

MINUTES
TOWN OF PITTSBORO
BOARD OF COMMISSIONERS
REGULAR MEETING
MONDAY, JUNE 9, 2008
7:00 PM

Mayor Randy Voller called the meeting to order at 7:04 p.m. and requested a brief moment of silence.

Mayor Voller commented that during this hot period of weather that many people could not afford or did not have air conditioning. He asked that everyone watch out for their neighbors.

ATTENDANCE

Members present: Mayor Randy Voller, Commissioners Pamela Baldwin, Gene T. Brooks, Clinton E. Bryan, III, Hugh Harrington, and Chris Walker.

Staff present: Bill Terry, Town Manager, Paul S. Messick, Jr., Town Attorney, David Monroe, Planner, and Alice F. Lloyd, Town Clerk.

APPROVAL OF AGENDA

Motion made by Commissioner Walker seconded by Commissioner Baldwin to approve the Agenda as submitted.

Vote Aye-5 Nay-0

CONSENT AGENDA

The Consent Agenda contains the following items:

1. Approve minutes of the May 27, 2008 regular meeting.
2. Pittsboro Acquisitions I Limited Partnership Irrevocable Petition requesting annexation.
3. Request for Authorization to Purchase Electronic Surveillance Equipment
4. Chatham Habitat for Humanity Petition requesting annexation.
5. Fiscal Year 2007-2008 Budget Amendment Ordinance for Cost Overruns on the Solid Waste Services Contract

Commissioner Brooks removed Item #3 from the Consent Agenda for discussion regarding the \$12,000 requested expenditure.

Motion made by Commissioner Walker seconded by Commissioner Baldwin to approve the Consent Agenda with the modification to remove #3 and add it as the last item of New Business.

Commissioner Harrington indicated he had a concern regarding the Minutes of the May 27 meeting. He said on page 10, middle of the page, there was a statement that said "Commissioner Harrington suggested defining the area and getting at least 50% of the residents to sign an agreement to pay at least 50% of the cost." Commissioner Harrington said it was not his intention to suggest doing that, but simply to discuss how that would work and how they would define the area. He said it was not his intent to communicate that he was suggesting that they do that.

Several Board members indicated they had understood that that was a part of the discussion and was an option but was not being suggested.

Commissioner Harrington asked that the Minutes be modified to indicate that he was not suggesting they do that but was seeking clarification on how that process would work.

Motion made by Commissioner Harrington seconded by Commissioner Baldwin to modify the Minutes of May 27, 2008 as indicated.

Commissioner Walker indicated that the corrected resolution regarding Habitat annexation, Item #4, be substituted for the one originally provided. There was no objection from the Board.

Mayor Voller reiterated the changes to the Consent Agenda: Item #3 was moved to New Business; a correction was made to the May 27, 2008 minutes; and, a corrected resolution regarding the Habitat petition for annexation was substituted for the one originally provided.

Motion made by Commissioner Baldwin seconded by Commissioner Walker to approve the Consent Agenda as modified.

Vote Aye-5 Nay-0

ORDINANCE ANNEXATING HABIBAT FOR HUMANITY PROPERTY IS RECORDED IN THE BOOK OF ORDINANCES NUMBER ONE, PAGES

ORDINANCE AMENDING FY 2007-2008 BUDGET IS RECORDED IN THE BOOK OF ORDINANCES NUMBER ONE, PAGE

REGULAR MEETING AGENDA

Citizens Matters

Max G. Cotten, 133 Pittsboro Elementary School Road, Pittsboro, stated that he had previously expressed his concerns regarding the park planned for south of Town and the arrangements that had been made. He said his concerns were based on his reading of the grant, and then explained his continuing concerns. Mr. Cotten stated a motion was made and approved in January 2007 in which the Town committed to two things: a Recreation Master Plan which was now underway;

and, the creation of a five-year capital improvement plan. He said they were now into the second year of that agreement but no money had yet been spent. Mr. Cotten said from his experience, this was a “fake” grant, although the State called them participant grants. He said he believed the Town Board needed to seriously consider his suggestions previously made and urged that the Town attempt to transfer the park south of Town to the County, noting that the cost of constructing the park and the cost of operating the park would be tremendous and would likely require a tax increase.

