

CUMBERLAND COUNTY BOARD OF COMMISSIONERS
SPECIAL COMMUNITY MEETING
GRAY'S CREEK ELEMENTARY SCHOOL
2964 SCHOOL ROAD, HOPE MILLS, NC
OCTOBER 27, 2011 – 7:00 PM
MINUTES

PRESENT: Commissioner Marshall Faircloth, Vice Chairman
Commissioner Jimmy Keefe
Commissioner Ed Melvin
James Martin, County Manager
Amy Cannon, Deputy County Manager
James Lawson, Assistant County Manager
Rick Moorefield, County Attorney
Amy Hall, Public Utilities Department
Sally Shutt, Communications Manager
Jon Soles, Multimedia Specialist
Bobby Thomas, Community Development Department
Steve Smith, USDA Rural Development
Judy Hunt, USDA Rural Development
Hiram J. Marziano, Marziano and McGougan, P.A.
Charles McGougan, Marziano and McGougan, P.A.
Jamie Poole, Marziano and McGougan, P.A.
Candice H. White, Clerk to the Board
Kellie Beam, Deputy Clerk to the Board
Press

ABSENT: Commissioner Kenneth Edge, Chairman
Commissioner Jeannette Council
Commissioner Billy King
Commissioner Charles Evans

Vice Chairman Faircloth called the meeting to order and provided the invocation. Vice Chairman Faircloth introduced Commissioners Jimmy Keefe and Ed Melvin, and advised that Chairman Kenneth Edge and Commissioners Jeannette Council, Billy King, and Charles Evans had other commitments that prevented them from attending the meeting. Vice Chairman Faircloth stated it is important to remember that whether or not the bond referendum passes will be up to the registered voters in Gray's Creek and the Board of Commissioners will act according to the outcome of the vote. Vice Chairman Faircloth emphasized that the Board of Commissioners will not construct this system without the approval of the voters in the bond referendum. Vice Chairman Faircloth turned the meeting over to James Martin, County Manager.

Mr. Martin extended a welcome and introduced county staff, Steve Smith and Judy Hunt representing the USDA Rural Development, and Hiram J. Marziano, Charles McGougan, and Jamie Poole with Marziano and McGougan, P.A. Mr. Martin stated the purpose of the meeting was to provide the most factual information available with respect to the proposed water system in Gray's Creek.

Mr. Martin provided the following information in the form of a PowerPoint presentation:

Gray's Creek Water and Sewer District Water System Bond Referendum

On November 8, 2011 district voters will decide on a \$21 million bond referendum to fund a district water system.

Background

- Providing safe water to county residents has been a strategic goal for the Board of County Commissioners for several years.
- In 2009, Commissioners hired consulting engineers Marziano and McGougan to develop a master plan for the development of a proposed county-wide water system.
- The plan found that a central water system could be developed on a district-by-district basis and that in order to keep user charges at a feasible level, development of a water system would depend on obtaining adequate financing once an area reached an adequate population density.
- The southwest area of the county has the highest population density and includes an area with the greatest health need, specifically Southpoint.
- The Gray's Creek Water and Sewer District was formed in October 2009 and is the first district formed under the plan.
- The County Commissioners serve as the governing board of the Gray's Creek Water and Sewer District.
- On November 8, voters in the district will decide whether to move forward with financing the construction of the first three of five phases of a water system for the district.

What is proposed for Gray's Creek water and sewer district?

- A water system to be constructed in five phases over approximately 15 years
- Each phase to be constructed on a three-year schedule or as close to that as possible.
- The first phase (1A and 1B) will cost approximately \$6 million, to be funded over a 40-year period by loans obtained from the U.S. Department of Agriculture Rural Development.
- The \$21 million bond referendum will finance the first three of five phases.

What is the timeframe for Phase 1 and future phases?

- The entire process for Phase 1 is expected to take 18 months from design to construction completion shortly following approval of the bond referendum.
- Each phase after that is projected to take three years from the completion of the prior phase.

Where is the water coming from?

- The district has an agreement to purchase bulk water from the Public Works Commission.

Who will handle the billing?

- This will be determined after the referendum.

Are we at risk of being annexed by the City of Fayetteville if a water system is constructed?

- Not as a result of the water system being constructed.

- The water system will be constructed to rural development standards, not municipal.
- Annexation depends on population density of an area, not the availability of water.
- The state legislature approved an overhaul of North Carolina's annexation law this year. The measure allows citizens to block an involuntary annexation if 60 percent of property owners submit a petition opposing it.

