

DRAFT
MINUTES

STATE OF NORTH CAROLINA
COUNTY OF HENDERSON

CANE CREEK WATER & SEWER DISTRICT
AUGUST 14, 2007

The Cane Creek Water & Sewer District Board met for a regular meeting at 9:00 a.m. in the Commissioner's Conference Room of the Henderson County Office Building at 100 North King Street, Hendersonville, North Carolina.

Present were: Chairman Bill Moyer, Vice-Chairman Charlie Messer, Commissioner Larry Young, Commissioner Chuck McGrady, Commissioner Mark Williams, County Manager Steve Wyatt, Assistant County Manager Selena Coffey, County Attorney Russell Burrell, and Clerk to the Board Elizabeth W. Corn.

Also present were: Deputy Clerk to the Board Terry Wilson, Communications Officer Pam Brice, and Engineering and Facility Services Director Marcus Jones.

CALL TO ORDER

Chairman Moyer called the meeting to order.

Commissioner Messer made the motion for the Board to convene as Cane Creek Water & Sewer District. All voted in favor and the motion carried.

FUNDING REQUEST: Fletcher Fire and Rescue Department (FFRD) Sewer Extension

Chairman Moyer informed the Board that there was information in the agenda book with respect to various options for this funding. There is also a letter from Fletcher indicating that the amount they are looking for is \$133,929. They'll be responsible for \$14,317 and the balance is \$119,612. They also indicated that they've talked with the person whose company made the bid and the bid will last as long as the price of the piping, etc. does not change. "As of the last I heard the other day when I talked to them, it had not changed."

Chairman Moyer stated that one thing that had continually bothered him was the kind of precedent the Board would set if they moved forward because there are a number of other situations where there are water or sewer problems at the fire departments that need to be addressed and should be addressed. He proposed to the Board that Henderson County go ahead and fund this, \$119,612, from the Cane Creek Water & Sewer but that the District loan the money to Fletcher Fire & Rescue for up to ten years so that they could manage the project, build the line, they'd get the money in advance but then they would have to pay the District back. They would have two recourses to get the money: 1) Option 5 (Chairman Moyer felt the Board should insist on this) which is reimbursement to the applicant by capacity, and 2) They would have the ability to cover any additional money in their funding request to the Board of Commissioners at budget time. Chairman Moyer feels the money should come from the Fire Department. This proposal would be a way for the Fire Department to do this without affecting their quality of service.

Options

Option #1. Grant to FFRD for \$119,929 from Cane Creek Water and Sewer District (CCWSD).

This is not currently in the District's budget. The District's Fund Balance to address planned and unanticipated Capital Projects is approximately \$620,000. This option would expend 20% of the District's balance. The project cost is from the Request Letter from FFRD and the Low Bid, both included in the agenda package.

Option #2. Grant to FFRD for \$119,612 from the County's General Fund.

This is not currently in the County's budget.

Option #3. Assess the Property Owners Served by the Extension on the Basis of Acreage.

The last attachment to the Agenda Item calculates the distribution of the project cost to the properties served by the extension. A map of the extension and property owners was provided as well as tax information on each property. The authority to assess property is given to the County and would not be done by the District. The County's budget would be used to fund the project and in turn the assessment would be paid to the County. The assessment is made whether or not the property applies for sewer service.

Option #4. Assess the Property Owners Served by the Extension on the Basis of Road Frontage.

The specifics of this option are the same as Option #3 with the exception being that road frontage is used instead of acreage. The cost distribution is also included in the information included.

Option #5. Reimbursement to the Applicant by Capacity.

With this option the applicant (FFRD) funds the project and as properties served by the extension tie into the system, the District requires a reimbursement from the new applicant to the FFRD. This reimbursement is based on the computed cost of capacity for the extension. The project capacity cost would be \$3.23 per gallon. This reimbursement requirement is for 10 years then is removed by the District. For example, if an owner of a property served by the extension applied for 360 gallons per day (typically residential usage), they would pay a reimbursement to FFRD of \$1,162.80. The reimbursement would be in addition to the tap fee and capacity depletion fee.

Option #6. Deny the Request.

This would leave FFRD with a couple of options. One option being constructing the original Forcemain through private easements with the two properties along the same side of US #25. This would cost less than \$30,000 but require private easements. The FFRD indicated that they have not inquired about easements with the property owners and would not consider inquiring. Another option is for FFRD is finance the project. CCWSD has financed larger interceptor projects in the past.

Chairman Moyer proposed that Cane Creek Water & Sewer District loan the money to Fletcher Fire & Rescue Department in the amount of \$119,612, that they have a repayment schedule for up to ten years to be negotiated with the fire department, they would have the ability to get it back through the capacity when other people come on or through rates in the future. FFRD would be the applicant. They would manage the project and the county would not be directly involved.

Chairman Moyer further stated that if another fire department made a similar request, we would have a policy to go by.

Jerry Creasman, Assistant Fire Chief at Fletcher Fire & Rescue Department, explained to the Board that there were seven bids received but this was the lowest. The bids ranged from \$133,000 to \$251,000. He also reiterated that FFRD is pumping and hauling currently on a weekly basis and paying \$150 weekly.

Following discussion, *Commissioner Messer made the motion to approve Option #5 and loan the FFRD the money for up to ten years. He added that FFRD use the money that is currently being paid to pump and haul to pay on the debt and authorize staff to execute the appropriate documents. A vote was taken and the motion passed four to one with Commissioner Young voting nay.*

Adjourn

Commissioner McGrady made the motion to adjourn as the Cane Creek Water & Sewer District Board. All voted in favor and the motion carried.

Attest:

Elizabeth W. Corn, Clerk to the Board

William L. Moyer, Chairman