Vernon Tyson, C&T Technologies, 1203 Rocky Point Lane, Durham, NC, stated they were in the process of testing the system at the sewer plant over the last 40 days and were getting good results. He said they were also in the process of doing sewer plant design for the Town of Leland for a 5,000 plot development, and what they were doing was building a modular sewer plant which would handle 125,000 gallons per day and be fully accepted by the NC Division of Water Quality (DWQ), and after retrofitting they expected that the plant to do between 300,000 and 450,000 gallons a day. Mr. Tyson said if the Town was looking for options to its sewer plant, he strongly recommended a modular construction which provided options with costs and design.

Mayor Voller asked Mr. Tyson to explain the system being used at the sewer plant. Mr. Tyson stated that his company had patents on magnetic separation which was high speed clarification of wastewater. He said that a city doing 5 million gallons of wastewater a day now took about 15,000 square feet of clarifiers. Mr. Tyson said they did the same type of clarification with 325 square feet, and that technology could be retrofitted into existing plants. He said as cities looked at options to address growth or potential growth, they were recommending that they look at modular construction and put technology like that to work to lessen costs.

Commissioner Harrington stated he had visited the plant and had seen the unit. He asked if activated sludge could be run through the system. Mr. Tyson said yes, they had already done so, adding it actually ran better the dirtier the water. He said the system provided about a 35% improvement over water being put out now.

Commissioner Harrington asked what the capacity of the unit was. Mr. Tyson said the unit was about 4 feet x 5 feet x 6 feet tall and would do between 400,000 and 450,000 gallons. Commissioner Harrington asked was that after it had already been through sedimentation? Mr. Tyson responded that was correct.

Commissioner Baldwin said in reference to the modular sewer plant, she asked how long it took to construct. Mr. Tyson said it depended on the specifications from DWQ to discharge alignments. He said they were basically custom built, and once you got up to the 125,000 gallon range they came in modular units and were built on site, then were retrofitted. Mr. Tyson said that all took about 4 to 6 months.

Mayor Voller asked how much longer they would be testing that system at the plant. Mr. Tyson responded until September, at which time they should get final approval from the State to begin using the units in North Carolina. He said they would have not only a proof of concept of the

units but if a town did nothing more than put this high speed clarification on the front end of the sewage coming in and cleaned it, it would still be more economical.

Mayor Voller said he understood from Mr. Tyson's earlier visits that because Pittsboro had provided them the opportunity of a testing site, they would "take care" of Pittsboro. Mr. Tyson said they looked forward to giving back once the technology was proven and had "taken off." He added that his company held world-wide patents on the technology.

Commissioner Harrington said their issues were with peaks, and asked what the maximum rates the system could handle were. Mr. Tyson said they did not know that yet, but were well in excess of 500,000 through that unit. He said as far as the flow rate coming into the unit, there was nothing that would bar the flow of water through it. So, he said, the unit could handle water as fast as it could be pumped in. Mr. Tyson said they had larger units, 8 feet x 20 feet, that would handle 2 million gallons a day and one that was 8 feet x 40 feet that would handle 5 million gallons a day.

OLD BUSINESS

1. Manager's Update on Capital Projects

Town Manager Bill Terry stated that only one change had been made to Capital Projects.

2. Report on the Wastewater Treatment Plant Operational Effectiveness Analysis

Manager Terry stated that John Eick and John Brinkley would present the report on the Wastewater Treatment Plant Operational Effectiveness Analysis.

John Eick, Environmental Engineer with Sterns and Wheeler, stated they had begun the project in mid April and completed it towards the end of May. He said he had served as the Project Principal and John Brinkley had served as the Project Manager.

John Brinkley provided some background, noting the plant was not performing to its permit capacity and had experienced problems during wet weather events which had at times led to permit violations. He said limiting flow into the plant was used as a temporary measure to avoid such violations, which was an undesirable method. Mr. Brinkley said their job was to assess the plant and identify the problem areas, and then develop recommendations to correct those identified problems.

Mr. Brinkley said the key question was why a plant with a capacity of 750,000 gallons a day was experiencing problems at 400,000 gallons a day, and what could be done to correct that. He then took the Board through the steps used to arrive at their recommendations:

- a site visit to gather data, observe the plant, assess the equipment, look at operational and maintenance practices, and gather documents such as daily monitoring reports and other records;
- two years worth of data was gathered and analyzed to determine average and maximum levels regulated by the permit that could be discharged to the creek; and

- developed a hydrologic model as well as a treatment model to quantify the flow for the plant and identify bottlenecks in the plant in order to begin development of an action plan.

