

COLUMBUS COUNTY BOARD OF COMMISSIONERS

Wednesday, May 19, 2004

5:00 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, to resume a meeting that was recessed on May 17, 2004.

COMMISSIONERS PRESENT:

Bill Memory, **Chairman**
David L. Dutton, Jr., **Vice Chairman**
Kipling Godwin
Sammie Jacobs
Amon E. McKenzie
Lynwood Norris
C.E. "Gene" Wilson

APPOINTEES PRESENT:

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

APPOINTEE ABSENT:

James E. Hill, Jr., **County Attorney**

MEETING CALLED TO ORDER:

At 5:05 P.M., Chairman Memory called the meeting to order to resume the meeting that was recessed on May 17, 2004.

RECESS REGULAR SESSION and enter into a BUDGET WORKSHOP:

At 5:09 P.M., Commissioner Norris made a motion to recess Regular Session and enter into a Budget Workshop, seconded by Vice Chairman Dutton. The motion so carried.

REQUEST for PRESENCE of LEGAL COUNSEL:

Commissioner Godwin stated he was concerned that legal counsel was not present during certain meetings. I recommend that we obtain other legal counsel to be present when our regular attorney, or his designee, cannot be present at these meetings.

BOND REFERENDUM ISSUE:

Commissioner Godwin stated he had some concerns regarding the Bond Referendum issue as follows:

1. Due to the financial rating Columbus County has at the present, we are in a good position to borrow money;
2. Columbus County is not in a good position to spend large sums of money; **and**
3. It is my opinion we should lump together the Capital Projects on the list that was given to the Board on May 17, 2004 and borrow money in one lump sum to handle these Capital Projects.

ALLOCATION OF \$750,000+ to WATER DISTRICTS II and III:

Chairman Memory stated the Board needed to reach a decision, at this meeting, regarding the allocation of seven hundred fifty thousand and 00/100, plus, (\$750,000.00+) dollars to Water District II and III. The payment must be in the U.S. Mail by Friday, May 21, 2004 or Columbus County will be in default on the loan.

Lengthy and in-depth discussion was conducted among the Board members regarding this matter. Several options were recommended and discussed.

PROPOSED SOLUTIONS to SITUATION in WATER DISTRICTS II and III:

Commissioner Godwin stated he had prepared a draft, for discussion purposed only, of some proposed solutions to the situation in Water Districts II and III. They are as follows.

by Commissioner Kipling Godwin

SHORT TERM SOLUTION

- 1 Rescind Mandatory Water Connections in Districts II and III, effective June 30, 2004. This part of the solution is needed in order to restore the confidence and trust of the people. Undoing mandatory water is perhaps the first and biggest step to restoring our credibility and sending a signal that we are serious about working out an amicable solution to the problem.
- 2 Impose a User Fee in the amount of \$240 annually on all primary residences in Districts II and III, with access to county water, effective July 1, 2004. This solution is needed in order to generate sufficient funds in FY2004-05 to pay debt service and operate the system. In addition, imposition of a user fee should encourage residents to connect to and use the service.
- 3 Allow all users the first 3,000 gallons at no cost (the basic service will be paid for by the user fee); each additional 1,000 gallons would bill at a rate of \$7.00 per thousand. This part of the solution will promote conservation of water resources and, at the same time, provide additional funds for the operations & maintenance costs associated with operating the system. In addition, imposition of a user fee should encourage residents to connect to and use the service since the basic water service (including the first 3,000 gallons) is provided as a part of the fee.
- 4 Provide an incentive sign-up period of 90-days beginning on July 1, 2004, of a \$100 meter and a \$50 tap fee for everyone who signs up and connects to the system. This part of the solution shows good faith on our part as being flexible enough to consider all workable options related to the financing of the public water system.

LONG TERM SOLUTION

1. Authorize a voter referendum on countywide water for November 2, 2004 General Election. If passed, it would allow the consolidation of existing water districts and movement toward countywide water as soon as feasible. This part of the solution will allow the county to consolidate the various districts thus spreading the income and expenses more evenly across all users. In addition, a countywide system would allow those residents who desire water services to be served.
2. Include in proposed user fee ordinance a provision which specifies that at the point the water districts are solvent, the Commissioners shall opt for a fee-for-service charge for current users instead of an annual user fee. Again, this part of the solution shows good faith on our part as being flexible enough to consider all workable options related to the financing of the public water system.

These options are presented for consideration by the entire Board of Commissioners. They are not intended to be perfect solutions to a very difficult and complex problem. I believe they will, however, get us closer to our ultimate goal of building and maintaining a good, solvent public water system for the people of Columbus County.

DISCUSSION on PROPOSED SOLUTIONS to SITUATION in WATER DISTRICTS II and III:

In-depth and lengthy discussion was conducted among the Board member, accompanied by two (2) citizens' input, regarding the feasibility of these proposed solutions.

Chairman Memory directed Billy Joe Farmer, County Administrator, to take these proposed solutions, with the assistance of James E. Hill, Jr., Columbus County Attorney, to see if these are workable financially.

