

CUMBERLAND COUNTY BOARD OF COMMISSIONERS
SPECIAL COMMUNITY MEETING
GRAY'S CREEK FIRE DEPARTMENT #18
7010 FIRE DEPARTMENT ROAD, HOPE MILLS, NC
OCTOBER 13, 2011 – 7:00 PM
MINUTES

PRESENT: Commissioner Marshall Faircloth, Vice Chairman
Commissioner Jimmy Keefe
James Martin, County Manager
Amy Cannon, Deputy County Manager
James Lawson, Assistant County Manager
Amy Hall, Public Utilities Department
Sally Shutt, Communications Manager
Daniel Ortiz, Environmental Health Supervisor
Thanena Wilson, Community Development Director
Carlis Sweat, Community Development Housing Rehabilitation
Steve Smith, USDA Rural Development
Charles McGougan, Marziano and McGougan, P.A.
Candice H. White, Clerk to the Board
Kellie Beam, Deputy Clerk to the Board
Press

ABSENT: Commissioner Kenneth Edge, Chairman
Commissioner Jeannette Council
Commissioner Billy King
Commissioner Ed Melvin
Commissioner Charles Evans

Commissioner Jimmy Keefe called the meeting to order and advised that Chairman Kenneth Edge and Commissioners Jeannette Council and Billy King were out of town attending a NCACC Board of Directors' meeting and Commissioner Ed Melvin was also out of town. Commissioner Keefe further advised he had just received word that Vice Chairman Faircloth was in route to the meeting. Commissioner Keefe stated it was important to remember that the Gray's Creek community will decide whether to authorize the water system by the referendum, not the Board of County Commissioners. Commissioner Keefe further stated the purpose of the meeting was to provide information about the proposed plan for the Gray's Creek Water and Sewer District so voters could make an informed decision. Commissioner Keefe turned the meeting over to James Martin, County Manager.

Mr. Martin extended a welcome and introduced county staff, Steve Smith representing the USDA Rural Development, and Charles McGougan, engineer with Marziano and McGougan, P.A.

Mr. Martin provided the following information in the form of a PowerPoint presentation and stated the aim was to explain the proposed water system to residents of the Gray's Creek community. Mr. Martin asked that questions and comments be held until the end of the presentation.

Gray's Creek Water and Sewer District Water System Bond Referendum

On November 8, 2011 district voters will decide on a \$21 million bond referendum to fund a district water system.

Background

- Providing safe water to county residents has been a strategic goal for the Board of County Commissioners for several years.
- In 2009, Commissioners hired consulting engineers Marziano and McGougan to develop a master plan for the development of a proposed county-wide water system.
- The plan found that a central water system could be developed on a district-by-district basis and that in order to keep user charges at a feasible level, development of a water system would depend on obtaining adequate financing once an area reached an adequate population density.

Mr. Martin announced the arrival of Vice Chairman Marshall Faircloth who thanked Gray's Creek residents for coming to the meeting. Vice Chairman Faircloth stated the Board and county administration are providing information on the proposed district water system so residents can make an informed decision for themselves and for their neighbors. Mr. Martin continued with the presentation.

- The southwest area of the county has the highest population density and includes an area with the greatest health need, specifically Southpoint.

Mr. Martin stated should the referendum fail, it would mark the end of any proposal the county would make to the residents of the Gray's Creek Water and Sewer District with respect to a public water system. Mr. Martin further stated the county would still find a way to provide public water to the Southpoint subdivision in which there are a number of well issues that need to be addressed.

- The Gray's Creek Water and Sewer District was formed in October 2009 and is the first district formed under the plan.
- The County Commissioners serve as the governing board of the Gray's Creek Water and Sewer District.
- On November 8, voters in the district will decide whether to move forward with financing the construction of the first three of five phases of a water system for the district.

What is proposed for Gray's Creek water and sewer district?