Will the availability of water increase the tax value on my property?

- Perhaps, if the availability of water has affected the sales price of similar properties at the time of the next revaluation.
- Property values may decline, remain stable or increase.
- It depends on what the economy is like and how much demand there is for property in the area at the time of the next revaluation.

Will connection be mandatory for existing buildings?

- No.
- However, an availability fee will be charged to every property owner whose land abuts, or has direct access to a water line.
- For an undeveloped parcel that would qualify for the issuance of a building permit for the construction of a structure, a single availability charge would apply.
- For parcels that have multiple buildings for which water is typically supplied for habitation, recreation or the conduct of business, an availability charge will apply to each building.
- An availability charge will not apply to barns, personal garages, and sheds.

Will connection be mandatory for new construction?

- Maybe, based on existing subdivision regulations.
- They require any subdivision creating 2 to 10 lots to connect to public water if it is within 300 feet; any subdivision creating 11 to 20 lots to connect to public water if within 500 feet; and any subdivision creating 21 or more lots, either in a Sewer Service Area or with a density of greater than two units per acre, regardless of the distance.
- The Planning Board has the authority to waive these requirements in hardship circumstances.

Will the county extend the system to take in new subdivisions or development?

- Rules, Regulations and Specifications will be established and the conditions under which extensions are made will be outlined.
- These will likely be at the developer's cost and in those circumstances that do not strain the capacity of the system as it is developed.

May an owner keep an existing well to use for irrigation or other non-household purposes?

- Yes.
- The County will require certification by a County plumbing inspector that there is no cross-connection to the public water.
- Wells may be used to water landscaping or livestock, wash cars and fill pools.

Will the County run the line to my house?

- No. The County's responsibility stops at the NCDOT right of way line, typically 30 feet from the centerline of the road.

How much will it cost to run the line to my house?

- It depends on the distance and obstacles, such as tree roots, and directness of connection. Local plumbers are hesitant to provide quotes without visiting the property. Estimates may range from \$10 to \$12 per foot with a straight-shot path and no tree roots.
- The homeowner can “do it yourself” at a lesser cost.

Do we have to connect?

- No, but you will be charged a monthly availability fee if your property abuts or has direct access to a water line.

Can we buy a tap for future use and not use water now? How much will that cost each month?

- Yes, as long as the owner agrees to be responsible for marking the location of the tap and protecting it from damage.
- The owner will have to pay the one-time “dry tap” fee and then will be billed the monthly availability fee.

How much will the monthly water bills be?

- All parcel owners along roads where water lines are constructed will be charged a monthly availability fee currently estimated to be \$28.14.
- Water system users will have an additional monthly water usage charge.
- The monthly water bill for customers using 4,500 gallons of water per month is currently estimated to be \$42.73, which includes the availability charge.

What does the availability fee cover?

- The cost of operating the system and debt service on the loan.

Why is it charged to residents who do not sign up for service?

- To make the project financially feasible for the district by covering the debt service on the loan.

When will availability fees start being charged?

- Once water line construction is completed in a phase.