Mr. Brinkley said the current permit was for an average of 750,000 gallons per day, which meant you could have 1,000,000 come in one day and 400,000 the next day, but the end average had to be 750,000 a day or less or it was a permit violation. He said there were other parameters that needed to be monitored and reduced when necessary, but the key issue was the flow. Mr. Brinkley said given the historical monthly data, the average annual flow the plant could handle was 550,000 a day to avoid exceeding the permitted monthly average flow of 750,000 gallons.

Mr. Eick said to clarify, if your monthly maximum flow was limited to 750,000 gallons a day, because the flow varied you would certainly have months that were less than that 750,000 gallons a day. He said when you total all of those months throughout the year your largest had to be 750,000 gallons with all other months below that. Mr. Eick said the long-term sustained annual average was around 550,000 gallons per day.

Mr. Brinkley said 750,000 gallons per day was a ceiling; that is, the monthly average flows could go up and down but when averaged for the year that average based on historical data needed to be at 550,000 gallons per day. He said one of the problems experienced at the plant was during wet weather flow, which caused uneven flow distribution which disrupted the process biology in the tank and impacted the solids in the tank that were being discharged from the clarifier. Mr. Brinkley said that caused the effluent that should be low in solids to be high in solids which then impacted the filters and the subsequent downstream processes. He said the units were limited and could not handle some of the peak wet weather flows that came into the plant, and that was where the disruption began.

Mr. Brinkley said another important note was that the peak daily flow to average monthly flow was three times the monthly average back in November 2006, and there were other cases where there was the same 3 to 1 ratio. He said at present the plant was averaging 362,000 gallons per day, but it had experienced flows of up to 1.5 million gallons per day over the last 2 years. Mr. Brinkley said that several of the components were limited to 1 to 1.2 million gallons a day, and over that level the plant experienced difficulties.

Mr. Brinkley said that based on the historical flow data, you could expect a peak daily flow of 1.7 million gallons a day, which exceeded three of the major process units that you relied on for treatment. So, he said, it was important that the plant be able to address those peak daily flows to avoid upsets and potential permit violations.

Mr. Brinkley said regarding equipment and maintenance, there were several things that needed to be addressed and some were already being addressed that were under the operators' control to make the plant run more efficiently. But, he said, there were some things beyond their control:

- modifications to effluent pumping station to handle peak daily flows;
- flow meters to provide better control over the operation and to determine the exact amount of flow coming into the plant; and

- protection of the clarifiers and the disinfection system to make sure the bulbs were giving out the appropriate amount of light to ensure disinfection.

Mr. Brinkley said they had listed several items in the report under the Operations and Maintenance section that were recommended for implementation as well as the hiring of a Class Three Operator to serve at the plant in order to free up the Public Utilities Director. He said in terms of capital improvements, they were recommending that the effluent pumping station be upgraded to handle the peak daily flows, that gates be installed to provide better and more even flow distribution, to construct an equalization basin to dampen and provide temporary storage of peak wet weather flows that were responsible for the upsets, and to install a flow control valve to regulate how much water actually was pumped to the plant. Mr. Brinkley stated the total capital cost was estimated at \$1.8 million, which included the operation and maintenance improvements. He said the equalization basin constituted about 70% of the total capital costs.

Mr. Eick summarized the key points in the report:

- the permitted flow was a maximum monthly average of 750,000 gallons a day;
- with that maximum monthly average, the maximum annual average flow of the plant would be about 550,000 gallons a day;
- with that average annual flow, the peak daily flow would be at about 1.7 million gallons a day; and
- a number of the key plant components already had the capacity of 1 to 1.1 million gallons a day, so with a peak daily flow of 1.7 million gallons you would experience permit violations.

Mr. Eick said they had divided the choices into three general areas:

- do nothing, which was not a realistic choice since the high risk of permit violations would continue even at current flows;
- move forward with the operation and maintenance recommendations which carried a lower capital investment but would improve the day-to-day operations at the plant; however, you would still have a high risk of permit violations particularly during wet weather events and would provide no basis to remove the moratorium; or
- implement the operation and maintenance improvements and go forward with the capital improvements, the most notable of which was the large equalization basin which would significantly reduce the risk of permit violations and would allow the plant to operate a lot closer to its design capacity, would address the problems caused during wet weather events, and would provide a basis for removing the moratorium.

Mr. Eick said the 750,000 gallons per day permit limit was limiting the plant to 550,000 gallons per day annual average flow. He said if that permit constraint were removed, with the improvements recommended the plant would have the capability of doing 750,000 gallons per day on a long-term sustained basis. Mr. Eick said in order to do that the permit flow would have to be increased by 200,000 gallons per day, which they believed should be discussed with DWQ particularly since the Town was already in the process of applying for an expanded wastewater permit.

