

**EAST LINCOLN COUNTY
WATER & SEWER DISTRICT**

**MINUTES
JUNE 19, 2006**

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 6:30 p.m. on June 19, 2006.

Commissioners Present:

Thomas R. Anderson, Chairman
James "Buddy" Funderburk, Vice Chairman
Carrol Mitchem
Marie Moore
Alex Patton

Others Present:

Stan Kiser, County Manager
Jeff Taylor, County Attorney
Steve Gilbert, Director of Public Utilities
Leon Harmon, Director of Finance
Delores Alfaro, Assistant Clerk to the Board

CALL TO ORDER: Chairman Anderson called the June 19, 2006, meeting of the East Lincoln County Water and Sewer District Board to order.

INVOCATION: Commissioner Patton gave the Invocation.

PLEDGE OF ALLEGIANCE: Commissioner Patton led in the Pledge of Allegiance.

ADOPTION OF AGENDA: **UPON MOTION** by Commissioner Funderburk, 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**

- | | |
|------------|--------------------------------------|
| 6:30 PM | Call to Order |
| 6:31 PM | Invocation |
| 6:33 PM | Pledge of Allegiance |
| 6:34 PM | Adoption of Agenda |
| 1. 6:35 PM | Approval of Minutes for Last Meeting |

2. 6:37 PM Budget Public Hearing
3. 6:40 PM Public Hearing – Denver Land Management, LLC Properties – PID# 73114, PID# 72401
4. 6:42 PM Public Hearing – Dennis Fischer Property – PID# 84053
5. 6:44 PM Public Hearing – Hecht Properties Property – PID# 83669
6. 6:46 PM Annexation Resolutions – Steve Gilbert
7. 6:48 PM Schedule for Public Hearings – Steve Gilbert
Bruce & Pamela Jenner
Southern Film Distribution, Inc
Tarheel Property Investments, LLC
Denver Construction Co., Kenneth Tucker
Norman Plantation, Kenneth Tucker
8. 6:50 PM New WWTP, Contract Amendments No. 8 & 9 – Steve Gilbert
9. 7:00 PM Capital Project Reports – Steve Gilbert
10. 7:10 PM Financial Report – Leon Harmon
11. 7:15 PM Other Business

Adjourn

Approval of Minutes for March 20, November 21, December 15, 2005 Minutes: UPON MOTION by Commissioner Patton, the Board voted unanimously to approve the minutes of the November 15, 2005, December 15, 2005, and March 20, 2006 meetings as presented.

Budget Public Hearing: Chairman Anderson opened the public hearing concerning the East Lincoln County Water and Sewer District budget ordinance.

Being no one wishing to speak, Chairman Anderson declared the public hearing closed.

Budget Ordinance:

**EAST LINCOLN COUNTY
WATER AND SEWER DISTRICT**

**BUDGET ORDINANCE
FY 2006-07**

BE IT ORDAINED by the Board of East Lincoln County Water and Sewer District of Lincoln County, North Carolina:

Section 1. The following amounts are hereby appropriated in the General Fund for the operation of the East Lincoln County Water and Sewer District and its activities for the fiscal year beginning July 1, 2006 and ending June 30, 2007, in accordance with the chart of accounts heretofore established for East Lincoln County Water and Sewer District:

SEWER SERVICES

Personal Services	\$ 658,122
Fringe Benefits	211,222
Materials and Supplies	118,000
Current Obligations	389,000
Fixed Charges	46,000
Capital Outlay	859,277
Debt Service	1,151,570
Total	\$ 3,433,191

Section 2. It is estimated that the following revenues will be available in the East Lincoln County Water and Sewer District for the fiscal year beginning July 1, 2006 and ending June 30, 2007:

AD VALOREM TAXES:

Current Year Taxes	\$ 1,632,128
Prior Year Taxes	18,000
Permits and fees	750,000
Sewer Fees	1,018,063
Interest on Investments	15,000

Total **\$ 3,433,191**

Section 3. There is hereby levied a unified tax at the rate of eleven (\$.11) cents per one hundred dollars (\$100) valuation of property listed for taxes as of January 1, 2006, for the purpose of raising the revenue listed as "Current Year's Property Taxes" in the East Lincoln County Water and Sewer District in Section 2. of this Ordinance.

This rate of tax is based on an estimated total valuation of property for the purpose of taxation of \$1,578,460,109 and an estimated collection rate of 94.0 percent.

Section 4. This Budget Ordinance, effective July 1, 2006 authorizes the mileage reimbursement rate as the standard mileage rate set by Internal Revenue Service, which may be revised during the fiscal year.

