

**THE BOARD OF COMMISSIONERS OF THE COUNTY OF CRAVEN,
SITTING AS THE BOARD OF DIRECTORS FOR THE CRAVEN COUNTY
WATER DISTRICT, MET IN REGULAR SESSION ON MONDAY, AUGUST 15,
2011 IN THE COMMISSIONERS' ROOM OF THE CRAVEN COUNTY
ADMINISTRATION BUILDING, 406 CRAVEN STREET, NEW BERN, NORTH
CAROLINA. THE MEETING CONVENED AT 10:02 A.M.**

MEMBERS PRESENT:

- Chairman Steve Tyson
- Vice Chairman Lee Kyle Allen
- Commissioner Scott C. Dacey
- Commissioner Thomas F. Mark
- Commissioner Theron L. McCabe
- Commissioner Johnnie Sampson, Jr.
- Commissioner Jefferey S. Taylor

STAFF PRESENT:

- Harold Blizzard, County Manager
- Jack B. Veit, III., Assistant County Manager
- Richard F. Hemphill, County Finance Director
- Gwendolyn M. Bryan, Clerk to the Board
- Jim Hicks, County Attorney
- Aaron Arnette, County Attorney Associate

Following the roll call, Commissioner Mark moved to approve minutes of July 5, 2011, seconded by Commissioner McCabe and unanimously carried.

BUDGET AMENDMENT AND ORDINANCE UPDATE

Finance Director, Rick Hemphill, presented the following budget amendment and ordinance update for the Board's approval. Commissioner Taylor moved for their approval, seconded by Commissioner Mark and unanimously carried in a roll call vote.

Water Ops/Castle Hayne Aquifer

REVENUES	AMOUNT	EXPENDITURES	AMOUNT
Line Item Transfer			
401-4500-475-73-50 Water Reserve	\$750,000.00	401-4500-475-98-40 Transfers to Fd 422	\$750,000.00

Transfer C/O Reserve to Water Transfers for Castle Hayne Aquifer Fd 422

BUDGET AMENDMENT

422-0000-366-18-00 From Ops Fd 401 Transfer from Fd 401	\$750,000.00	422-4523-475-23-00 Utilities 422-4523-475-73-05 Land 422-4523-475-76-46 Sitework 422-4523-475-76-59 Contingency	\$ 10,000.00 \$575,000.00 \$ 15,000.00 \$150,000.00
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JOURNAL ENTRY

401-4500-475-98-40	\$750,000.00	401-0000-101-00-00	\$750,000.00
422-0000-101-00-00	\$750,000.00	422-0000-366-18-00	\$750,000.00

Transfer funds from Ops Fd 401 to Castle Hayne Aquifer Fd 422

Justification: Budget additional funds for Design/Site phase of Castle Hayne Aquifer Project. Utilizing Water Reserve funds.

Budget Ordinance:

Castle Hayne Aquifer
Fund 422

This ordinance is hereby amended in the following amounts for expenditures to the Castle Hayne Aquifer Project.

Expenditures:

<i>Test Wells</i>	
Chemical/Lab Analysis	\$ 4,800.00
Contractual Services	\$ 31,600.00
Engineering	\$ 34,200.00
Construction	\$101,640.00
<i>Design Site</i>	
Utilities	\$ 10,000.00
Contractual Services	\$236,700.00
Land	\$577,000.00
Engineering	\$ 6,000.00
Engineering – McKim Creed	\$202,720.00
Sitework	\$ 16,250.00
Contingency	\$151,330.00
 Total	 \$1,372,240,000

The following revenues are hereby amended for the Castle Hayne Aquifer Project.

Revenue:

Interest	\$ 330.00
Transfer from Water Reserve	\$1,371,910.00
 Total	 \$1,372,240.00

This ordinance is hereby amended this 15th day of August, 2011.

WATER RATES

At its reconvened meeting on Friday August 5, 2011 the Board gave tentative approval to the following changes in residential water rates:

Gallons of Consumption	Current Rate	Proposed Rate	Current Monthly Bill	New Monthly Bill
0-3,000	\$13.50	\$15.00	\$ 13.50	\$ 15.00
3,001-6,000	\$ 2.75	\$ 3.00	\$ 17.16	\$ 18.99
6,001-9,000	\$ 3.00	\$ 3.50	\$ 25.44	\$ 28.31
9,000-12,000	\$ 3.25	\$ 4.00	\$ 34.81	\$ 39.50
12,001-15,000	\$ 3.25	\$ 5.00	\$ 44.70	\$ 52.96
Over 15,000	\$ 3.25	\$ 6.00	\$130.45	\$209.55
			Average bill	\$ 19.78

The Board, while discussing an increase in the rates for high consumption users on August 5, expressed no intent to adjust the rates for high commercial users; however, since the high usage increase was combined with an overall adjustment to fund the plant it was recommended that the commercial rates be adjusted for the costs of the new plant, which would be approximately 11%. It was recommended that the Board consider commercial rates increase as follows:

# of gallons	Current Rate	Proposed Rate	Current Average Bill	New Average Bill
0-3,000	\$20.00	\$22.00	\$20.00	\$22.00

3001-6000	\$ 2.75	\$ 3.00	\$23.66	\$25.99
6001-9000	\$ 3.00	\$ 3.50	\$31.91	\$35.31
9001-12,000	\$ 3.25	\$ 3.50	\$42.21	\$46.84
12,001-15,000	\$ 3.25	\$ 3.50	\$51.32	\$57.02
Over 15,000	\$ 3.25	\$ 3.75	\$195.38	\$222.46

If approved, notification would be made in the September billing, to take effect with the October billing. The current monthly billings total approximately \$275,000. To fund the new facility, approximately \$300,000 is needed. Proposed increases would generate \$318,000 monthly billing. Staff emphasized that the water operation is an enterprise operation. No general revenue goes into the water system. Commissioner Mark moved to approve residential rates that were presented and to adjust commercial rates upward by 11.54%, effective with the October billing, seconded by Commissioner Dacey. Commissioner Taylor stated that he would prefer delaying an increase in commercial rates, given the small amount of money that would be generated by such an increase. Commissioner Dacey moved to divide the question, seconded by Commissioner Taylor and carried with five (5) “ayes”, there being two (2) “nays” from Commissioners McCabe and Sampson. In the vote on the residential rate increases, there were five (5) “ayes” and two (2) “nays” from Commissioners McCabe and Sampson. In the vote on the increase in commercial rates, there were five (5) “ayes” and (2) “nays” from Commissioners Dacey and Taylor. Commissioner Dacey stated that the burden on employers imposed by increased commercial rates will likely flow down to employees. Commissioner Sampson stated that he does not feel that individuals should bear the burden alone.

At 10:29 a.m. Commissioner Taylor moved to adjourn seconded by Commissioner McCabe and unanimously carried.

Chairman Steve Tyson
 Craven County Board of Commissioners

Gwendolyn M. Bryan
 Clerk to the Board