

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 16, 2003. The following were present:

Jerry W. Cochrane, Chairman

Thomas R. Anderson

Larry S. Craig

Carrol D. Mitchem

James "Buddy" Funderburk

Jeff Taylor, County Attorney

Stan Kiser, County Manager

Also present were Steve Gilbert, Director of Public Utilities and Amy S. Long, Clerk to the Board.

CALL TO ORDER

Chairman Cochrane called the June 16, 2003 meeting of the East Lincoln County Water and Sewer District Board to order.

INVOCATION

Chairman Jerry Cochrane gave the Invocation and Commissioner Mitchem led in the Pledge of Allegiance.

ADOPTION OF AGENDA

UPON MOTION by Commissioner Craig, 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**

**JUNE 16, 2003
6:30 PM**

6:30 PM Call to Order

6:31 PM Invocation – Rev. Joe Buckner
New Vision Ministries

6:33 PM Pledge of Allegiance
6:34 PM Adoption of Agenda
1. 6:35 PM Approval of Minutes for March 17, 2003 Meeting
1a. Public Hearing for East Lincoln Water and Sewer Budget
2. 6:40 PM 20 Year Capital Improvements Plan – Steve Gilbert
3. 7:00 PM Public Hearing Date for Voluntary Annexation – Steve Gilbert
4. 7:05 PM Annexation Procedures – Bond Requirement – Steve Gilbert
5. 7:10 PM Grinder Pump Refunds – Interest Rates – Steve Gilbert
6. 7:15 PM Capital Project Reports – Steve Gilbert
7. 7:20 PM Capital Project Ordinance – Governor's Island Sewer Line
8. 7:25 PM Financial Report – Leon Harmon
9. 7:30 PM Other Business

Adjourn

Approval of Minutes – March 17, 2003: UPON MOTION by Commissioner Anderson, the Board voted unanimously to approve the March 17, 2003 minutes as amended.

Budget Public Hearing: Chairman Cochrane opened the public hearing for the East Lincoln Water and Sewer District Budget.

Commissioner Craig stated that he feels this is an adequate budget. He stated that he thought the tax rate could be lowered, but expansion is in the near future.

UPON MOTION by Commissioner Craig, the Board voted unanimously to adopt the Budget Ordinance as presented.

**EAST LINCOLN COUNTY
WATER AND SEWER DISTRICT**
**BUDGET ORDINANCE
FY 2003-04**

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, 2003 and ending June 30, 2004, in accordance with the chart of accounts heretofore established for East Lincoln County Water and Sewer District:

SEWER SERVICES

Personal Services	\$ 365,443
Fringe Benefits	121,533
Materials and Supplies	287,000
Current Obligations	323,390
Fixed Charges	30,481
Capital Outlay	660,580
Debt Service	1,288,738
 Total	 \$ 3,077,165

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, 2003 and ending June 30, 2004:

AD VALOREM TAXES:

Current Year Taxes	\$ 1,589,165
Prior Year Taxes	18,000
Permits and fees	600,000
Sewer Fees	850,000
Interest on Investments	20,000
 Total	 \$ 3,077,165

Section 3. There is hereby levied a unified tax at the rate of fifteen (\$.15) cents per one hundred dollars (\$100) valuation of property listed for taxes as of January 1, 2003, 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 \$1,080,844,207 and an estimated collection rate of 98.02 percent.

Section 4. This Budget Ordinance, effective July 1, 2003 authorizes the mileage reimbursement rate of 34 cents per mile where applicable.

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 16th day of June, 2003.

Jerry W. Cochrane, Chairman
East Lincoln County
Water and Sewer District

ATTEST:

Amy S. Long
Clerk to the Board

20 Year Capital Improvement Plan: Steve Gilbert presented the following information:

On March 18, 2002, a contract was approved with Olver, Inc., to prepare an application for a grant from the NC Rural Center. Upon award of such a grant, Olver was to prepare a 20 Year Capital Improvements Plan for the water and sewer systems. A grant of \$36,000 was obtained, and their contract was amended in March of this year to fit the specific amount of the grant.

The 20 Year Capital Improvements Plan is an essential tool in the planning of infrastructure needs to accommodate the growth that is projected for Lincoln County. It is also one of the requirements for eligibility for future grants from the Rural Center.

Bob Sallach of Olver presented the 20 Year Capital Improvements Plan.

Chairman Cochrane suggested that the engineers be present at the next East Lincoln Water and Sewer meeting to talk about this plan.

Public Hearing Date for Voluntary Annexations: Steve Gilbert presented the following information:

The Public Works Department has received three petitions for voluntary annexation into the East Lincoln County Water and Sewer District. The petitions involve two commercial/retail sites on NC 73 near South Pilot Knob Road and an individual residence on Henry Dellinger Road. Annexation into the District will allow each property in question to be served by sewer facilities that will be constructed in front of their property. He presented annexation reports for these properties.