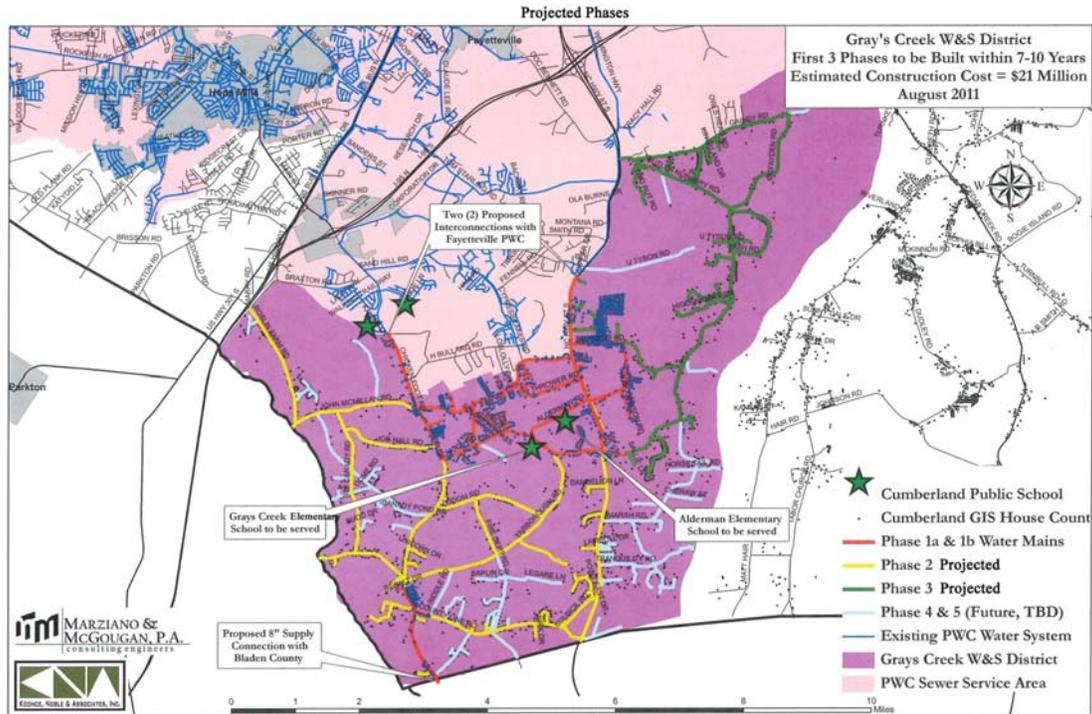
What will be the cost for each household or parcel owner in Phase 1A and 1B?

- The early “tap-on” fee is estimated to be \$350 prior to and during the construction.
- After that, tap-on fees will range from approximately \$1,500 to \$2,000 depending on the size of the line and any unforeseen construction issues.
- Installation cost for a water line from main line to building.
- Plumbing inspection fee (approximately \$35 at present).
- Monthly Availability fee.
- Monthly Water Usage charge.

Mr. Martin emphasized that the costs reflected are the best estimated costs available at this time and can not be guaranteed. Mr. Martin further emphasized that efforts were taken to get the costs as low as possible and the cost of \$78 as shown in the early phase of the feasibility study was found not to be financially feasible.

Estimated Recurring Costs	Estimated Cost
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Monthly Availability Fee	\$28.14
Water usage charge for customers using 4,500 gallons of water per month	\$14.59
TOTAL monthly water bill for a customer using 4,500 gallons of water a month	\$42.73



Where can I learn more?

- Review the Water Use Ordinance for Gray's Creek Water and Sewer District available on the County's web site or pick up a copy from the Public Utilities Department in the Historic Courthouse at 130 Gillespie Street.
- Call the Public Utilities Department at 678-7637.
- A list of streets projected for each phase is on the website.
- Attend the community meeting at 7 p.m. on Thursday, Oct. 27, Gray's Creek Elementary School.

Voting Opportunities -

- One-stop early voting starts October 20 at the Board of Elections office, 301 East Russell St., and ends November 5.
- Hours are Monday through Friday from 8 a.m. to 5 p.m. and on Saturday, November 5 from 9 a.m. to 1 p.m.
- On Election Day, November 8, polls will be open from 6:30 a.m. to 7:30 p.m.
- Voters must reside in the Gray's Creek Water and Sewer District.
- District precincts are: Alderman, Hope Mills 02B, and Sherwood.
- Call the Board of Elections at 910-678-7733 for more information.

Mr. Martin reviewed a sample ballot for the Gray's Creek Water and Sewer Bonds and stated voters will simply need to indicate "yes" or "no" on the ballot.

REFERENDUM

Gray's Creek Water and Sewer Bonds

Shall the order authorizing \$21,000,000 in a maximum aggregate principal amount of General Obligation Bonds for the Gray's Creek Water and Sewer District for financing, in part the acquisition, construction and installation of public water distribution and storage facilities in the district be approved?

Yes

No

End of Ballot

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Mr. Martin concluded his presentation and opened the floor up to residents of the Grays's Creek community. The following questions and comments ensued:

- How many of you know that the City of Fayetteville owns the Public Works Commission (PWC)?
- Do you also know that Section 4. of the water purchase agreement between the Gray's Creek Water and Sewer District and the PWC of the City of Fayetteville states that the customer agrees to adopt and abide by the PWC policies and procedures and ordinances and regulations of the City related to water service issues?
- Do you know that changes in the billing rate can occur the first of July and did you also know that the customer can only obtain water from another source when it infeasible for the PWC to provide service? There are a lot of things that you need to go online and read.
- What changed between August 19, 2009 when the water rate was \$78.29 and now when the rate is quoted to be \$42.73?
- What will happen to the rate if only one-half of the people sign up for water?
- Is every parcel in dark purple on the map in the Gray's Creek Water and Sewer District?
- Is every parcel subject to the \$28.14 monthly availability fee even if there is no hook up for water?
- Is the monthly \$28.41 availability fee fixed or can it increase?
- Are all streets on the map subject to the \$28.41?
- Why are the streets shown on the map for all the phases different from the paper list of streets for all the phases?

