

COLUMBUS COUNTY BOARD OF COMMISSIONERS**Tuesday, February 03, 2004****7:00 P.M.**

The Honorable Columbus County Commissioners met on the above stated date and at the above stated time in the Dempsey B. Herring Courthouse Annex Building located at 112 West Smith Street, Whiteville, North Carolina, for the purpose of conducting a *workshop* on Columbus County Water and Sewer Districts II and III.

COMMISSIONERS PRESENT:

Bill Memory, **Chairman**
 Kipling Godwin
 Amon E. McKenzie
 Lynwood Norris
 C.E. "Gene" Wilson

APPOINTEES PRESENT:

Billy Joe Farmer, **County Administrator**
 James E. Hill, Jr., **County Attorney**
 Darren L. Currie, **Assistant County Administrator**
 June B. Hall, **Clerk to Board**
 Gayle B. Godwin, **Finance Officer**

COMMISSIONERS ABSENT:

Sammie Jacobs
 David L. Dutton, Jr., **Vice Chairman**

MEETING CALLED TO ORDER:

At 7:00 P.M., Chairman Memory called the meeting to order. The invocation was delivered by Reverend Jimmy Gore.

DISCUSSION of COLUMBUS COUNTY WATER and SEWER DISTRICTS II and III:

Chairman Memory stated this workshop had been established as an information gathering session for Columbus County Water Districts II and III and to discover a workable solution to satisfying the principal and interest payments for these two (2) districts which is due and payable in the spring of 2003. After the Board and staff have finished their presentation and discussion, the people in the audience will have an opportunity to speak, if time permits.

STATISTICAL DATA PRESENTATION:

Billy Joe Farmer, County Administrator, presented a statistical data presentation to the Board and the public with the following information.

1. Property with Accessible Water Line Frontage:**Original Signups in District II -**

1345 Total (approximately 50% using water)
 Mandatory Meters Installed
 674 installed (all residents have been notified by letter)
 140 remaining
 2,159 Total Customers

Original Signups in District III -

898 Total (approximately 50% using water)
 Mandatory Meters Installed
 432 installed (all residents have been notified by letter)\
 75 remaining
 1,405 Total Customers

To Be Completed in 45 Days

2. Property Value by Township:

WATER DISTRICT	TOWNSHIP	REAL ESTATE NET VALUE	PERSONAL PROPERTY NET VALUE
II	Cerro Gordo	\$47,510,620	\$4,043,551
	Chadborn	\$68,602,045	\$6,767,012
	Fair Bluff	\$23,162,930	\$3,329,132
	Tatum	\$73,046,936	\$5,624,200
	REAL TOTAL:	\$212,322,531	\$19,763,895
III	Whiteville (North of 74/76)	\$115,032,800	\$25,705,712
	Western Prong	\$24,592,540	\$1,929,001

3. House Counts:

WATER DISTRICT	TOWNSHIP	SINGLE-WIDE MOBILE HOME	DOUBLE-WIDE/ STICK BUILT
II	Cerro Gordo	203	
	Chadborn	428	
	Fair Bluff	102	
	Tatum	352	
	NET COUNT:	1085	2864
TOTAL:			3949
III	Western Prong	92	1257
	Whiteville (not 74/76 4-lane)	348	—
	NET COUNT:	440	1257
TOTAL:			1697

4. Expenditures and Revenues (Period Ending December 31, 2003):

DIST	ESTIMATED EXPENDITURES	% SPENT	ESTIMATED REVENUES	% COLL	EXP TO DATE	REVENUE TO DATE
II	\$1,109,439	23.5	\$1,109,439	21.9	\$259,507.51	\$243,663.78
III	\$756,319	38.2	\$756,319	33.5	\$286,797.82	\$253,468.45

5. Revenue Sources:

DISTRICT	REVENUE SOURCE	AMOUNT	%
I	Rural Development Grant	\$2,568,600	66.84
	Water Bonds	\$1,250,000	32.53
	From District	\$24,400	.63
TOTAL:		\$3,843,000	
II	Rural Development Grant	\$1,647,000	18.08
	Water Bonds	\$6,500,000	71.35
	Revenue Bonds	\$845,000	9.28

	From Water District	\$117,740	1.29
TOTAL:		\$9,109,740	
III	Rural Development Grant	\$1,358,000	19.62
	Water Bonds	\$5,502,000	79.51
	Transfer from District	\$60,000	.87
TOTAL:		\$6,920,000	

Mr. Farmer stated the information you have just been presented will allow you to see that the expenditures are greater than the revenues. This is due to the number of people that are utilizing the water. If the number of people utilizing the water was at one hundred (100%) percent, then the district would be operating in the black. This is the reason the Board made the decision for the mandatory hookup. No business or water system can continue to operate in the red.

