

MINUTES
EAST LINCOLN COUNTY WATER AND SEWER DISTRICT MEETING
MONDAY, MARCH 20, 2000

The Lincoln County Board of County Commissioners met as the governing body of the East Lincoln County Water and Sewer District at the Citizens Center, Third Floor, 115 West Main Street, Lincolnton, North Carolina, the regular place of meeting at 6:15 p.m. on March 20, 2000. The following were present:

James A. Hallman, Chairman
Terry L. Brotherton, Vice Chairman
Beth H. Saine
W. J. Waters, Jr.
John R. Gamble, Jr.

Jeff Taylor, County Attorney
Stan Kiser, County Manager

Also present were Jack Chandler, Director of Public Service and Amy S. Long, Clerk to the Board.

Call to Order: Chairman Hallman called the March 20, 2000 meeting of the East Lincoln County Water and Sewer District Board to order.

Adoption of Agenda: **UPON MOTION** by Commissioner Gamble, the Board voted unanimously to adopt the agenda as presented.

AGENDA

EAST LINCOLN COUNTY WATER AND SEWER DISTRICT
BOARD OF COUNTY COMMISSIONERS
GOVERNING BODY
LINCOLN COUNTY, NORTH CAROLINA

MARCH 20, 2000

- | | |
|------------|---------------------|
| 6:20 PM | Call to Order |
| 6:20 PM | Adoption of Agenda |
| 1. 6:20 PM | Approval of Minutes |
| | - December 13, 1999 |

- January 10, 2000
 - February 21, 2000
2. 6:25 PM Public Hearing for Extending Bonds from 7 Years to 10 Years
 3. 6:30 PM Sewer Use Ordinance Amendment #3
 4. 6:45 PM Out of District User Annexations
 5. 6:55 PM District Update

Adjourn

Approval of Minutes – December 13, 1999; January 10, 2000; and February 21, 2000:

UPON MOTION by Commissioner Gamble, the Board voted unanimously to approve the minutes of the December 13, 1999, January 10, 2000, and February 21, 2000 East Lincoln County Water and Sewer District Meeting.

Sewer Use Ordinance Amendment No. 3:

Jack Chandler, Director of Public Services, stated that the following is the amendment to the Sewer Use Ordinance that was talked about several weeks ago. It is the intent of this amendment to require the parcels that are served by the East Lincoln County Water and Sewer District to be included inside the boundary of the District.

Add the following to Section 2.11.

INCLUSION IN DISTRICT REQUIRED PRIOR TO SERVICE

All property requesting sewer service from the East Lincoln County Water and Sewer District shall be required to be included in the East Lincoln County Water and Sewer District prior to sewer service being provided by the District. Service to the property and inclusion in the District shall be made at not cost to the District. This section shall be effective from the date of adoption forward.

UPON MOTION by Commissioner Saine, the Board voted unanimously to comply with Jack Chandler's recommendation and have a Public Hearing on April 17, 2000 at 5:45 PM.

Out of District User Annexations:

Jack Chandler stated that at the February 21, 2000 meeting of the East Lincoln County Water and Sewer District Board he presented six maps to the Board showing properties

that are being served by the District but are not within the District boundaries. He stated that the General Statutes require that a report be prepared on each annexation, that a public hearing be scheduled for the annexations and that a notice of the public hearing be mailed to all property owners affected by involuntary annexations four (4) weeks prior to the date of the public hearing. Considering the requirements for reporting and notification, if work is started immediately we may be able to schedule the public hearings for the second week of May. This would give the Board time to consider the public hearing comments (if any) before making a final decision. The latest a final decision to annex can be made is the end of June so the annexations can become effective on July 1, 2000.

Mr. Chandler stated that he needs direction from the Board regarding which of these properties they wish to proceed with annexation on.

A MOTION by Commissioner Gamble for staff to come back with a recommendation on a revised out of district rate.

Chairman Hallman stated that in order to get cleaned up and prevent any further out of district customers, these should be annexed.

Vote: 2 – 3 AYES: Gamble, Waters
NOES: Hallman, Brotherton, Saine

UPON MOTION by Commissioner Waters, the Board voted unanimously to proceed with the steps involved to annex highlighted parcels, including Triangle Industrial Park, into the Sewer District.

District Update: Jack Chandler, Public Services Director, presented the following update.

This is an update of the number of sewer customers the District currently has and also a monthly comparison on the 1st 9 months of the '99 – '00 fiscal year.

March 1 st :	995 customers
February 1 st :	970 customers
January 1 st :	911 customers
December 1 st :	911 customers
November 1 st :	901 customers
October 1 st :	905 customers
September 1 st :	848 customers
August 1 st :	836 customers
July 1 st :	825 customers

This comparison shows an increase of 170 customers in the 1st 6 months of this fiscal year or approximately 18 new customers per month.

Chairman Hallman stated that the district is now up to the number expected in the first year.