Commissioner Brooks said several years ago the Town had entered into an endeavor to improve the infiltration situation, and asked if they had any data to show the success or lack of success of that endeavor. Mr. Eick said they had gathered only two years worth of data, and that was not a long enough time to make any determination. He added that such data was elusive at best.

Commissioner Brooks stated they had used modern technology to reline some of the lines in the central part of the Town which had been identified as where most of the problem was coming from. He said he wondered what the success rate was if any the Town had experienced. Mr. Eick said he could not speak to that.

Mayor Voller said part of the issue was that the Town had experienced some high rain events in February, some up to 2 inches in a day. Mr. Eick said that had been reflected in the data.

Mayor Voller said one thing that had been an issue for some time was the impairment of Robeson Creek, which limited what they could discharge. He asked would it be possible that some of that impairment was based on the fact of the inherent design of this plant, and if the capital improvements were made then they would not experience the kind of events that would contribute to some of the issues with the creek and therefore the impairment would not exist. Mayor Voller said during wet weather events they would be discharging water that was higher in NTUs and sediment, but theoretically after the capital improvements they would not be present. Mr. Eick said even if Robeson Creek was not impaired, you would still be under intense regulatory scrutiny because that creek was right next to the Haw and discharged into Jordan Lake. He said that Robeson Creek was impaired for nitrogen, which was either a point or non-point source, and the improvements they had talked about did not really address nitrogen. Mr. Eick said Robeson Creek would remain impaired because it was such a low flow stream and the improvements to the plant would not materially improve the creek to the point that you would see regulatory relief.

Mayor Voller said but they would not be contributing to it by having a peak flow issue where they would discharge other materials into the creek, and that should be looked at favorably. Mr. Eick said absolutely.

Mr. Tyson asked would anything need to be done with the pump stations or manholes as far as rehab. Jay Johnston, Hydrostructures, responded that he would not expect those to be a major point of problem based on their age. He said they had done two phases of sewer system rehabilitation, and at the end of those two phases they would likely address about 40% of the overall problems in Town.

Manager Terry stated one of the phases had been completed this week.

Commissioner Walker said based on the peak daily flow chart; it was extremely hard to quantify the water flow because there were so many cracks and leaks. He said based on what they saw here, was it fair to say that some of that was absolutely working. Mr. Johnston said since it was their work, he would say absolutely. He said a sure way to measure the improvement would be to put flow monitors back in the same manholes as before and monitor over a similar amount of

time and hope for similar rain events, then compare the two. Mr. Johnston said it was much easier to assess that basin by basin than by trying to assess it at the pump station.

Commissioner Harrington asked was the peak factor used primarily to size the equalization basins. Mr. Brinkley responded yes. Commissioner Harrington said it certainly made sense to err on the side of caution, but that 3 to 1 multiplier may not necessarily apply. He said he did not know if that would mean they could consider a smaller equalization basin which might bring the costs way down, but asked was that something that would be reasonable to consider. Or, he said, were they thinking that since they were talking about putting in a pipe they may as well put in the largest they could. Mr. Brinkley said it boiled down to risk versus cost, and it was hard to make that call. But, he said, it was important to err on the side of caution, noting that the base flow would still increase. He said in terms of the peaking factor that could be looked at in greater detail with design and additional data.

Mr. Eick said that was a very good question, and was one they had asked themselves a number of times. He said as engineers it was their job to get the technical information in a form the Board could understand, and then have a dialogue as to what risk the Town was willing to accept and what trade-offs they were willing to live with.

Commissioner Walker said he wanted to clarify so he could be sure he understood Commissioner Harrington's questions. He said that he had understood what Commissioner Harrington was saying was that because of the new construction, because they were looking at that one-time peak and it appeared that the I & I was being reduced then they could talk about a smaller equalization tank. Mr. Brinkley said that was correct.

Ricky Spoon said relative to that, he wondered what size equalization basin was being suggested. Mr. Eick responded 675,000 gallons. Mr. Spoon asked was it concrete or metal. Mr. Eick responded concrete. Mr. Spoon asked what the reason was for it being concrete versus metal. He said obviously the long-term solution was to build a new plant, but the short-term solution was to fix the current plant and those had to mesh. Mr. Eick said they had looked at using bolted steel instead of concrete, and the bolted steel was somewhat more expensive than the cast-in-place concrete. He said a bolted steel tank would be slab on grade and would tower over the units on site. Mr. Eick said the concrete tank would be less expensive, would have a lower profile, and would blend in with the plant site.