The one-time fee and/or tax that has been proposed would not cover the Principal and Interest payment that will be due and payable each year for thirty-eight (38) years.

Commissioner Godwin asked if the house counts taken were for property owners only. Mr. Farmer replied stating yes.

Chairman Memory stated the revenue that is being received will cover the Operations and Maintenance for the District, but will not cover the Principal and Interest payment.

Commissioner Godwin presented the following proposal:

1. Take the cost of the meters that were installed;
2. Put special tax on the property owners who got the meters;
3. Take Principal and Interest for last year, this year and part of next year and assess a tax for each water district.

Chairman Memory stated that one (\$.01) cents on the tax dollar would only generate approximately two hundred fifty thousand and 00/100 (\$250,000.00) dollars. In order to make up this amount of deficit, the tax increase would be in a large amount.

James E. Hill, Jr., Columbus County Attorney, stated in accordance to N.C.G.S. §162A-92 a tax or special assessment fee could be imposed for the benefitted properties.

PUBLIC INPUT:

1. **Private Citizen (Lady - did not state name):** I am a single parent and on a fixed income. I have been receiving a large water bill. I live three hundred (300') feet off the road and when I found out how much it would cost to have a water line run to my house, I could not afford to do so. I simply cannot hook up to the water due to the fact I cannot pay for water lines being run to my house. What am I to do?

Chairman Memory stated he sympathized with this lady and anyone else in this type of situation, but we had ninety (90) miles of water lines in the ground that must be paid for and we need to take the necessary measures to accomplish this task.

2. **Private Citizen (Lady - did not state name):** I am the mother of the first lady that spoke and you can disregard what she has just said because she doesn't even own the property.
3. **Noah David Long:** presented the following information - In the News Reporter and Decision Time Newsletter, Option 1 was suggested by Bill Memory in December, 2003.

Option 2 was presented with statistical data. Option 3 was presented with the suggestion of all citizens paying the same flat tax within Water District II and III. Option 4 was presented with details.

The CCCTA has compared the Commissioner District Maps with the Water District Maps

and has observed that some of the Commissioners' district are entailing more than one (1) water district and up to three (3) water districts are involved.

All seven (7) Commissioners have made and are now making decisions for five (5) water districts. It appears all the Commissioners can make decisions in the form of mandatory water or taxes in water districts their district does not cover. This being the case, we, the people, propose a County-wide tax for the purpose of fixing Water Districts II, III, IV and V.

Another option has been offered to CCCTA by some of the people. The water system would be operated as a co-op, by the people. We, the people, would assume the debt for Water Districts II and III and operate these water districts as a private water system.

4. **Commissioner McKenzie:** I am really concerned and have been contacted by many private citizens regarding the water taps on vacant lots. I would like to know if the citizens can give up the tap or if they have to continue paying.

Debra White, Office Manager of the Columbus County Utilities Office, stated that the Columbus County Water and Sewer Advisory Commission has suggested the following be used in these situations for vacant lots: the customer will pay up to four hundred and 00/100 (\$400.00) dollars which is the cost of the tap, their account is then inactivated, the meter is then pulled and when the customer is ready to use the said vacant lot, they will pay a twenty-five and 00/100 (\$25.00) dollars service fee to have meter hooked up.

5. **Davis Pridgen:** I would like to state that people are reluctant to sign up due to having to pay this amount and the additional tax if one is imposed upon the citizens. I have not signed up and will not sign up until a definite decision is made by the Board as to what their final decision will be. Commissioner Memory replied stating that if anyone should pay the four hundred and 00/100 (\$400.00) dollars and a tax is imposed, then they would be reimbursed three hundred and 00/100 (\$300.00) dollars for the difference.

6. **Commissioner Wilson:** I am strongly opposed to any tax being imposed on the citizens and I am in favor of the mandatory hookup because I think in time, we will have enough people utilizing the water for the systems to operate efficiently.