- Will water bring more people to Gray's Creek and will annexation follow because of the increase in density? Will farmers have difficulty hanging onto their land? It seems to me this might be a problem because farmers do not make much money and someone may offer them \$2 million for their land.
- What happens if someone does not pay the \$28.41 availability fee every month?
- Who will pay to have the cross connection checked?
- What type of payment plans is available if someone has to pay the \$1,500 to \$2,000?
- Why should anyone want the water district if it is not designed for fire protection; what about being prepared for growth? If the county is going to put in a water line, then put it in so that it meets all the needs. Why pay taxes?
- My house is on Highway 87 on the opposite side of the water line. How much is it going to cost me for a licensed plumber to drill under a four-lane highway for me to get to the water line on the other side of the highway?
- What if I do not have the \$350 at the time the county wants it?
- Who is going to hook me up from the tap under the asphalt that comes into my yard? The county is fighting a losing battle.
- Is any PWC money going into the project and if so, how much?
- Will the water district have a representative on the PWC board?
- At any time in the future, is the county going to demand that people hook up to the water system? Can I have that in writing?
- Is the county going to pay any residual tax increases from the 2009 revaluation values to the City of Fayetteville for the parking deck to help the PWC offset its debt service to make their building more marketable?
- Is the county helping to pay for the PWC parking deck? Where is that in writing?
- I have lived in Gray's Creek all my life and at some point we may need water; however, in my opinion it has been handled in the wrong way and at the wrong time when considering the shape of the economy.
- I do not believe you can take annexation out of the picture for the future.
- Commissioner Jimmy Keefe is the only commissioner who asked relevant questions during the presentation by the engineering company and I want to thank him for that.
- I am going to vote for the bond issues because it should have been done forty years ago; it will not get any cheaper; groundwater in this area is not going to improve over time; water from the wells is not free; for wells there is payment for electricity, pump maintenance, replacement and treatment; whites do not stay

white when laundered; a deep well costs several thousands of dollars; the fear of annexation is unrealistic because the City of Fayetteville is busy extending services to people who have already been annexed and that will not be completed until 2025; and there is new legislation regarding annexation. I do not understand the antagonism for the PWC and the City of Fayetteville because the PWC does a pretty good job as a municipal utility. The county could have and should have gone for grants forty years ago; however, it is would be short-sighted of us not to consider the bond at this time.

- What would make the availability fee increase?
- Explain which precincts will vote on this issue. I am concerned that people outside the purple area on the map who will not be affected by this issue will vote.
- I have an issue with PWC water because it comes from the Cape Fear River and is badly polluted. I moved outside the city to get away from the water. It is impossible for the PWC to filter out all of the contaminants, which is why I prefer minerals that come out of the ground over chemicals. I am disappointed there is no one here from the PWC to address these issues. I have read on the website about people getting sick from drinking chlorinated water; this is a huge issue.
- Has anyone done a feasibility study to determine how many people the Cape Fear River can support with water? This is a huge issue that nobody has addressed.
- What will happen to the \$28.14 per parcel availability fee if everyone combines their parcels into one?
- Will the county condemn land in order to get the right-of-way?
- How long is the water agreement with the PWC?
- Who will be responsible for selling the bonds?
- Who and what is Aqua-America, what do they do, and why have they been mentioned in some of the paperwork associated with the water district?
- The cost estimates have been based on the assumption that people are going to grant right-of-ways; if people refuse to grant right-of-ways, will they be backed out of the cost and will the \$28.14 availability fee be renegotiated? Will it go up?
- To say that people are willing and well-educated is not correct. I have a list of people that will be allowed to vote. There are people who are concerned and want to talk about it; 20% to 30% are not educated about what the county is doing so I feed them information. They are not happy; you have a wasp nest here. People do not understand; water comes, then sewer comes. More bond money will be needed for some of the phases. The county does not have enough information. I appreciate what the county is trying to do, but the project is not going to fly.
- Large petroleum companies like Shell and Exxon have to pay to clean up spills like the one in Southpoint. Is the county going to hold the owner who sold the gas at the store in Southpoint accountable for the contamination it caused; if not, why not? This project needs to be put on hold until the DENR does what it is supposed

