

**PASQUOTANK COUNTY, NORTH CAROLINA
APRIL 23, 2018**

The Pasquotank County Board of Commissioners met today in a Special Meeting on Monday, April 23, 2018 in the Hugh Cale Commissioners Board Room.

MEMBERS PRESENT: Dr. William R. Sterritt, Vice-Chairman
Joseph S. Winslow, Jr.
Frankie Meads
Charles H. Jordan

MEMBERS ABSENT: Cecil Perry, Chairman
Jeff Dixon
Lloyd E. Griffin, III

OTHERS PRESENT: Sparty Hammett, County Manager
R. Michael Cox, County Attorney
Sheri Small, Finance Officer
David Smithson, Water Superintendent
Lynn Scott, Clerk to the Board

The meeting was called to order at 1:30 PM by Vice-Chairman Sterritt.

1. PRESENTATION OF WATER & SEWER SYSTEM DEVELOPMENT FEES STUDY:

Pete Burkheimer, Jr. PE, American Engineering Associates, said he is pleased to offer a report of his firm's analysis to assist Pasquotank County in establishing a cost-based justification for Water and Sewer Development Fees, as required under NCGS 162A, Article 8, Public Water and Sewer Development Fee Act, adopted by the General Assembly in its 2017 session (House Bill 436). He said American Engineering has worked with County staff to establish a basis for the County to conform its water and sewer SDF programs to the requirements of the SDF Act. Mr. Burkheimer said the new Act requires the County to conform its SDF Program to the Act by July 1, 2018. He stated that it has to include an adoption action by the Board, preceded by a 45 day comment period. He noted that the County's SDFs cannot be higher than justified by the SDF analysis. The SDF analysis must be revisited at intervals not greater than five years. Once collected, SDFs must be applied only to capital expenditures as opposed to operating costs.

Mr. Burkheimer said the County's current "TAP FEE SCHEDULE" Effective Date: July 1, 2006" lumps together under the term "Tap Fee" two different components: 1) the costs of providing and physically installing water services and meters, and/or sewer laterals and cleanouts, to a new customer, and 2) a cost assessed to the new customer as a "buy-in" of his share of the overall water and/or sewer system, helping to bear the costs of new or rehabilitative capital improvements to the system(s). Use of the single term "Tap Fee" does not clearly characterize the two different purposes and intent of these fees. He recommended that, after a 45-day comment period, the County adopt a new Schedule of Water and Sewer Connection Fees and Charges, effective July 1, 2018, and that it provide for both Tap Fees (based on the cost of providing and installing the new connection to the system) and System Development Fees (SDF's). He said this will eliminate any potential confusion of the County's purpose and intent, and will conform to the terminology used in the SDF Act.

Mr. Burkheimer stated that the SDF Analysis Team recommends a schedule like the one below, which is based on meter capacity to the power 0.5:

| Meter Size | AWWA Capacity Ratio | AWWA Capacity Ratio to 0.5 Power | Proposed Water SDF | Proposed Water Tap Fee | Proposed Total Connection Charges | Current "Tap Fee" (for Comparison) |
|------------|---------------------|----------------------------------|--------------------|------------------------|-----------------------------------|------------------------------------|
| ¾ inch | 1.0 | 1.00 | \$2,000 | \$500 | \$2,500 | \$2,500 |
| 1 inch | 2.5 | 1.73 | Not offered | Not offered | Not offered | Not offered |
| 1 ½ inch | 5.0 | 2.63 | Not offered | Not offered | Not offered | Not offered |
| 2 inch | 8.0 | 2.83 | \$5,500 | \$1,000 | \$6,500 | \$5,000 |

| | | | | | | |
|--------|------|------|----------|---------|----------|----------|
| 3 inch | 15.0 | 3.87 | \$7,500 | \$1,500 | \$9,000 | \$10,500 |
| 4 inch | 25.0 | 5.00 | \$10,000 | \$2,000 | \$12,000 | \$10,500 |
| 6 inch | 50.0 | 7.07 | \$14,000 | \$2,500 | \$16,500 | \$16,000 |
| 8 inch | 80.0 | 8.94 | \$18,000 | \$3,000 | \$21,000 | \$21,000 |

He said they also recommend incorporating into the county's policy for water connections a sentence such as "Meter size shall be selected using AWWA Manual M22." He recommended the County develop a more detailed registry of the County water and sewer assets (including useful life) between now and the next time an analysis is due. The County's current Tap Fee program provides a schedule of Wastewater Tap Fees which exactly match the Water Tap Fees. His team recommends continuing this approach, with proposed Wastewater SDF's matching Water SDF's for each meter size. He added that his team also recommends that fire flows not be a factor in determining meter size, and thus SDF.

Mr. Burkheimer thanked staff and the Board for their time and consideration in reviewing the report and opened the floor for discussion. He estimated the total cost of the study to be \$8,000. If he were to perform the study again in five years, the cost would decrease.

Water Superintendent Smithson noted that the purpose of the study was not to increase funding for the Water Department by increasing fees, but to comply with the General Statute.

Motion was made by Charles Jordan, seconded by Joe Winslow to put the Water and Sewer System Development Fees Study out for public comments. The motion carried unanimously.

2. CONSIDERATION OF OFFER ON MOYOCK PROPERTY:

Attorney Mike Cox updated the Board on negotiations of the County owned property in Moyock. He said the County currently has an offer of \$200,000 on the table for purchase of the one acre lot.

After discussion;

Motion was made by Charles Jordan, seconded by Frankie Meads to accept the \$200,000 offer for the one acre lot in Moyock and to begin the 10-day upset bid process. The motion carried unanimously.

Attorney Cox noted that the contract will be prepared and brought back to the Board for them to formally accept it at their next meeting.

There being no further business;

Motion was made by Joe Winslow, seconded by Charles Jordan to adjourn the meeting. The motion carried and the meeting was adjourned at 2:20 PM.

CHAIRMAN

CLERK TO THE BOARD