Public Hearing for Extending Bonds from 7 Years to 10 Years: Leon Harmon stated that in April of 1993, the residents of the Sewer District voted a 14 million dollar sanitary sewer bond referendum. He stated that all of this has been issued except 3.6 million dollars. The authorization on those bonds runs out in seven years unless the Board takes this action to extend it an additional three years.

Commissioner Waters stated that he doesn't think the Board should do this, he doesn't see why the Board would want to extend this.

Commissioner Brotherton stated that he agreed, saying that if these were not extended, this would remove temptation from future Boards.

Chairman Hallman opened the Public Hearing on the Extension of Order Authorizing \$14,000,000 Sanitary Sewer Bonds.

Sylvia Holmes stated that she has done some research, and the original bond referendum said not to exceed \$14 million dollars in sanitary sewer bonds. She stated that according to her calculations, the County borrowed 5.5 million in bonds, a State Bond loan for 5 million, borrowed another 3.5 million, and then 1.6 million. All this added up is 15.6 million, which exceeds the 14 million the voters agreed to. Ms. Holmes stated that in researching this, she read some of the very early minutes of the East Lincoln Betterment Association, and there was a presentation in which it was stated, by a representative of JN Pease, that the funding would be not only the bond issue, but the County would put in \$200,000 per year of sales tax.

Commissioner Brotherton stated that he would take issue with the fact that the \$200,000 makes the sewer tax as high as it is. He stated that the \$200,000 would only be 4 cents on the tax rate.

Larry Olmstead stated that in 1992, Lincoln County Commissioners established the East Lincoln County Board Water and Sewer Advisory Committee, which was composed of 8 interested and informed citizens of the District, that were dedicated to making the sewer system successful. The Commissioners developed a charge and a charter for the advisory committee. The committee was responsible for the following: reviewing district boundaries and recommend future annexations and additions, researching, reviewing, developing, and recommending all sewer fees and charges, and reviewing, developing, and recommending policies, ordinances, administrative procedures, and sewer service extension policies. He stated that he chaired the committee for the first several years. In late 1992 and early 1993, they worked closely with the Commissioners and Engineering firm to determine how much money would be required and how it should be financed. It was agreed that 14 million was needed, and they should seek voter approval to sell bonds

up to that amount. It was also understood that they would seek alternative forms of financing, such as grants and low interest loans. He stated that it was their understanding that 14 million would be the total amount. Mr. Olmstead stated that he is dismayed that they are considering extending the time they can sell bonds. He stated that what the district needs, is not an opportunity for additional debt, but a system that is operated on sound policies and procedures that are applied in a fair and consistent manner.

Ray Holmes stated that he is a resident of East Lincoln County and the Sewer District. He stated that he was involved in the formation of the groups, and was on the Advisory Committee. He stated that the Board should not extend the bonds, because the 14 million has already been exceeded.

Being no additional speakers, Chairman Hallman declared the Public Hearing closed.

Commissioner Waters introduced the following order which was read by title and summarized by the Finance Director:

**ORDER AUTHORIZING AN EXTENSION OF THE PERIOD DURING WHICH
THE EAST LINCOLN COUNTY WATER AND SEWER DISTRICT MAY ISSUE
BONDS PURSUANT TO AN ORDER AUTHORIZING \$14,000,000 SANITARY
SEWER BONDS**

WHEREAS, on February 23, 1993, the Board of Commissioners for the County of Lincoln, North Carolina, acting as the governing body of the East Lincoln County Water and Sewer District (the "District") duly adopted an order authorizing \$14,000,000 Sanitary Sewer Bonds of the District, which order was approved by the vote of a majority of the qualified voters of the District who voted thereon at a referendum duly called and held on April 27, 1993 and thereupon took effect; and

WHEREAS, the time within which said bonds may be issued will expire on April 27, 2000 unless said time is extended in the manner provided in N.C.G.S. 159-64, as amended; and

WHEREAS, the District has applied to the Local Government Commission of North Carolina for an extension of the period within which said bonds may be issued to April 27, 2003, and the Local Government Commission of North Carolina has entered an order approving such extension; and

WHEREAS, pursuant to N.C.G.S. 159-64, as amended, the District has given appropriate notice and duly conducted a public hearing on the question of such extension, now therefore; BE IT ORDERED by the Board of Commissioners for the County of Lincoln, acting as the governing body of the District:

Section 1. The maximum time period for issuing bonds under the order authorizing \$14,000,000 Sanitary Sewer Bonds which took effect o April 27, 1993 is hereby extended to April 27, 2003.

Section 2. This order will take effect 30 days after its publication following adoption.

UPON MOTION by Commissioner Waters, the Board voted unanimously not to extend period for releasing bonds.

Adjourn: **UPON MOTION** by Commissioner Waters, the Board voted unanimously to adjourn the March 20, 2000 East Lincoln County Water and Sewer District meeting.