Mr. Spoon said they were talking about a 675,000 gallon tank, but there were other possibilities available that could be considered. He said if 70% of the cost was the equalization tank, then that should be looked at carefully.

Commissioner Harrington asked would there be a huge difference in the reuse quality of the water. Mr. Brinkley responded with the equalization basin in terms of the stability of treatment performance, it would certainly have a definite impact on the backend performance of the effluent quality. He said they would have to do further modeling, but it would certainly be an improvement in the quality of water produced.

Commissioner Walker asked to go over the chart again. Mr. Eick explained the colored lines on the chart. Commissioner Walker said he understood the capacity was 750,000 gallons per day, and it had been said that the cap was 550,000. He said he believed they could go up to 80% of the cap, which would be 600,000. He asked had that been reduced because of the impaired nature of Roberson Creek. Mr. Eick said that was a very good question. He explained that the 600,000, or 80%, would mean they would need to begin developing plans for expansion, and to go to 90% they would need to have plans and specifications in place. Mr. Eick reminded the Board that the figures were based on the annual average, and they may never get to that because they were suggesting that their maximum annual average was about 550,000.

Commissioner Walker said then they were talking about the new processes being able to allow the plant to efficiently process 550,000 gallons per day. Mr. Eick said definitely, and if the discharge permit constraint was removed they could treat 750,000 gallons per day.

Mayor Voller said then if the permit constraint was removed, they would be able to handle 750,000 gallons per day and that could become the average monthly flow, and they would then be able to handle the peaks. Mr. Eick said that was correct, noting it was a significant amount.

Manager Terry stated he wanted to make a clarification, and referred to the red dashed line on the bar chart. He said that line represented the 550,000 gallons per day, long-term average. Mr. Eick said that was correct. Manager Terry said while they were not at 550,000 gallons yet, there were outstanding permits for houses to be built in Powell Place, Chatham Forest, Potterstone Village and other places which would likely put them at that level in the next two years. He said the repairs being proposed would allow them to reach that 550,000 gallons per day, but what he was saying was that the Town had already issued permits that would take them to 550,000. Manager Terry asked was he correct in his assessment that what they were saying was that if they did the repairs, it would just satisfy the permits already awarded. Mr. Eick said pretty much, yes.

Mark Ashness said he wanted to clarify that paper flow had nothing to do with the average daily flow, noting the two were completely different. He said the reality was that your paper flow could go up to the limit the State would allow, but your average flow was what you were really flowing. So, he said, there was much more capacity than just that paper flow. Mr. Ashness said you could not add paper flow to the average daily flow because the two were totally different in the way they were calculated, and that created a much higher level of conservatism. He said he was hearing Mr. Eick and Mr. Brinkley saying there was capacity at the plant based on average daily flow, and with a permit modification it could be substantially higher. He said even without that, there was capacity because the paper flow would not convert gallon for gallon into average daily flow.

Manager Terry stated that that had already been adjusted in the analysis. He said the 550,000 had already been adjusted downward for conversion of paper flow. Mr. Ashness said then the paper flow was equal to two-thirds of the total volume that came to the plant now.

Mr. Johnston said that had already been discounted from DWQ's figures, so the figure presented was a very close approximation.

Mayor Voller said he believed the option of inaction was not an option. Mr. Eick agreed. Mayor Voller said it would be wise to make the report available for review to the Board and the public, and thanked Mr. Eick and Mr. Brinkley for their presentation.

3. Manager's Recommended Budget for Fiscal Year 2008-2009.

Manager Terry called attention to the budget ordinance that was before the Board for consideration. He said on page 7, section 8, he had increased the numbers to put it more in line with State contracting regulations. He said he had also changed the language in C, D, and E to reflect the various limits the State imposed in regard to formal and informal bids.

Motion made by Commissioner Walker seconded by Commissioner Harrington to approve the Recommended Budget for Fiscal Year 2008-2009 as presented.

Commissioner Brooks said he believed the Board did an excellent job of spending the citizen's money wisely but unfortunately others did not, noting that they were looking at a 9% tax increase in County taxes. Commissioner Brooks stated that he had been informed recently that Progress Energy was raising its rates by more than 16% and that the national average for gasoline was steadily rising, now at \$4.02 a gallon. He said the price of food was also rising, noting that it now costs \$100 to buy what you could have bought a year ago for \$75.