Section 5. The District Administrator is hereby authorized to transfer appropriations within a fund as contained herein under the following conditions:

- a. He may transfer amounts among objects of expenditure within a department.
- b. He may transfer amounts up to \$20,000 between functions of the same fund.

Section 6. The District Administrator is hereby authorized to execute contractual documents under the following conditions:

- a. He may execute contracts for construction, repair projects or design services requiring the estimated expenditure of less than \$20,000.
- b. He may execute contracts for; (1) purchases of apparatus, supplies, and materials, or equipment which are within budgeted appropriations, (2) leases of personal property for a duration of one year or less and within budgeted appropriations, and (3) services which are within budgeted appropriations.
- c. He may execute grant agreements to or from public and non-profit organizations which are within budgeted appropriations, unless a grantor organization requires execution by the Board of Commissioners.
- d. He may execute contracts, as the lessor or lessee or real property, which are of one-year duration or less, if funds therefore are within budgeted appropriations.

Section 7. Copies of this Budget Ordinance shall be furnished to the County Manager, Clerk to the Board of Commissioners, Finance Director and the Tax Administrator for direction in carrying out their duties.

Adopted this 19th day of June, 2006.

Thomas R. Anderson, Chairman
East Lincoln County
Water and Sewer District

ATTEST:

Amy S. Atkins
Clerk to the Board

A MOTION by Commissioner Moore to cut the tax rate from 11 cent to 8 cent.

Commissioner Patton asked the dollar amount of this change.

Leon Harmon stated that it would be around \$450,000

Commissioner Moore explained that she would be taking this money from special projects (\$608,000) and a capital outlay sewer system (\$150,000). She stated that we are basing the income on 250 connections, we've already surpassed that this year (340 this year). Ms. Moore said that according to Mr. Harmon, we've transferred the money to the capital funds to pay for the projects already approved.

Steve Gilbert explained the need for the money in these items. Capital outlay for sewer systems is set aside if sewer has to be extended to people originally in the sewer district. The other money is set aside to pay toward the cost of the new sewer facility being designed, this would allow us to borrow less money at that time.

Chairman Anderson stated that the County is not short of borrowed money and it would trouble him to create a situation where the county would have to borrow that much additional money if it could be avoided.

Commissioner Funderburk stated that he does not like to borrow money if it is not necessary.

Chairman Anderson stated that the 20 year Capital Improvement Plan, done about three years ago, put the Board on a track to reduce the sewer district tax at certain levels at certain intervals. Reductions in this tax over the last few years, have put us ahead. The Board has been judiciously reducing the tax rate where it seemed prudent to do so. He stated that he is troubled that the Board would spend money and turn around and borrow the money later.

Commissioner Moore stated that this is just a reduction to bring the tax rate down to a lower level.

VOTE: 1 – 4 Moore

Patton, Anderson, Funderburk, Mitchem

UPON MOTION by Commissioner Patton, the Board voted 4 – 1 (Moore) to approve the budget ordinance as presented.

Public Hearing – Denver Land Management, LLC Properties – PID# 72401 & 73114:

Steve Gilbert stated that this hearing is to present the annexation request submitted by Denver Land Management for sewer service. This is a voluntary annexation.

Chairman Anderson opened the public hearing on the Annexation for Denver Land Management, LLC Properties.

Being no speakers, Chairman Anderson closed the public hearing.

Public Hearing – Dennis Fischer Property – PID# 84053: This request for voluntary annexation is for property located on Denver Drive. A section of the property is contiguous with the existing district boundary. The property is owned by the petitioner.

Chairman Anderson opened the public hearing on the Annexation of the Dennis Fischer Property.

Being no speakers, Chairman Anderson closed the public hearing.

Public Hearing – Hecht Properties Property – PID# 83669: This request for voluntary annexation is for Fairfield Forest Subdivision on Fairfield Forest Road. A section of the property is contiguous with the existing district boundary. The property is owned by the petitioners.

Chairman Anderson opened the public hearing on the Annexation of the Hecht Properties Property.

Being no speakers, Chairman Anderson closed the public hearing.

Annexation Resolutions – Steve Gilbert:

Steve Gilbert stated that these are the three resolutions annexing this real property into the East Lincoln County Water and Sewer District based on the fact that the public hearings have now been held, and there were no adverse comments. Mr. Gilbert recommended that these resolutions be approved that will make the annexation for this property effective July 1, 2006.

