

Special meeting of the Hoke County Board of Commissioners on Thursday, September 23, 2004 at 4:00 p.m. in the Commissioners Room of the Pratt Building.

MEMBERS PRESENT:

Robert Wright, Chairman  
Charles Daniels, Vice Chairman  
James Leach  
Jean Powell  
William Cameron, Jr.

OTHERS PRESENT:

Mike Wood, County Manager  
John Jackson, County Attorney  
Linda Revels, Clerk to the Board

Chairman Wright called the meeting to order and welcomed everyone. Commissioner Leach gave the invocation.

The purpose of the special meeting was to discuss the water/sewer services agreement with the City of Raeford.

The County Manager explained the FIF (Facility Investment Fee). The Sewer Use Agreement sets out the sewer treatment capacity at 500,000 gallons per day. The first year's fee is \$4.50 per gallon. The second year you are billed for the marginal increase. The issue is the fee cost of the current contract at \$6.50 per gallon versus the new contract of \$4.50 per gallon of daily flow. The Board needs to look at trying to negotiate the fee amount from \$6.50 to \$4.50. The contract with PWC is at \$3.50 per gallon. Chairman Wright stated that it would be nice if the City's contract would also be at the \$3.50 per gallon. The Maintenance fee is \$4.00 per unit per customer. They are showing 599 customers. Repairs are above and beyond the \$4.00 per unit at \$15.00 per hour. PWC gets a \$12,000.00 retainer per year and so much per repair cost. The difference is per unit with the City and the base rate with PWC. Chairman Wright asked if the county had its own department, would not this contract cease? The County Manager stated yes. Chairman Wright stated that the FIF was the main concern. The County Manager stated that this would be the one to decrease. We are not prepared to get into the sewer business. Charles Daniels stated that they may be able to get the price cheaper for maintenance. Charles Daniels asked how many employees would be needed for the county to handle this? Mike Wood stated that the water department would be handling this. The reason the City is charging more than PWC is that the system is smaller. William Cameron stated that for long range plans for the county, we will have to work with the City for growth and Economic Development. The County Manager stated that the City sewer plant had the ability to go up to 5 million gallons but are not capable for that now. Charles Daniels asked Mike Dean if his department could handle the maintenance of sewer? He stated that his department was not equipped to handle sewer. He would need more personnel. Chairman Wright stated that now it is cheaper to contract it out with the City. Jean Powell asked if the contract would be revisited each

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year? The County Manager stated yes. James Leach asked if the maintenance history of the sewer lines been checked? The County Manager stated no. Sewer can be pumped at 801 with a lift station for about \$25,000.00.

The Board recessed the meeting to City Hall to meet jointly with the City Council.

The City representatives present were: John Jordan, Mayor Pro Tem, City Councilman Bobby Conoly, Eddie McNeill, Wayne Mills, Benny McLeod, Helen Huffman, Interim City Manager, William Fields, City Attorney, Betty Smith, Assistant Manager and Johnny Melton, Public Works Director.

Mayor Jordan called the meeting to order and welcomed everyone. Helen Huffman stated that they were there to discuss the Sewer Use Agreement and the Maintenance and Operation agreement. Chairman Wright thanked the City Council and staff for meeting with County Commissioners. Chairman Wright asked if College Drive was currently included in this contract? Attorney Fields stated that this agreement did not include College Drive, only 801, Hoke Landing and Silver City. This would be negotiable. Chairman Wright stated that the FIF fee under the new contract is \$4.50 for the City and \$3.50 for PWC. They would like to request that it be the same. The current contract agreement is at \$6.50. The contract is similar to PWC. Some extensive work will have to be done on the pump at 801. The County would like for the City to help out with this. Charles Daniels stated that the City would still be collecting the \$4.00 per unit maintenance fee that the current contract does not call for. Attorney Fields stated that one of the savings in their contract is that the City did not charge the 10% over and above and the \$12,000.00 prepayment that PWC charges. They calculate actual cost. Chairman Wright stated that if the FIF fee was at \$3.50, it would help out. Attorney Fields stated that the City may not make a decision today. The meeting today is to find out what the County is planning to do and to discuss the specifics of the contract. Helen Huffman asked if the only concern was the FIF fee? Charles Daniels stated that he also has a concern about the maintenance. There has been trouble with 801 and Hoke Landing. There is a lot of cost up front. If the City and County were to form a joint operation, they could share in the cost. He asked if when someone wants to hook onto the sewer, would they still have to get approval? Helen Huffman stated that they would have to get City and State approval. Johnny Melton stated that they are currently at about 1.8 million gallons now and are permitted at 3 million gallons with the plant being at 5 million gallons operational. Eddie McNeill stated that when the plant was remodeled it was fitted to do up to 5 million gallons. They are only permitted up to 3 million gallons. Mike Wood asked what would be the cost of moving from 2 million to 5 million gallons? Johnny Melton stated only the permitting fee. Helen Huffman stated that regarding the labor costs, it is done by work orders. They have records that are able to be tracked. William Fields stated that the County wants to know what is possible, and the City wants to know that

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they can run the plant and make sure that they can serve the citizens and the industry in the City. The interests are a little different and a little the same. The two Boards have to come to an understanding of what is possible, probably negotiating the figures. The question is what the county wants to do in the future and if the city can do it. The County also wants to develop Highway 401. In the last three months the City has looked at the its sewer plant. John Jackson stated that the Operation and Maintenance agreement is for one year and is renewable. It can be looked at and then negotiate the \$4.50. Charles Daniels is concerned about where all the money that that they are spending is coming from. He wants to get away from sump pumps and go with gravity flow. William Fields stated that after one year they can look at the work orders and costs and can re-negotiate. Mike Wood stated that the county is growing significantly. They have a mega site on Highway 20. This can help the city and county. What can the county do to move forward with the city expansion to 5 million gallons? Helen Huffman stated that they have not heard anything from the state which would be the first step. Mike Wood stated that his concerns are the old contract versus the new contract, in being able to negotiate the FIF fee from \$6.50 per gallon to the new contract. The FIF fee is projected on 9,000 gallons a month. He would hope it is on actual flow rather than an estimate. He would also like to do away with the \$6.50. Helen Huffman stated that these things would need to be taken under advisement by the city. Attorney Fields asked where the county was with the 21<sup>st</sup> Century status? Mike Wood stated that the county has a preliminary plan that the potential for growth is with the industrial site. William Fields asked how much more capacity is needed? Mike Wood stated 2 million gallons. The county is willing to do what they need to do to get the capacity of 5 million gallons. At \$5.00 per gallon this would be \$10,000,000.00. William Cameron stated that the long range plan with the Land Use Plan, sewer is going to be important and for the mega site. In the eastern end of the county, he would prefer to pump to the city versus PWC. A lot of good things could happen. He will support it as much as he can. It would be great for the city and county to capitalize on sewer to the subdivisions. Sewer and infrastructure is important. Charles Daniels asked if the city could handle Ralph Huff's request for a new subdivision of about 300 homes? Johnny Melton stated yes. Chairman Wright stated that the Board of Commissioners appreciated the opportunity of being able to come to the City today. Sewer will benefit the city and county. They would like for the city to check on the amount of money needed for expansion and capacity. The county will work with the city in any way possible. Mayor Jordan stated that they appreciated the county coming over and they would take these matters under consideration and get back to the county.

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There being no further business to come before the Hoke County Board of Commissioners, Charles Daniels made a motion to adjourn, seconded by James Leach, unanimously carried. The meeting adjourned at 5:10 p.m.

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Robert A. Wright, Chairman