Commissioner Brooks said there were citizens in the Town that were having a difficult time financially, noting that many of the homes in Pittsboro were modest in size. He related the situation faced by one 90-year-old retired farmer who had recently filled his propane tank at a cost of \$3,000, which to that person was astronomical. Commissioner Brooks said there was a couple in his neighborhood that both worked, and he had been told that their out-of-pocket pharmaceutical bills for both of them ran \$800 a month. He said many people did not have health insurance, and it seemed that everywhere you looked there were cost increases, noting that the Town was also raising its water rates.

Commissioner Brooks said he would like to see the tax rate reduced a penny or two to send a message to the citizens of the community that the Board was aware of what they were facing. He said using himself as an example; it now took more than a month of his State retirement check to pay his Town and County property taxes each year. Commissioner Brooks stated that his recent 5-day hospital stay had cost him \$4,000 a day, but he was fortunate enough to have insurance that would pay most of that. He said his point was it was getting harder for the average person, and he believed they should reduce the tax rate. Commissioner Brooks suggested that rather than hiring an engineer that they look at hiring Mr. Poteat an assistant.

Mayor Voller said he believed that Commissioner Brooks had wisely pointed out the major issues that citizens were experiencing, noting that for many their homes were their single biggest investment and they were under attack by taxes and foreclosures. He suggested the possibility of rather than lowering the tax, that they use a penny or so on the tax rate to create a fund to help people who were having difficulties in keeping their homes in good repair and to increase energy

efficiency. Mayor Voller said transportation was another issue, noting that they had worked with the County to get transportation to UNC which was one of their largest employers.

Commissioner Brooks said those were good suggestions, but there were many factors that would have to be considered. He said it was important to keep in mind that the County was going through a revaluation and next year there would likely be a property tax increase based on that revaluation.

Commissioner Walker stated that a penny on the tax rate equaled about \$31,000. He asked if the Board would consider dropping the tax rate by one penny and taking \$31,000 from Fund Balance to cover that reduction.

Commissioner Brooks said that would not be a lot, but it would send a message to citizens that the Board was concerned about the issues they were facing.

Commissioner Baldwin asked Manager Terry if that was a feasible suggestion. Manager Terry responded they did have a healthy Fund Balance, and it was healthy enough to do what Commissioner Walker had suggested.

Mayor Voller said he was not opposed to that, but believed they could help citizens lower their bills permanently by setting up a fund as he had proposed.

Commissioner Brooks said he was not opposed to that, but believed Commissioner Walker's suggestion was something they could do immediately. He agreed they could begin to design programs to help citizens as Mayor Voller had suggested.

Commissioner Harrington stated that Commissioner Brooks was very convincing, but he was hesitating because that \$31,000 was enough to reconfigure the pipes at the two water tanks. He said the other side was that if they took that \$31,000 and divided it per household, it would in many regards be only a symbolic gesture. Commissioner Harrington said they had many needs, especially with the uncertainty with the water. He said he had reservations, and at this point was inclined not to vote in favor of reducing the tax rate.

Mayor Voller stated there was a motion on the floor to adopt the budget, and Commissioner Walker had accepted the amendment offered by Commissioner Brooks to reduce the tax rate by one penny and take \$31,000 from Fund Balance to make up the difference. Commissioner Walker stated that was correct.

Commissioner Harrington asked in regards to an assistant for Mr. Poteat was that in the budget. Manager Terry stated there was a budgeted vacant position, so one did not need to be created. He said the Town could accept the recommendation made by Mr. Eick and Mr. Brinkley to provide that assistant.

Commissioner Brooks noted that since Commissioner Harrington did not accept the amendment, that another motion would be needed.

Motion made by Commissioner Walker seconded by Commissioner Bryan to amend the motion to decrease the tax rate one penny and take \$31,000 from Fund Balance to make up the difference.

Vote Aye-4 Nay-1 (Harrington)

Motion made by Commissioner Walker seconded by Commissioner Baldwin to approve the budget as amended.

Vote Aye-5 Nay-0

FY 2008-2009 BUDGET ORDINANCE IS RECORDED IN THE BOOK OF ORDINANCES NUMBER ONE, PAGES

NEW BUSINESS

1. Moore's Grove, LLC and Ricky Spoon Builders' proposal to fund improvements to the Pittsboro Wastewater Treatment Plant.

Patrick Bradshaw, 128 Hillsboro Street, an attorney representing Moore's Grove, LLC which was the Steele family, and Ricky Spoon Builders, stated this proposal involved Mr. Steele and Mr. Spoon's projects. He said the first project was called Westmore, which was on the Steele property, and the second was Mr. Spoon's project called Belmont Station. He said both had had Master Plan approval and were not subject to the development moratorium.