**RESOLUTION ANNEXING CERTAIN CONTIGUOUS REAL PROPERTY
TO THE
EAST LINCOLN COUNTY WATER AND SEWER DISTRICT
LINCOLN COUNTY, NORTH CAROLINA**

PROPERTY OF HECHT PROPERTIES & THE SCHREINER GROUP

WHEREAS, Hecht Properties, LLC and the Schreiner Group, LLC are the owners of certain real property (described on Exhibit A attached hereto and incorporated herein by reference) that is contiguous to the East Lincoln County Water and Sewer District and has petitioned the Lincoln County Board of Commissioners, pursuant to North Carolina General Statute 162A-87.1, for annexation of said real property into the District; and

WHEREAS, Hecht Properties, LLC and the Schreiner Group, LLC are the owners of 100 percent of the real property to be annexed; and

WHEREAS, after notice was duly given in accordance with the pertinent sections of Article 6 of Chapter 162A of the North Carolina General Statutes, the Lincoln County Board of Commissioners held a public hearing on June 19, 2006, to consider the annexation of said real property; and

WHEREAS, at said public hearing all persons who wished to speak were given an opportunity to be heard; and

WHEREAS, prior to the public hearing the professional staff of Lincoln County prepared the report on the proposed annexation required by North Carolina General Statute 162A-87.1; and

WHEREAS, the Lincoln County Board of Commissioners finds that the proposed annexation meets the requirements of North Carolina General Statute 162A-87.1; and

WHEREAS, the Lincoln County Board of Commissioners further finds that the proposed annexation would be in the best interests of the citizens of Lincoln County and particularly of the East Lincoln County Water and Sewer District;

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the Lincoln County Board of Commissioners that the real property described on Exhibit A (attached hereto and incorporated herein by reference) be the same and is hereby annexed into the East Lincoln County Water and Sewer District, effective at the beginning of the next fiscal year on July 1, 2006.

Adopted this 19th day of June, 2006.

Thomas R. Anderson, PE, Chairman
Lincoln County Board of

Commissioners

ATTEST:

Amy Atkins
Clerk to the Board

**RESOLUTION ANNEXING CERTAIN CONTIGUOUS REAL PROPERTY
TO THE
EAST LINCOLN COUNTY WATER AND SEWER DISTRICT
LINCOLN COUNTY, NORTH CAROLINA**

PROPERTY OF DENVER LAND MANAGEMENT, LLC

WHEREAS, Denver Land Management, LLC is the owner of certain real property (described on Exhibit A attached hereto and incorporated herein by reference) that is contiguous to the East Lincoln County Water and Sewer District and has petitioned the Lincoln County Board of Commissioners, pursuant to North Carolina General Statute 162A-87.1, for annexation of said real property into the District; and

WHEREAS, Denver Land Management, LLC is the owner of 100 percent of the real property to be annexed; and

WHEREAS, after notice was duly given in accordance with the pertinent sections of Article 6 of Chapter 162A of the North Carolina General Statutes, the Lincoln County Board of Commissioners held a public hearing on June 19, 2006, to consider the annexation of said real property; and

WHEREAS, at said public hearing all persons who wished to speak were given an opportunity to be heard; and

WHEREAS, prior to the public hearing the professional staff of Lincoln County prepared the report on the proposed annexation required by North Carolina General Statute 162A-87.1; and

WHEREAS, the Lincoln County Board of Commissioners finds that the proposed annexation meets the requirements of North Carolina General Statute 162A-87.1; and

WHEREAS, the Lincoln County Board of Commissioners further finds that the proposed annexation would be in the best interests of the citizens of Lincoln County and particularly of the East Lincoln County Water and Sewer District;

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the Lincoln County Board of Commissioners that the real property described on Exhibit A (attached hereto and incorporated herein by reference) be the same and is hereby annexed into the East Lincoln County Water and Sewer District, effective at the beginning of the next fiscal year on July 1, 2006.

Adopted this 19th day of June, 2006.