- A water system to be constructed in five phases over approximately 15 years
- Each phase to be constructed on a three-year schedule or as close to that as possible.
- The first phase (1A and 1B) will cost approximately \$6 million, to be funded over a 40-year period by loans obtained from the U.S. Department of Agriculture Rural Development.
- The \$21 million bond referendum will finance the first three of five phases.

Mr. Martin pointed out that Phase 1B is the area coming from Bladen County up into the Southpoint area.

What is the timeframe for Phase 1 and future phases?

- The entire process for Phase 1 is expected to take 18 months from design to construction completion shortly following approval of the bond referendum.
- Each phase after that is projected to take three years from the completion of the prior phase.

Where is the water coming from?

- The district has an agreement to purchase bulk water from the Public Works Commission.

Who will handle the billing?

- This will be determined after the referendum.

Mr. Martin stated should the referendum pass, the county will likely hire staff to handle the billing but there are also options to contract with other providers.

Are we at risk of being annexed by the City of Fayetteville if a water system is constructed?

- Not as a result of the water system being constructed.
- The water system will be constructed to rural development standards, not municipal.
- Annexation depends on population density of an area, not the availability of water.
- The state legislature approved an overhaul of North Carolina's annexation law this year. The measure allows citizens to block an involuntary annexation if 60 percent of property owners submit a petition opposing it.

Will the availability of water increase the tax value on my property?

- Perhaps, if the availability of water has affected the sales price of similar properties at the time of the next revaluation.
- Property values may decline, remain stable or increase.
- It depends on what the economy is like and how much demand there is for property in the area at the time of the next revaluation.

Will connection be mandatory for existing buildings?

- No.
- However, an availability fee will be charged to every property owner whose land abuts, or has direct access to a water line.
- For an undeveloped parcel that would qualify for the issuance of a building permit for the construction of a structure, a single availability charge would apply.
- For parcels that have multiple buildings for which water is typically supplied for habitation, recreation or the conduct of business, an availability charge will apply to each building.
- An availability charge will not apply to barns, personal garages, and sheds.

Will connection be mandatory for new construction?

- Maybe, based on existing subdivision regulations.
- They require any subdivision creating 2 to 10 lots to connect to public water if it is within 300 feet; any subdivision creating 11 to 20 lots to connect to public water if within 500 feet; and any subdivision creating 21 or more lots, either in a Sewer Service Area or with a density of greater than two units per acre, regardless of the distance.

- The Planning Board has the authority to waive these requirements in hardship circumstances.

Will the county extend the system to take in new subdivisions or development?

- Rules, Regulations and Specifications will be established and the conditions under which extensions are made will be outlined.
- These will likely be at the developer's cost and in those circumstances that do not strain the capacity of the system as it is developed.

May an owner keep an existing well to use for irrigation or other non-household purposes?

- Yes.
- The County will require certification by a County plumbing inspector that there is no cross-connection to the public water.
- Wells may be used to water landscaping or livestock, wash cars and fill pools.

Will the County run the line to my house?

- No. The County's responsibility stops at the NCDOT right of way line, typically 30 feet from the centerline of the road.

How much will it cost to run the line to my house?

- It depends on the distance and obstacles, such as tree roots, and directness of connection. Local plumbers are hesitant to provide quotes without visiting the property. Estimates may range from \$10 to \$12 per foot with a straight-shot path and no tree roots.
- The homeowner can "do it yourself" at a lesser cost.

Do we have to connect?

- No, but you will be charged a monthly availability fee if your property abuts or has direct access to a water line.

Can we buy a tap for future use and not use water now? How much will that cost each month?

- Yes, as long as the owner agrees to be responsible for marking the location of the tap and protecting it from damage.
- The owner will have to pay the one-time "dry tap" fee and then will be billed the monthly availability fee.

How much will the monthly water bills be?

- All parcel owners along roads where water lines are constructed will be charged a monthly availability fee currently estimated to be \$28.14.
- Water system users will have an additional monthly water usage charge.
- The monthly water bill for customers using 4,500 gallons of water per month is currently estimated to be \$42.73, which includes the availability charge.