Mr. Bradshaw stated that tonight the Board had received a report from Stearns and Wheler regarding repairs and improvements that might be made to the existing wastewater infrastructure that might have the result of increasing the available capacity for sewer treatment. He said they were asking that the Board authorize the Manager to negotiate with Mr. Spoon and Mr. Steele that if those improvements resulted in additional capacity becoming available that a contract be worked out such that Mr. Spoon and Mr. Steele would prepay development fees for their projects to help the Town to finance the improvements and therefore allowing Mr. Steele and Mr. Spoon to proceed with the projects for which they already had approval.

Mr. Bradshaw said all they were asking was that the Board authorize the Manager to negotiate with these two property owners that if there was additional capacity available, that they might work out terms to prepay their development fees to help the Town finance those improvements in exchange for allocations of sewer capacity.

Mayor Voller said of course the final approval of such a contract would be up to the Board. Mr. Bradshaw responded absolutely.

Commissioner Brooks said he believed he had heard on several occasions Mr. Steele and Mr. Spoon offer to pay for the improvements at the wastewater treatment plant. He said what was now being proposed was somewhat different. Mr. Bradshaw said it was the same thing, in that they were offering to pay to the Town the development fees or any other appropriate fees that would otherwise have been paid much later in the future, so that the Town would have the funds available now to make the improvements to the plant.

Commissioner Brooks asked what if it was not enough. Mr. Bradshaw said it would have to be worked out, noting he did not know what “enough” meant. Commissioner Brooks said he didn’t, either.

Ricky Spoon said the differences could be worked out, and what he wanted was for the wastewater treatment plant to work at capacity and possibly to increase that capacity.

Commissioner Baldwin said what Mr. Spoon was now saying was that he would make prepayments based on what they would pay in future. She said when the offer had previously been made to fund improvements at the plant; nothing was said about that being a prepayment of fees that would eventually be paid in any case. Patrick Steele stated they wanted to help the Town in any way possible with the sewer plant, and he had offered to pay his fees in advance to provide the funds to do that.

Mr. Bradshaw said the Town had a problem in that the improvements needed to be made but they did not have the funds to do so.

Commissioner Baldwin said she was simply clarifying what Mr. Spoon and Mr. Steele had previously offered the Town as opposed to what was now being offered. Mr. Bradshaw said again, they were proposing to prepay development fees well before they would otherwise have to pay them, and if they did not do that then he did not know what funds the Town would use to do the improvements so that they could then collect those fees from Mr. Steele and Mr. Spoon.

Mayor Voller said then what they were asking for was to give local business men and landowners the opportunity to negotiate with the Town. Mr. Bradshaw responded yes.

Commissioner Harrington asked was that suggestion now being opened up for others. Mr. Bradshaw said his proposal was to allow these two property owners, who he believed were uniquely situated since they had developments with Master Plans already approved and not subject to the moratorium, to negotiate with the Town.

Commissioner Baldwin said the Board understood what was now being proposed, but that was not what had been said in previous meetings.

Manager Terry stated if they used the new access fees and capital recovery fees, the access fees alone for 100,000 gallons of capacity would be \$1.5 million. Mr. Spoon said he believed what was being asked of the Town was an appropriate and fair proposal.

Motion made by Commissioner Baldwin seconded by Commissioner Bryan to refer this issue to the Manager for appropriate action.

Vote Aye-5 Nay-0

2. Revision of the Board of Commissioners Schedule.

Manager Terry said because he would be absent at the next regularly scheduled meeting, and since they were successful in adopting the budget tonight, he was suggesting that the June 23 meeting be cancelled. He said that meeting would have been a public hearing and all of the items could be delayed without much difficulty.

Motion made by Commissioner Brooks seconded by Commissioner Walker to cancel the Board's regularly scheduled June 23, 2008 meeting.

Vote Aye-5 Nay-0

3. Dr. Lane Commercial Site Plan on .513 acre tract east of Dollar General.

Planner Monroe stated this project was part of a cleared piece of property for which NCDOT had already approved the driveway permit. He said the Planning Board had recommended approval of the site plan contingent upon an approved landscaping and lighting plan. Planner Monroe stated that the driveway would serve as a joint driveway along with another building to be proposed in the general location due to its existing 72" storm culvert.

