment and put these documents on the shelf until such time they are needed.
 - Begin the Environmental Assessment and Design of the Connection to Harnett County.
 - Execute Water Purchase/Facilities Contract with Harnett County.
 - **Option #2 –**
 - Jordan Lake WTP Design and Environmental is in progress, permit the project and complete the Environmental Assessment and proceed with construction.
 - Begin the Environmental Assessment and Design of the Connection to Harnett County.
 - Execute Water Purchase/Facilities Contract with Harnett County.
 - **Option #3 –**
 - Jordan Lake WTP Design and Environmental is in progress, permit the project and complete the Environmental Assessment and proceed with construction.
 - End discussions with Harnett County.

Chairman Morgan moved, seconded by Commissioner Emerson, to proceed with the timing and funding of the utility capital projects as outlined in the presentation by Vicki McConnell, Finance Officer, as Option 1 (to participate in Harnett County infrastructure and defer the Jordan Lake Water Treatment Plant expansion). Option One includes a one-time contribution from the General Fund Balance of \$5,000,000, an increase in the availability fee to \$3,500, and a two-cent equivalent annual contribution from the general fund.

BREAK

The Chairman called for a short break.

A discussion of the water availability fee continued.

Sewer Rates:

Roy Lowder, Interim Utilities Director, stated that the water department has been subsidizing the sewage plant in Bynum for years; that the issue was not addressed at the last meeting; and that the Chatham County Water Board is recommending that a sewer rate equal to the residential/commercial, single-family dwelling rate be approved.

The Chairman called the question. The motion carried five (5) to zero (0). The Chatham County Water System – Fees and Charges and Sewer Rates are attached hereto and by reference made a part hereof.

Bill Lowery, Chairman of the Chatham County Water Board, asked as a matter of clarification, when the availability fee was to be paid.

By consensus, the Board agreed that the availability fee is payable when the application is ready to go to the State and signed by the County Manager. (If a customer is on an existing line, they can order their tap before the July 1, 2006 deadline. If it is a subdivision and is not ready to go to the State, it can not be prepaid.)

Tap and Meter Fees:

Mr. Lowery stated that, in his opinion, the \$2,000 tap fee approved by the Water Advisory Board was too high. He explained that a developer could install a tap for less cost than an individual and that he felt that it would be more equitable if the tap fee was set at

\$1,000 plus the meter; that he also felt that the individual could save money if the County would approve two or three contractors with which an individual could contract directly to install the taps; and that he wanted the Commissioners to know that the Water Advisory Board had not recommended this rate, but that he felt that the lower rate was more equitable.

After considerable discussion, Commissioner Emerson moved, seconded by Chairman Morgan, to approve a tap fee of \$1,000 and a meter fee of \$200, effective July 1, 2006 and reviewed every six months. ~~The motion carried four (4) to one (1) with Commissioner Barnes opposing.~~ ***See vote below.**

After further discussion, Commissioner Cross asked that his vote approving the \$1,000 tap fee be changed to that of opposing it because it was inconsistent with the Water Advisory Committee recommendation.

The motion carried three (3) to two (2) with Commissioners Barnes and Cross opposing.

Sewer Rates:

Commissioner Barnes moved, seconded by Chairman Morgan, to set the sewer rate fee for the Bynum plant as follows:

Block 1	(0 to 5000) gallons	\$ 7.00 per 1,000 gallons
Block 2	(5001 to 8000) gallons	\$ 8.50 per 1,000 gallons
Block 3	(over 8000) gallons	\$10.00 per 1,000 gallons

The motion carried five (5) to zero (0). The rate sheet is attached hereto and by reference made a part hereof.

Availability Fees:

Commissioner Barnes moved, seconded by Commissioner Cross, to approve the increase in availability fees, Exhibit A, attached hereto and by reference made a part hereof. The motion carried five (5) to zero (0). The schedule is as follows:

Rate Schedule - Residential and Non-Residential

All water service connections will be billed at the current published rates. All rates are reviewed periodically and subject to adjustment

Residential/Commercial (single family dwelling unit & convenience store, office water use, etc)

Administrative fee/meter	\$ 15.00	plus
Block 1 (0 to 5000) gallons	\$ 7.00	per 1000 gallons
Block 2 (5001 to 8000) gallons	\$ 8.50	per 1000 gallons
Block 3 (over 8000) gallons	\$ 10.00	per 1000 gallons

Multi-Unit Residential Complexes (apartments, condominiums, etc)

Administrative fee/meter	\$ 15.00	plus
Block 1 (0 to 5000) gallons	\$ 7.00	per 1000 gallons
Block 2 (5001 to 8000) gallons	\$ 8.50	per 1000 gallons
Block 3 (over 8000) gallons	\$ 10.00	per 1000 gallons

Non-Residential/Industrial Production

(manufacturing facility using water for production, poultry farms, nurseries, etc.)