What does the availability fee cover?

- The cost of operating the system and debt service on the loan.

Why is it charged to residents who do not sign up for service?

- To make the project financially feasible for the district by covering the debt service on the loan.

When will availability fees start being charged?

- Once water line construction is completed in a phase.

What will be the cost for each household or parcel owner in Phase 1A and 1B?

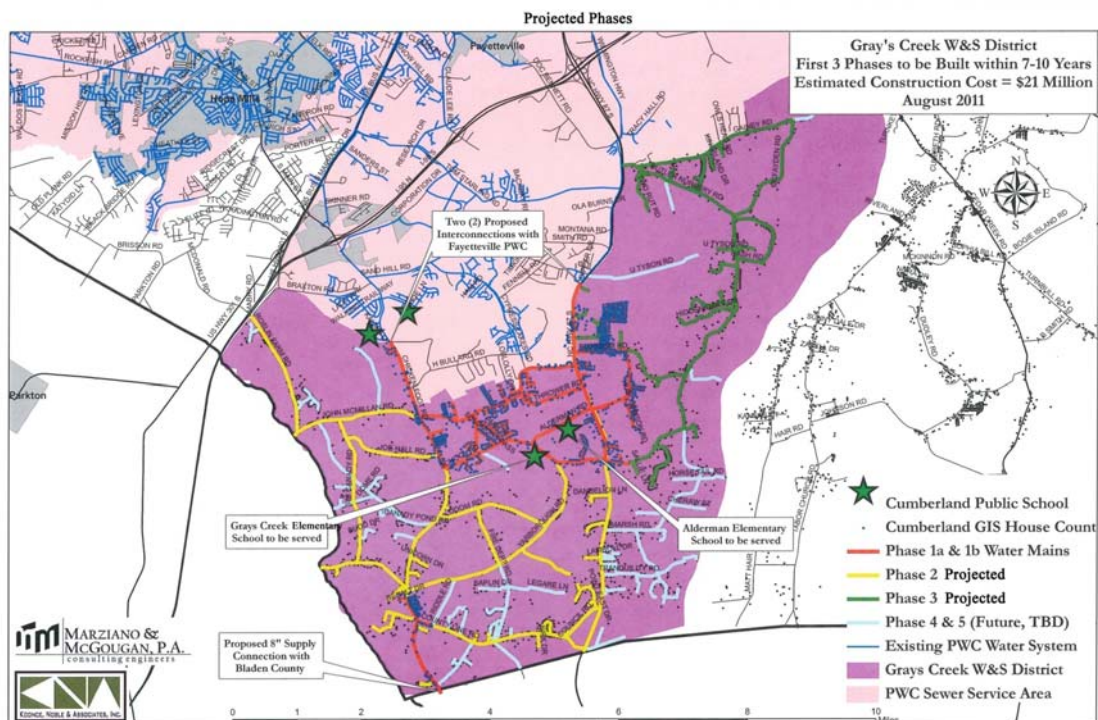
- The early “tap-on” fee is estimated to be \$350 prior to and during the construction.

Mr. Martin stated the early “tap-on” fee is available because it will cost less to get all of the taps installed at the time the contractor is installing the lines.

- After that, tap-on fees will range from approximately \$1,500 to \$2,000 depending on the size of the line and any unforeseen construction issues.
- Installation cost for a water line from main line to building.
- Plumbing inspection fee.
- Monthly Availability fee.
- Monthly Water Usage charge

Mr. Martin emphasized that the costs reflected are the best estimated costs available at this time and can not be guaranteed.

Estimated Recurring Costs	Estimated Cost
Monthly Availability Fee	\$28.14
Water usage charge for customers using 4,500 gallons of water per month	\$14.59
TOTAL monthly water bill for a customer using 4,500 gallons of water a month	\$42.73



Where can I learn more?

