

THE BOARD OF COMMISSIONERS OF THE COUNTY OF CRAVEN, SITTING AS THE BOARD OF DIRECTORS OF THE CRAVEN WATER DISTRICTS, RECONVENED ITS REGULAR SESSION OF DECEMBER 7, 2009 ON DECEMBER 14, 2009 IN THE COMMISSIONERS' CONFERENCE ROOM OF THE CRAVEN COUNTY ADMINISTRATION BUILDING, 406 CRAVEN STREET, NEW BERN, NORTH CAROLINA, FOR THE PURPOSE OF DISCUSSING FUTURE WATER PROJECTS. THE MEETING CONVENED AT 10:20 A.M.

MEMBERS PRESENT:

Chairman Perry Morris
Vice Chairman Johnnie Sampson, Jr.
Commissioner Lee Kyle Allen
Commissioner Jason R. Jones
Commissioner Theron McCabe
Commissioner M. Renée Sisk
Commissioner Steve Tyson

STAFF PRESENT:

Harold Blizzard, County Manager
Ray Moser, Assistant County Manager
Richard F. Hemphill, County Finance Officer
Gwendolyn M. Bryan, Clerk to the Board
Jim Hicks, County Attorney

Following the roll call County Attorney, Jim Hicks, presented the proposed water ordinance, stating that it does not establish fees, but only provides for fees.

Mr. Hicks stated there are \$1.3 million of current funds that may be applied to debt service on the water treatment plant and approximately \$20 million would need to be borrowed. He presented a comparison of scenarios ranging from zero Capital Reserve to \$1,950 Capital Reserve, and noted that the concept of the Capital Reserve fee has changed. Previously, it was intended to keep rates lower; however, now funds need to be generated to provide for major developments, such as the treatment plant, which is required to be on-line by 2013.

Commissioner Sisk moved to adopt the proposed water ordinance, as presented, seconded by Commissioner Allen, with five (5) "Ayes", there being two (2) "Nays" from Commissioners Tyson and McCabe. A second vote will be needed, as the vote was not unanimous.

There was discussion to clarify the Capital Reserve Fee. Commissioner Tyson stated that the County does not have the option to do nothing. A Capital Reserve is needed or rates will need to increase. Commissioner Jones inquired what would happen if the County did nothing due to the current financial conditions. Water Superintendent, Rusty Hayes, responded that originally, there were not any repercussions, but fines have since been instituted. Commissioner Morris stated that fines were the least of the problem. Depletion of aquifer would be more devastating.

Commissioner Sisk stated that she would opt for the Capital Reserve fee over increased rates. Commissioner Morris stated that alone may not do it and that no Capital Reserve fee equals \$6/month rate increase. Finance Officer, Rick Hemphill, stated that the more that can accumulate earlier through Capital Reserve, the less that is needed to borrow, requiring debt service.

Commissioner Sisk recommended \$1,450 for a Capital Reserve fee, seconded by Commissioner Allen, with five (5) "Nays" from Commissioners Tyson, McCabe, Jones, Morris, and Sampson, with two (2) "Ayes" from Commissioners Allen and Sisk. Commissioner Jones stated that he is not prepared at this time to vote on the Capital Reserve.

Mr. Hemphill stated that when the time comes to look at land for a treatment plant, the sooner the County borrows, while rates remain stable, the better. Mr. Blizzard stated that there is about a year of planning and design involved in a new plant.

Commissioner Allen moved to defer consideration of the Capital Reserve fee until the next meeting of the Water Board, seconded by Commissioner Jones and unanimously carried.

At 11:15 a.m. Commissioner McCabe moved to adjourn, seconded by Commissioner Jones and unanimously carried.

Chairman Perry Morris
Craven County Board of Commissioners

Gwendolyn M. Bryan
Clerk to the Board