Administrative fee/meter	\$ 15.00	plus
0 gallons and over	\$ 4.57	per 1000 gallons

Multi-unit users served through on e meter will be billed at the County's prevailing fees. The administrative fee shall only apply to the meter(s) being used for billing purposes

Sewer Rates

Block 1 (0 to 5000) gallons	\$ 7.00	per 1000 gallons
Block 2 (5001 to 8000) gallons	\$ 8.50	per 1000 gallons

Block 3 (over 8000) gallons \$ 10.00 per 1000 gallons

Connection Charges:

Meter Size, Maximum Flow, and Fees					
<u>Meter Size</u>	<u>Meter Capacity</u>	<u>Availability Fee</u>		<u>Tap Fee (1)</u>	
5/8"					\$
x3/4" inch	20 gpm	\$ 3,500	per unit		1,000
1" inch	50 gpm	\$ 7,000	per connection		Actual Cost
1 1/2" inch	100 gpm	\$ 10,000	per connection		Actual Cost
2" inch	160 gpm	\$ 16,000	per connection		Actual Cost
3" inch	350 gpm	\$ 30,000	per connection		Actual Cost
4" inch	630 gpm	\$ 40,000	per connection		Actual Cost
6" inch	1,500 gpm	\$120,000	per connection		Actual Cost

Source of maximum flow data is American Water Works Association

(1) In cases when developer installs meter box, customer shall be charged a meter installation fee consistent with the County's prevailing rate at the time of connection.

Notes:

1. For meter size larger than 3/4 inch, the customer will pay the availability fee and will be billed separately for the actual cost of the tap (supplies and material)
2. Multi-Unit Residential, Commercial, Industrial users served through one meter: Availability Fees shall be charged based on a per unit charge or the Connection Charge for the bulk meter whichever is greater.
3. Meter sizes and type shall be approved/determined by the Chatham County Utilities Department.

Other Fees and Charges

<u>Description</u>	<u>Charge</u>
Water Deposit:	
Owner	\$ 40.00
Renter	\$ 80.00
Late Fee	\$ 5.00
Reconnection Fee	\$ 35.00
Returned Check Fee	\$ 25.00
Tap Fee	\$1,000.00
Meter Installation Fee	\$ 200.00
Hydrant Deposit	\$50 fee plus \$10 daily
Hydrant Fee (Refundable)	\$1,000.00
Theft/Tampering/Vandalism	\$ 500.00
Bacteriological Samples	\$ 35.00

Inspection Fees	\$ 45.00	per hour
Design/Plan Review	\$ 60.00	per hour
Consulting Engineer:		
Design Review	\$ 120.00	per hour
Inspection	\$ 55.00	per hour
Meter Test	\$ 35.00	
Chatham County Specifications Book	\$ 20.00	

Schools:

Chairman Morgan asked Superintendent Ann Hart if the Board of Commissioners came up with \$1,500,000 to go to the schools for capital outlay, would there be any way that the Board of Education could find the \$260,000 to fund teacher's supplements.

Superintendent Hart stated that until she receives the State budget, she doesn't know; that they would work really hard; and that it would be their number one goal to fund the teachers' supplements.

A consensus was reached on the schools to tentatively approve their budget subject to the final vote on June 19, 2006 or upon adoption of the budget.

John Etchison:

Commissioner Emerson stated that Mr. John Etchison is planning to retire from the Soil and Water Conservation Board after thirty years of service; that his office wants to have a reception for him and perhaps honor him with a plaque; that they have no funds to do so; that he would like to authorize the County Manager to spend up to \$200 on this endeavor.

By consensus, the Board agreed to this request.

Chatham Church Road and Old Sanford Road:

Commissioner Outz asked about water hook-ups to residents on Chatham Church Road; that it is still unclear as to whom is going to do it, the County or the Town of Pittsboro.

The County Manager explained that as far back as two years ago, the Town of Pittsboro was willing to let the County serve the area with water hook-ups as they were financially unable to do so.

The Board asked that staff check into this matter.

Bond Committee:

Chairman Morgan asked Dr. Hart about the Bond Committee. Dr. Hart said that she would be happy to organize one, stating that public funds could not be used to support a bond committee. By consensus, the Board agreed.

Norman Clark thanked the Board of Commissioners for expanding the Board of Education's budget and asked if the auxiliary gym was going to be discussed.

The Chairman stated the expansion was not a "done deal" at this time; that before the total budget is approved, the new gym will be discussed; and that further discussions on the budget will be held at the June 5, 2006 work session.

LUNCH BREAK

The Chairman called for a short lunch break.

Reviews:

The Board reviewed and tentatively approved fees as follows, agreeing to adopt the budget with one vote at the end of the budget work sessions:

Fire District budgets
Environmental Health fees
Waste Management fees
Sedimentation & Erosion Control fees
Planning fees
Register of Deeds fees and permits
Recreation fees

(The Assistant County Manager stated that the recreation fee was inadvertently left out when revenue assumptions were done; that the fees offset program expenses; that at the present, \$15 per participant is charged; and that the recommendation is that the fee be increased to \$20 per participant in the recreation program.)

General Fund Revenue
Expansion Requests
Nonprofits Requests
Governing Board review
Tobacco Funded Position

(The Assistant County Manager explained that the tobacco position in the Health Department now that is completely grant funded; that it did not make the list, but that as per the Board, if there is flexibility in funding, the position can be created.)

Pay-For-Performance and Commissioner salaries were also discussed. Budget discussions will continue during the June 5, 2006 Board of Commissioners' work session.

Commissioner-elect Tom Vanderbeck asked for clarification in the basis for the 21% increase in the County Attorney's fees and what are the additional costs that the County incurs. This information will be provided at the June 5, 2006 work session.

ADJOURNMENT

Commissioner Outz moved, seconded by Commissioner Cross, to adjourn the meeting. The motion carried five (5) to zero (0), and the meeting was adjourned at 2:19 PM.

Bunkey Morgan, Chairman

ATTEST:

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