300' SETBACK DISTANCE from ROAD DISCUSSION:

Discussion was conducted regarding the three hundred (300') feet setback from the road relative to hookup that was adopted in the Uniform Rules for all Water Districts and Retail Water Facilities Operated by Columbus County Public Utilities on September 15, 2003.

Chairman Memory directed June B. Hall, Clerk to the Board, to search the Board Minutes and locate this information and provide this information to Commissioners McKenzie and Vice Chairman Dutton.

Chairman Memory stated these proposed solutions needed further discussion and the main purpose of this meeting was to reach a decision regarding the two (2) Budget Amendments for Water Districts II and III.

After discussion was conducted, it was the general consensus of the Board to set a Budget Workshop on Monday, May 24, 2004, at 5:00 P.M., in the Dempsey B. Herring Courthouse Annex, Whiteville, North Carolina 28472.

ADJOURN BUDGET WORKSHOP and resume RECESSED MEETING:

At 6:01 P.M., Commissioner Wilson made a motion to adjourn the Budget Workshop and resume the Recessed Meeting, seconded by Commissioner Godwin. The motion so carried.

RECOMMENDATION for PROPOSED SOLUTIONS to SITUATION in WATER DISTRICTS II and III:

Commissioner Wilson stated he was recommending, and will make a motion for Billy Joe Farmer, County Administrator, and staff, to take the Proposed Solutions to Situation in Water Districts II and III, as presented to the Columbus County Board of Commissioners by Commissioner Kipling Godwin, regarding a user fee, and do the necessary statistical analysis to determine if this is indeed a good and workable solution during the next two (2) weeks, and to bring this information back to the Board at the June 7, 2004 Meeting. This motion was seconded by Commissioner Godwin. The motion so carried.

BUDGET AMENDMENTS APPROVAL:

Commissioner Godwin made a motion to reconsider the following two (2) Budget Amendments that failed with a five (5) to two (2) vote at the May 17, 2004 Meeting, seconded by Commissioner Wilson. The motion so carried.

TYPE	ACCOUNT	DETAILS	AMOUNT
Expenditure	10-900-3300	Transfer to WD III	\$425,751
Revenue	10-399-0000	Fund Balance Appropriated	\$425,751
	33-397-0000	Transfer from General Fund	\$425,751
	33-359-0000	Water Sales	(\$141,000)
	33-359-0100	Mandatory Tap Fees	(\$284,751)
Expenditure	10-900-3400	Transfer to WD III	\$318,845
Revenue	10-399-0000	Fund Balance Appropriated	\$318,845
	34-397-0000	Transfer from General Fund	\$318,845
	34-359-0000	Water Sales	(\$100,000)
	34-359-0100	Tap Fees	(\$218,845)

Commissioner McKenzie made a motion to approve the two (2) Budget Amendments, as listed above, seconded by Commissioner Godwin.

Discussion was conducted relative to the need for documentation that the money used to pay this debt service for Water Districts II and III would be consider a loan and not a gift, to be reimbursed to Columbus County in the future. A poll vote was taken with the following results:

AYES: Vice Chairman Dutton, Commissioners McKenzie, Jacobs, Norris, Wilson and Godwin.

NAYS: Chairman Memory.

The motion passed with a six (6) to one (1) vote.

REIMBURSEMENT RESOLUTION for COLUMBUS COUNTY WATER and SEWER DISTRICTS II and III:

Discussion was conducted relative to the need for a reimbursement Resolution to be approved, adopted and put into place for Columbus County Water and Sewer Districts II and III, for all the monies expended from the Columbus County General Fund, to pay the debt service, to be paid back sometime in the future.

A motion was made by Commissioner Wilson for a Reimbursement Resolution to be prepared, adopted and put into place for Columbus County Water and Sewer Districts II and III, for all the monies expended from the Columbus County General Fund, to pay the debt service, to be paid back to Columbus County sometime in the future as follows:

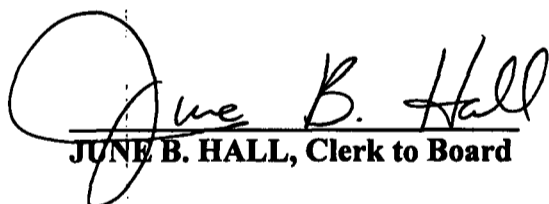
WATER DISTRICT	AMOUNT to be REIMBURSED
Columbus County Water and Sewer District II	\$425,751.00
Columbus County Water and Sewer District III	\$318,845.00
TOTAL REIMBURSEMENT AMOUNT:	\$744,596.00

Additional discussion was conducted regarding the need for a Reimbursement Resolution to be done, or to allow the Finance Officer to reflect negative figures in the Columbus County Operating Budget for this reimbursement until paid in full. Commissioner Wilson amended his motion for negative figures to be reflected in the Columbus County Operating Budget, for this reimbursement, for Columbus County Water and Sewer Districts II and III until paid in full. This motion was seconded by Commissioner McKenzie. The motion so carried.

ADJOURNMENT:

At 6:34 P.M., Vice Chairman Dutton made a motion to adjourn, seconded by Commissioner Wilson. The motion so carried.

APPROVED:


JUNE B. HALL, Clerk to Board


BILL MEMORY, Chairman