- Review the Water Use Ordinance for Gray's Creek Water and Sewer District available on the County's web site or pick up a copy from the Public Utilities Department in the Historic Courthouse at 130 Gillespie Street.
- Call the Public Utilities Department at 678-7637.
- A list of streets projected for each phase is on the website.
- Attend the community meeting at 7 p.m. on Thursday, Oct. 27, Gray's Creek Elementary School.

Voting Opportunities -

- One-stop early voting starts October 20 at the Board of Elections office, 301 East Russell St., and ends November 5.
- Hours are Monday through Friday from 8 a.m. to 5 p.m. and on Saturday, November 5 from 9 a.m. to 1 p.m.
- On Election Day, November 8, polls will be open from 6:30 a.m. to 7:30 p.m.
- Voters must reside in the Gray's Creek Water and Sewer District.
- District precincts are: Alderman, Hope Mills 02B, and Sherwood.
- Call the Board of Elections at 910-678-7733 for more information.

Mr. Martin reviewed a sample ballot for the Gray's Creek Water and Sewer Bonds and stated voters will simply need to indicate "yes" or "no" on the ballot.

A sample ballot for a referendum. At the top, it says "REFERENDUM" in a black box. Below that, in a gray box, is "Gray's Creek Water and Sewer Bonds". The main text asks: "Shall the order authorizing \$21,000,000 in a maximum aggregate principal amount of General Obligation Bonds for the Gray's Creek Water and Sewer District for financing, in part the acquisition, construction and installation of public water distribution and storage facilities in the district be approved?". There are two radio button options: "Yes" and "No". Below the options is a gray box that says "End of Ballot". At the very bottom, in a small box, it says "Typ:01 Seq:0001 Spt:01".

Mr. Martin concluded his presentation and opened the floor up to residents of the Grays's Creek community. The following questions and comments ensued:

- Is the county going to waive the \$35 county connection fee?
- Will the \$21 million cover all five phases? What happens to the other two districts?
- Why is everyone being allowed to vote if some of them do not live within the first three phases?
- Why is \$21 million being charged for the first three phases and only \$5 million being charged for the last two phases?

- Does the project come with a warranty; what am I getting for my money?
- With regard to the money, simple math shows you get a \$48 million payback for a \$21 million project.
- When I go to vote I will be thinking long-term, not just what I want today.
- Are rates negotiated with the Public Works Commission for bulk water? If so, is there currently a negotiated rate and how does it compare to other bulk water rates? How often is the rate subject to change?
- Will I have to pay an availability fee for eight parcels even though I only have two residences on the eight parcels?
- Who will maintain the lines?
- Is there anything that any of us here tonight can say or do to bring this process to a halt or derail it before November 8?
- Minutes of the October 19, 2009 Board of Commissioners' minutes when the Gray's Creek Water and Sewer District was created stated "there is a demonstrable need to provide the district water and sewer services"; how was that need determined and by whom?
- There is a lot of difference between water that is not of good quality and water that has too much iron, or has too much sulfur; all of us who have lived in the country have dealt with those issues. That is not a justifiable reason to spend \$26 million on a water system that is obviously only needed by a relatively small handful of people at this time. I do not understand how the county commissioners came to the conclusion that there is a demonstrable need.
- I do not see how I am going to benefit because I do not want the water and I do not need the water.
- Charging people over \$13,000 over the next forty years is not economically feasible when the water they have is perfectly good and they do not need the water.
- Anyone one with any kind of sense can see that if the water system passes, ten to fifteen years down the road the county commissioners will be obligated to put in a sewer system which will cost another \$26 million and another \$500 to \$700 a year on top of that.
- What legal authority do the county commissioners have to create a district that does not have the support of people, and what is the legislative authority that allows the county commissioners to continue to push the effort if their constituents are against it? There are three county commissioners coming up for re-election in this district and they are committing legal suicide by pushing the effort.
- At the meeting on October 19, 2009, one of the speakers said his water was good but that he did not want to prevent his neighbors from having good water. He also said he had been assured by several of the commissioners that if the cost turned out to be too high, the project would be pulled. During discussion at the same

meeting, Commissioner Keefe stated if it turned out to be too expensive, he would not vote for it. Despite the fact that there was opposition, the Board still voted unanimously to pass this thing and continue with the process. I thought the Board was elected to represent their constituents. I can not find any support from their constituency that would encourage the Board to vote unanimously. Tonight's meeting will likely be 90% "no" again.