- to do because they started the whole situation in Southpoint. Why should we pay for something we have already paid when we purchased gas; why should we have to pay again?
- After forty years, after the debt is satisfied, will the peoples' bills go down?
 - Will the \$28.14 a month cover the total \$26 million debt?
 - What is a backflow and will each home be required to have one? It is my understanding that the backflow will have to be inspected every year by a licensed plumber and reported to the PWC. Are people going to have to do that?
 - How many parcels of land are taxes paid on in Cumberland County?
 - If all citizens in Cumberland County pay taxes to educate the children of Cumberland County, whether they have children or not, then why shouldn't all citizens pay for water in Cumberland County.
 - Even if you want water, think about what is going to happen to you. I do not think anyone up here has a vendetta and is trying to stick a gun in our face and get \$42 a month out of our pockets, but that is what it feels like. Think about it. Do not vote for this proposal; wait until the right one comes along.
 - I live on a cul-de-sac at the end of a private road and I want water. Are all the people along the private roads going to have to pay the \$28.14 each month if there is a line extended? I am concerned that I will not be able to get 100% of the right-of-way easements to install the line.
 - Is the \$28.14 per month based on the \$21 million, or the \$26 million or all five phases? Do you have any idea what the price will be when all the phases are completed?
 - Does the Board of Commissioners have an option to vote in a tax to fund this project should it cost \$40 million instead of the \$26 million? It says here in writing that they have the right to vote in a tax to support the project if needed.
 - What PSI do you expect; I have heard some wild numbers.
 - Has a study been conducted to determine the difference in the cost for pipe that will handle fire protection?
 - What type of pipe will not work or stand up under the amount of pressure and, what kind of pipe is going to be required for older homes and will the older homes need to be replumbed?
 - Does the \$42.73 per month include the operation and maintenance?
 - Gray's Creek is a rural area. Why did Gray's Creek not receive any grants?
 - What housing density is allowed on an eight inch pipe? And, will an eight inch pipe allow for rezoning and greater density?

- How many wells are contaminated in Southpoint and the surrounding areas? When was the contamination first detected? Why was Southpoint allowed to be built since the contamination existed in the seventies and eighties? Who can be held accountable for the contamination? Someone needs to be held accountable so we do not have to pay out of our hard-earned money for something that should not have happened to begin with.
- The August 2009 feasibility study recommended allowing citizens to operate as a steering committee. What happened to the steering committee?
- How many residents are in the Gray's Creek area or district?
- Why aren't any of the residents of Gray's Creek on the Gray's Creek Water and Sewer District Governing Board?
- Calculations using amortization.com indicate that the availability fee will go up and up and end up being more than the total water payment.
- The county has talked about ten different fees and the county has no idea what the costs will be. These include a late payment fee, a tap on fee, a cut off fee, a cut on fee, a disconnect fee, a re-connect fee, a meter check fee, a fire protection system fee; and an application fee; the county knows how much everything else is going to be so when will the county know what those costs are going to be?
- I have a friend in the Eastover area and the plumbers are charging \$18 per foot to run a line from the road to the house. Another Eastover resident was told it would cost \$4,000 to hook up to the PWC because the prior resident did not hook up.
- I live on a private drive and I did the steps from the DOT right-of-way to my house; it is 702 feet. I figure it will cost me \$7,000 to connect and it will take me twenty-one years to pay if off. And, I still need 100% of the right-of-way agreements to protect my line, which I probably will not get.
- How do residents on private roads get water?
- How many feet are in the DOT right-of-way?
- Will residents have to tear down structures that may be on the right-of-way easement?
- Who will repair and/or pay for structures that have to be torn down?
- Is it true that with this bond referendum, no commercial enterprises will be allowed to tap in? If a party owns property in the district, can it be sold for commercial purposes?
- If the bond referendum passes, are there any exclusions that will exempt individual homeowners for medical reasons? How will the chlorine and ammonia in water from the PWC impact people on dialysis and people with other medical issues that involve the usage of water?