Mr. Gilbert recommended a public hearing for Voluntary Annexation for these properties be scheduled at 6:30 PM on September 22, 2003, at the next regularly scheduled Sewer District meeting.

UPON MOTION by Commissioner Anderson, the Board voted unanimously to set the public hearing for September 22, 2003 at 6:30 P.M.

Annexation Procedures – Bond Requirement: Steve Gilbert presented the following information:

Each year the Public Works Department receives several requests for annexation of property into the Sewer District. This annexation is required in order for the property to be eligible for sewer service. Most cases involve private developers who wish to have their development served by sewer, and a few have been private individuals who wish to hook to a sewer line that passes by their property. As a part of the procedure, the requesting party agrees to install or construct the sewer infrastructure necessary to serve the property at his expense, at no cost to the Sewer District.

Over the past year, instances have occurred where the annexation of property has been approved, but the infrastructure was not constructed. The property has subsequently changed

hands, and the new property owner finds himself inside the Sewer District, but without sewer service being available. There is currently no mechanism in place to ensure that the promised improvements will be built once the annexation takes place.

The Public Works Department recommended that the Sewer District require that a bond be obtained from any party requesting annexation. The amount of the bond would be 125% of the estimated expenses the District would incur to have the sewer facilities designed and constructed if the requesting party fails to fulfill its commitment. The bond would be required prior to approval of the annexation by the Board of Commissioners. This would be similar to the bonds that the Building and Land Department requires from developers of subdivisions.

UPON MOTION by Commissioner Craig, the Board voted unanimously to defer this item until the next meeting to get public input.

Grinder Pump Refunds: Steve Gilbert stated that on March 17, 2003, the Public Works Department presented a proposal to stop selling grinder pump systems and to refund money to customers that had paid in advance for the systems. The proposal noted that an interest rate of 0.4% would be applied to the money to be refunded, and the proposal was approved at that meeting.

Commissioner Craig recommended that the Board go back to 3 1/2 to 4 1/2% interest rate to pay back these deposits. He stated that he has received phone calls and letters on this.

Chairman Cochrane agreed with Commissioner Craig that there should be a higher interest rate.

UPON MOTION by Commissioner Craig, the Board voted unanimously to adopt 4% refund interest rates to people who prepaid for grinder pumps.

Capital Project Update – Steve Gilbert: Steve Gilbert gave a capital project update for projects in the sewer district, including Governor's Island Low Pressure Sewer, North Lincoln High School Pumping Station & Force Main, Force Main Relocation to Little Egypt Road, and Standby Power for Wastewater Pumping Stations.

Commissioner Craig pointed out the fact that there is capacity for 65 – 75 homes on the North Lincoln High School line. If anyone would like to tap on, they must be annexed into the sewer district and they would have to get a special system.

Capital Project Ordinance: Leon Harmon presented the following Ordinance for the Board's approval.

Capital Project Ordinance
Governors Island Sewer Line

BE IT ORDAINED by the Lincoln County Commissioners, that pursuant to Section 13.2 of Chapter 159 of the General

Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section 1. The project authorized is the expansion of the East Lincoln County Sewer system to serve Governors Island. Including the purchase of any needed land, right of ways, or other structures or systems needed to complete the connection.

Section 2. The officers of this unit are hereby directed to proceed with the capital project within the terms of the contracts and budget contained herein.

Section 3. The following amounts are appropriated for the project:

Engineering	\$55,900
Construction	112,288
Contingency	5,500
 Total	 \$173,688

Section 4. The following revenues are anticipated to be available to complete this project:

Proceeds from Sewer Bond Issue and Sewer CIP Fund	\$173,688
 Total	 \$173,688

Section 5. The Finance Director is hereby directed to maintain within the Capital Project Fund sufficient specific detailed accounting records to satisfy the requirements of the Local Government Commission and the lending institution.

Section 6. Funds may be advanced from the General Fund for the purpose of making payments as due.

Section 7. The Finance Director is directed to report, on a quarterly basis, on the financial status of each project element in Section 3 and on the total funds expended.

Section 8. The Budget Officer is directed to include a detailed analysis of past and future costs and revenues on this capital project in every budget submission made to this Board.

Section 9. Copies of this capital project ordinance shall be furnished to the Clerk to the Board, and to the Budget Officer and Finance Director for direction in carrying out this project.

Adopted this 16th day of June, 2003

Financial Report: Leon Harmon, Finance Director, gave an analysis of the financial position of the East Lincoln Sewer District.

Adjourn: UPON MOTION by Commissioner Funderburk, the Board voted unanimously to adjourn the meeting.

Amy S. Long, Clerk to the Board
Board of Commissioners

Jerry W. Cochrane, Chairman
Board of Commissioners