Thomas R. Anderson, PE, Chairman
Lincoln County Board of

Commissioners

ATTEST:

Amy Atkins
Clerk to the Board

**RESOLUTION ANNEXING CERTAIN CONTIGUOUS REAL PROPERTY
TO THE
EAST LINCOLN COUNTY WATER AND SEWER DISTRICT
LINCOLN COUNTY, NORTH CAROLINA**

PROPERTY OF DENNIS FISCHER

WHEREAS, Dennis Fischer is the owner of certain real property (described on Exhibit A attached hereto and incorporated herein by reference) that is contiguous to the East Lincoln County Water and Sewer District and has petitioned the Lincoln County Board of Commissioners, pursuant to North Carolina General Statute 162A-87.1, for annexation of said real property into the District; and

WHEREAS, Dennis Fischer is the owner of 100 percent of the real property to be annexed; and

WHEREAS, after notice was duly given in accordance with the pertinent sections of Article 6 of Chapter 162A of the North Carolina General Statutes, the Lincoln County Board of Commissioners held a public hearing on June 19, 2006, to consider the annexation of said real property; and

WHEREAS, at said public hearing all persons who wished to speak were given an opportunity to be heard; and

WHEREAS, prior to the public hearing the professional staff of Lincoln County prepared the report on the proposed annexation required by North Carolina General Statute 162A-87.1; and

WHEREAS, the Lincoln County Board of Commissioners finds that the proposed annexation meets the requirements of North Carolina General Statute 162A-87.1; and

WHEREAS, the Lincoln County Board of Commissioners further finds that the proposed annexation would be in the best interests of the citizens of Lincoln County and particularly of the East Lincoln County Water and Sewer District;

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the Lincoln County Board of Commissioners that the real property described on Exhibit A (attached hereto and incorporated herein by reference) be the same and is hereby annexed into the East Lincoln County Water and Sewer District, effective at the beginning of the next fiscal year on July 1, 2006.

Adopted this 19th day of June, 2006.

Thomas R. Anderson, PE, Chairman
Lincoln County Board of

Commissioners

ATTEST:

Amy Atkins
Clerk to the Board

UPON MOTION by Commissioner Funderburk, the Board voted unanimously to adopt all three Annexation Resolutions, effective July 1, 2006.

Schedule for Public Hearings – Steve Gilbert:

Bruce & Pamela Jenner
Southern Film Distribution, Inc.
Tarheel Property Investments, LLC
Denver Construction Co., Kenneth Tucker
Norman Plantation, Kenneth Tucker
Rick Riddle – Rock Springs Subdivision
Michael Vanhorne – Rock Springs Subdivision

Steve Gilbert stated that the owners of these properties have requested annexation: Mr. Gilbert requested that the public hearings for these annexations be scheduled September 18, 2006, the next regularly scheduled Sewer District meeting.

UPON MOTION by Commissioner Moore, the Board voted unanimously to schedule the public hearings for these three properties on September 18, 2006.

New WWTP, Contract Amendment No. 8 & 9 – Steve Gilbert: Steve Gilbert presented the following information.

Among the review comments received by the engineers who prepared the Environmental Report to the State for the new Wastewater Treatment Plant is a requirement that certain
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archaeological surveys be performed along the proposed project area. This amendment will cover the completion of this required work, which is proposed to be accomplished by the sub-consultant Robert J. Goldstein and Associates, who prepared the original report.

This contract amendment increases the sub-consultant services from \$77,787 to \$95,294, an increase of \$17,507. The Public Works Department recommends approval of the Contract Amendment No. 8, covering services necessary to address the archaeological survey requirements given to us by the State, and increasing the contract amount by a total of \$17,507.

UPON MOTION by Chairman Anderson, the Board voted unanimously to approve Amendment No. 8.

New WWTP, Contract Amendment No. 9: Steve Gilbert presented the following information.

A necessary part of the design process for the new wastewater plant is a geotechnical investigation of the plant site to determine subsurface conditions that will affect building and tank foundations. The possible presence of rock can also affect these designs. Our design engineer has requested and received three quotes for this work. The recommendation being made by our engineer, based on their comparisons, is to have PSI, Inc., of Charlotte perform the work.

The Public Works Department recommends approval of the Contract Amendment No. 9, covering geotechnical investigation services, and increasing the contract amount by a total of \$14,548.

UPON MOTION by Chairman Anderson, the Board voted unanimously to approve Contract Amendment No. 9.

Capital Project Reports – Steve Gilbert: Steve Gilbert presented the Capital Project Reports.

Steve Gilbert asked the Board to set a public hearing on the Environmental Justice Report.

UPON MOTION BY Commissioner Patton, the Board set a public hearing for August 7, 2006 for the Environmental Justice Report.

Financial Report – Leon Harmon: Leon Harmon presented the Financial Report.

Recess: UPON MOTION by Commissioner Funderburk , the Board voted unanimously to recess until August 7, 2006

Amy S. Atkins, Clerk to the
Board of Commissioners

Thomas R. Anderson, PE, Chairman
Board of Commissioners