- If you are on an end of line run, even with water from the PWC, you can get brown water from a collection of sediment in the lines that will need to be flushed periodically. Water from the PWC does not preclude one from getting a ring in the toilet, bathtub or sink because there is going to be some residual sedimentation as well as minerals coming out of the river that can not be filtered out. Is the county recommending that residents continue to use their sedimentation systems on their washing machines when they have city water?
- The metal pipes in Gray's Creek will have problems with the chlorine.
- Residents in Gray's Creek are being impacted financially due the lack of leadership from the county commissioners in the past and also the DENR. In December 1988, the DENR knew about this contamination and the county commissioners should have known about it. The problem should be fixed by the developer of Southpoint and the oil company. In 2007, the DENR (case number 3745) begged the people to fix the water, but it is still there and it is still bad. We need to have the foresight to fix problems, do the right thing for the community, and not worry about the developers who have special interests and friends.
- This water will increase the density of our community. Cumberland County entered a land preservation trust with the State of North Carolina under the 2010 Land Use Plan, but Gray's Creek has been sacrificed because it has the greatest number of petitions to build. The people of Southpoint need water, not Gray's Creek.
- When water is taken from a body of water, the government requires that a certain amount also be returned. In Gray's Creek, water is going to be taken out of the river and run into septic tanks. Is the federal government going to figure this out and charge an offset penalty?
- Once the Gray's Creek water district buys water and if it is contaminated and there is a big lawsuit, will the lawsuit come back on the residents? If something goes bad with the loan or if the loan is not making money, can the county commissioners vote to sell it to Aqua-America? Can it be sold down the road?
- The oil company has never been forced to undertake any of the clean up in this area. And, because people have been able to build on land and use septic tanks where it should not have been allowed, there are bacteria in the ground drinking water. I moved to the country because I am from the country. I like my well water and I want my well water protected. If I want city water, I will move to where city water is provided for me.
- If the bond referendum does not pass, will there be a way for those of use who want water to get water? Will the county look at a better way to answer the concerns and provide water, or will it be a dead issue? I think we should allow for fire protection; there are a lot of advantages in doing so.

Commissioner Keefe stated if the bond referendum does not pass, the county commissioners will look at the other water districts and it will be a number of years before the Gray's Creek water district is revisited. Commissioner Keefe also stated by that time, the water quality will likely worsen and a water system will cost more. Commissioner Keefe further stated annexation will not come from a water system constructed to rural

standards but instead from a developer who wants PWC to install a water/sewer system for his development.

Commissioner Faircloth stated the commissioners are not able to rectify all of the problems of the past at once, but this may be an opportunity for the community to get water at a reasonable cost. Commissioner Faircloth also stated the commissioners will not force anything and will abide by whatever the voters decide. Commissioner Faircloth further stated of all the water districts, the numbers worked the best in Gray's Creek and that was the reason the opportunity for a rural water system was offered to Gray's Creek first.

Questions and comments continued.

- The longer we wait, the more the cost will go up and eventually something is going to happen, such as the water may run out. Think long term and think of the community as a whole.
- If you want all the comforts of the city, the please move back to the city.
- Ms. Musselwhite stated she lives in Cumberland County and Robeson County water goes across the front of her property. Ms. Musslewhite asked if she would get charged an availability fee if lines already run down Rosalyn Farm Road and there is water.

Rick Moorefield, County Attorney, stated if the county can not run the water, it can not charge the fee. Mr. Martin stated if there is already someone else's line there, the county will not do that.

- My dad was a county commissioner thirty years ago and the community did want trailer parks and if there had been county water, there would have been trailer parks. Another thing, a judge threatened to lock up the county commissioners if they did not build a new courthouse and that was on the commissioners' mind at that time; they were not worried about running water lines. Another issue was property taxes and the fact that they would go up. This is why we do not have water; don't blame it on people who are dead. We were small out here and a fine community that turned out some pretty intelligent people.
- The Rosalyn Farm subdivision is on the map but has Robeson County water. Do I still get a vote as a registered voter? Down the road where they do not have water, the military can not vote and they do not want water. This does not appear to make much sense for the community; vote no.
- I own property in the district but do not live in the district. Can you clarify who can vote? Why do people who already have Robeson County water get to vote? Who decided all the voting requirements?

There being no further questions or comments, Mr. Martin thanked everyone for coming to the meeting.

There being no further business, the meeting adjourned at 9:45 p.m.

Approved with/without revision:

Respectfully submitted,

Candice H. White
Clerk to the Board