7. **Lofton Cox:** stated the following:

1. During this entire process, I have talked to many citizens in each of the water districts and the information I have been told is consistent regarding the type and amount of misinformation that has been provided to the citizens of Columbus County. After you have talked to this many people and you are told the same story by all, then it is apparent that indeed what they are saying is true.
2. I know that you Board members have a very tough job on your hands and you have been placed in a very precarious situation here, but you have to deal with any particular situation that is at hand.
3. The present Board has lost all credibility with the citizens due to the amount of misinformation that has been provided to the citizens of Columbus County regarding this water system and that is a major reason why you are not able to obtain their cooperation at this time.
4. I am requesting that this entire Board resign as the Columbus County Water and Sewer Authority Board and instate a Water Commission by the end of this fiscal year which will be comprised of elected members.

James E. Hill, Jr., Columbus County Attorney, stated that in accordance with N.C.G.S. §162A-89, the Board of Commissioners is the governing body of the district.

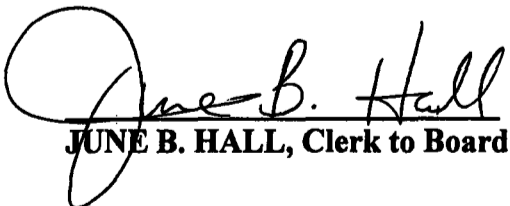
8. **Ray Priest:** presented the following suggestions to the Board:

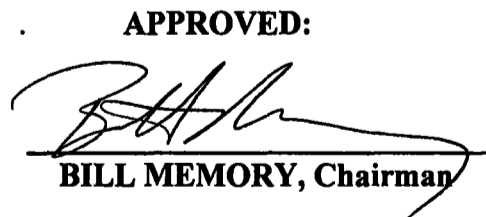
1. **HB 469:** remove Columbus County from this bill. This bill is controversial and will only make matters worse. Fear and intimidation is not a sound way to govern.
2. **Eliminate Mandatory Hookup:** the water systems were sold to the people as being a voluntary program. This option should be a last resort.
3. **Engineering Firms:** most legitimate businesses carry liability insurance. What action has been taken to pursue the engineering firms that were paid with taxpayers money to prepare preliminary studies in which were included feasibility reports stating to the Federal Government that the water systems were feasible?

4. **Consolidate Water Districts:** this would spread the cost more fairly. Based on information provided by the Board of Commissioners, and engineering reports, there is a countywide need for a water system, and the county would benefit.
 5. **Regional water supply:** this option could possibly be used to provide water to certain areas until funds are available to complete the system. One earlier proposition included buying water from South Carolina to offset the cost.
 6. **Subsidize:** borrow or take money from the General Fund to offset the debt until the customer base is established. This method was used for Water District I.
 7. **Deferment:** what will be the cost of using this option not only in dollars, but Bond Rating also? If no immediate, acceptable solution is available in May when the money comes due, then use this option.
 8. **Countywide Tax:** the selling points that have been used to persuade people to accept the water systems have been as follows:
 - A. The people of Columbus County need clean drinking water.
 - B. It will benefit everyone by drawing industry to Columbus County.
 - C. It will lower fire insurance rates for Columbus County.
 - D. It will draw desirable people, such as retirees, business owners and people with money to spend in general to Columbus County.
 - E. All seven (7) Commissioners have agreed and acted in favor of the implementation of the water systems as a body of Commissioners, all seven (7) should be held accountable for their votes. Citizens of the County should not be imposed upon by elected officials, of which the citizens have no voting power.
 9. **Legal Advice:** Again, most legitimate businesses carry liability insurance. Taxpayer money paid for legal advice concerning the water districts. At a public hearing involving Water District III, a question was asked on how would we pay for this system. The reply came from the attorney that was representing the County, its Free Money! This kind of logic can be very detrimental to our County.
 10. **Public Involvement:** in conclusion to these suggestions, I would like to add one very important suggestion. Try to develop a method of communication that can be used to include citizen involvement in matters of this magnitude. Public involvement is always a sign of good government.
9. **Doug Klier:** I would like to ask the following questions with a response from someone.
1. Did Columbus County decide to do the water districts based on votes and then based on the number of signups? Chairman Memory replied stating yes.
 2. Who decided to do the Fairmont Sewage Treatment Plant that has been done? Billy Joe Farmer, County Administrator, replied stating this project was totally done by the Town of Fairmont and when completed, their capacity was so large they needed additional customers. We are facilitating a grant to do a study for the Towns of Fair Bluff, Cerro Gordo, Boardman and possibly Chadbourn. The County is not involved in this project except for facilitation.

ADJOURNMENT:

At 10:00 P.M., Chairman Memory stated this workshop was adjourned.


JUNE B. HALL, Clerk to Board

APPROVED:

BILL MEMORY, Chairman