- Were the other counties that border Cumberland County interested in extending water into our district?
- There are hardships in this district. It seems like it would be better to do like some other counties with smaller populations have done, which is to do a survey to see how many people would be willing to sign up for water and not base it on how many people are living in that district. When you get that number, then you will know whether it is feasible.
- Considering that there will be some hardships within the district, what is the county going to do when people can not pay? If I am charged, but I do not use it, that bill is going to be the last one I pay. If people get behind in their payments, what actions will be taken against them when they did not want it to begin with because they could not afford to pay? The county can only have so many hardships before it will not make it, but the county is going to hear from a lot of people saying this is something they can not do.
- I am not paying for it because I do not want it. What right does anyone have to force me to pay for something I do not want and am not in favor of?
- I was actually in favor of the water, but I can say that my neighbor is not going to be real happy with me if they have to pay for it just because I got it.
- How big are the mains? They will not help the fire departments. If you are going to put a system in, then put in a system that will take care of what you are going to do. The fire departments need it, and we need water for drinking. You want to raise the water bill but you are not helping us. If the county wants this thing, put the thing down like it should be and tell the public this is what it is going to take to do it. I'd rather have the fire protection than the drinking water. I am not paying for it because I do not want it. If the city annexes you, they will put in the lines big enough to take care of it.
- What about the rates for businesses?
- I understand that if you have four or five parcels of land, you have to pay four or five user fees.
- If you do not have a water line along your road, what happens?
- Over 75% of the project is being paid for by Phase IA and 1B.
- How do we pay; with our mortgage or by check? And, at what point in the process do we pay?
- Is there any relief for those who find it cost prohibitive?

At this point in the meeting, Mr. Martin called on Community Development Director Thanena Wilson who explained people would have to be income eligible to qualify for assistance with the initial tap-on fee and the installation, plumbing; whatever it takes to actually bring the water to the line to the home. Ms. Wilson stated at present the assistance could possibly be up to \$7,500 or whatever it costs to run the water. Mr. Martin emphasized this assistance is based on income eligibility.

- I can give you back \$300,000 if you do not run the line down my dirt road because I am the only resident at the end of the dirt road.
- Is there any distance from the demark point that excludes connection? I am going to be faced with a legal issue negotiating with my neighbors and other people in the area to try to dig across their property to your demark point to run my line.
- If I am forced to connect, is there a way for the homeowner to terminate the water at the meter?
- Has there been a study or has anything been identified for homeowners to remove the chlorine from the water?
- How frequently are water lines purged? How does one determine “need”?
- In reference to the question relative to a shut-off valve, I have had to have the meter man come out and turn the valve. He said you are not allowed to mess with the valve, so that is something you may want to think about.
- When it comes to water consumption, chlorine is a big concern.
- When the fire company came through and aerated all the fire lines, they did not charge me anything. In fact, they paid me \$600 to allow them to put a stake right next to my fence. I do not understand why they can do that, but the county wants to charge for maintenance fees, upgrades, and for everything that is done. It does not make sense.
- If the bond referendum, does that mean we are giving the county authority to also put in a sewer system?
- Will there be a separate referendum if there is a sewer problem?
- Is Clifton McNeill Road on the district map? It is not on the list. To my knowledge, it is in Gray’s Creek and I would like to know why it is not on there. At the last meeting, Mr. McNeill said if he was going to pay for it, he wanted it.
- In a Fayetteville Observer article, it stated that the Public Works Commission (PWC) planned upgrades at their largest water treatment plant over the next several years for almost \$60 million. It further stated that the City of Fayetteville that owns the utility stated that over the next eight years rates will eventually rise but the when, where, and how much are not known yet. To me this speaks volumes. We have heard it stated that every July 1st, the PWC can have a rate increase. What upsets me the most is that the county signed an agreement with the PWC on December 30, 2010 and no meeting was held with the public until

September 27, 2011, which is only seven weeks from the date of the referendum. Why did the county sign the agreement? Does the county's contract with the PWC state that it is going to be \$28.14?

- What is the bulk water fee?
- In the water purchase agreement that was signed with the PWC, it is my understanding that if the bill is paid late after thirty days, there is a 12% increase on the Gray's Creek Water and Sewer District. Is that right?
- All of you need to go online and you can pull all of this stuff up and read all the rules, regulations and specifications you are going to have to put up with if this is approved. Everything refers back to the PWC that is owned by the City of Fayetteville. You almost need to be a lawyer to understand it completely, but you need to do it.
- What other sources of contaminated water are there in Gray's Creek, not Cumberland County, other than Southpoint?
- The county has nerve enough to come out here and make everyone else pay for water hook up because of Southpoint and Bladen County is going to be serving them. How much sense does that make?
- How many county commissioners live in Gray's Creek?
- It is nerve racking for me to listen to all the potential problems and the ineptness of our county commissioners. If you want to avoid all these heartaches and extra expenses, just vote no and get all your friends and neighbors to do the same. Then we will not have to face all these decisions. Vote no!
- I never saw a dry tap fee value.
- I am on a septic tank. What is chlorine going to do long-term to my septic tank considering the septic tank runs off of bacteria?
- It has been said that it would be cost prohibitive to deliver water to just those folks who desire it because if would be too few. And, you are still going to let voters decide whether they want it?
- The democratic process would be to first ask me if I want it, then allow me to vote for it.
- With regard to the voting issue, we own the land but have renters. Is there anyway we can have a voice?
- What about the military personnel in the water district that are not registered to vote; 90% are not registered to vote but they do not get a say even though they own property in the district.
- If the referendum passes and \$21 million is spent for the water system, will it causes the taxes on properties in Gray's Creek to increase? Two years ago my property jumped up \$19,500 and that is only because we wrote a letter and they

took \$6,000 off of it. Initially it was \$25,000 or 45%; now you know my place is worth about \$100,000. I am for the water system; I just need to know how much my taxes are going to increase.

Vice Chairman Faircloth stated there would be no increase in taxes due to the water. Vice Chairman Faircloth further stated that the State of North Carolina requires Cumberland County to revalue properties at least every eight years and the revaluation is derived from sales. Vice Chairman Faircloth also stated if for some reason the property values go up in the water district, it will be because of what has been reflected by property sales.

Commissioner Keefe stated the Board of County Commissioners does not value property; neighbors affect the value of property through their property sales. Commissioner Keefe further stated adding a water system will not increase or decrease the property value, but development can. Commissioner Keefe also stated the Board can not stop someone from selling their land, but the Board can make sure the integrity of Gray's Creek is what it should be. Commissioner Keefe emphasized that the water district is for the Gray's Creek community, not the Board of Commissioners who only want to provide information and the opportunity for the whole community to determine what it wants to do.

- Can the \$350 tap fee be satisfied through payments?
- Residents will not get sewer in this area for a long, long time and about 85% of the septic tanks in this area seep into wells. An average well today is \$2,510 and for less than \$500, you can get water that is guaranteed for five years. When you drill a well, there is no guarantee on the quality of water, and of course the cost of a deep well goes up. I am going to vote yes because I have two bad wells.

There being no further questions or comments, Mr. Martin turned the meeting over to Vice Chairman Faircloth who stated if residents vote "no", then it is over. Vice Chairman Faircloth and Commissioner Keefe provided closing remarks and thanked everyone for coming to the meeting.

There being no further business, the meeting adjourned at 8:45 p.m.

Approved with/without revision:

Respectfully submitted,

Candice H. White
Clerk to the Board