Commissioner Brooks asked if this property would be used for commercial, institutional, or office. Planner Monroe stated it was zoned C-2. He stated the culvert created an intermittent stream condition on the west side of the property, and there was a 30-foot buffer that would be required when the site plan for the western piece of the property was submitted to the Town.

Commissioner Walker stated as a technicality, Mr. Eliason had not signed the site plan in the top, left-hand corner. Planner Monroe said he would have that corrected.

Mayor Voller asked was there any question about the use of roll-out trash bins as opposed to a dumpster. Planner Monroe stated the proposal was to use the roll-out bins.

Mayor Voller asked that a bike rack be considered.

Motion made by Commissioner Walker seconded by Commissioner Brooks to approve as recommended by the Planning Board, and that Mr. Eliason sign the site plan.

Vote Aye-5 Nay-0

4. Griffin Funeral Home Commercial Site Plan.

Planner Monroe stated that this was an effort to keep the funeral home in Town. He said currently there was a stormwater inlet in the front of the building and a stormwater pipe running under the building and into a shallow swale. Planner Monroe said Hydrostructures was retained to examine solving that problem so that the building could be expanded, but the solutions were unacceptable. He said the proposal now was to construct a new building on the west side of the property that was currently being used for overflow parking, and, if approved, the old building would be demolished. Planner Monroe stated that the Planning Board recommended approval of the site plan with a Type B buffer to be installed and accepting the rather massive growth of Bamboo as the buffer for the other portion of the property. He said there was a light fixture

located on the east side of the parking lot, and the Planning Board had recommended that the fixture should comply with the Town's lighting ordinance.

Motion made by Commissioner Brooks seconded by Commissioner Walker to approve as recommended by the Planning Board.

Commissioner Brooks stated that this was one of the older businesses in the Town, and he was pleased the family had chosen to stay in Pittsboro.

Vote Aye-5 Nay-0

Break

Motion made by Commissioner Walker seconded by Commissioner Baldwin to recess the meeting to take a five minute break.

Vote Aye-5 Nay-0

Reconvene

Motion made by Commissioner Brooks seconded by Commissioner Baldwin to reconvene the meeting.

Vote Aye-5 Nay-0

5. Report on the Possible Impacts on Municipal Revenues of House Bill 1499 "Circuit Breaker" (Tina Stone, Tax Administrator, Chatham County)

Tina Stone, Chatham County Tax Administrator, provided the Board with information regarding the current Homestead exemption in place, and then explained the possible impacts of the so-called "Circuit Breaker" bill. She said the Circuit Breaker would be paid on the percentage of your income, and was not an exemption but was a deferment. Ms. Stone said the taxpayer would have the option to select either the Homestead exemption or the Circuit Breaker, but in order to select they would have to qualify for both.

Ms. Stone said the Circuit Breaker was complicated but the qualifications were still the same. She said the one difference was that you had to have lived on the property and it had to be your permanent residence for five years. Ms. Stone said one scary thing about it was that the income limit was 100% of the current Homestead exemption. She explained the current income exemption was \$25,000, and if it were in effect now people could qualify for the Circuit Breaker with an income of \$37,500, which would allow a lot more people to qualify.

Ms. Stone said the expected impact to Chatham County was that there were 3,458 more households that could qualify for the 2008 change, and that did not include the Circuit Breaker change, so that would be a potential increase.

Mayor Voller asked how many of those 3,458 households were in Pittsboro proper. Ms. Stone said right now, the income was \$20,500 before the change, and they were not showing any

properties in Pittsboro that had an exemption. She said that could be because citizens were not aware of it or the income limit was so low that they did not qualify.

Commissioner Brooks said usually if there were two people in a household, their combined incomes would preclude them from receiving the exemption.

Commissioner Walker asked how the qualifications for exemption were verified. Ms. Stone said they used tax returns, social security statements, bank statements, or any other kind of information that could be used to verify the exemption.

Ms. Stone stated that with the exemption, the homeowner would never have to pay the funds back. But on the deferment, she said, if they were ever disqualified they would have to pay 3 years back plus interest. She said the taxes that were deferred were based on their income, so if their income was \$25,000 or less, the tax that they would pay would be 4% of income. Ms. Stone said if their income was over \$25,000, then it would be 5% of their income.

Commissioner Walker said if the individual or individuals passed away, would that burden then fall on the estate. Ms. Stone said yes, but only if the property did not transfer to a spouse or a joint owner. She said if the property did not transfer to a spouse or a joint owner, then the taxes may never become due.

Commissioner Brooks said he understood that under the Homestead exemption, it covered only the house value and one acre or lot. Ms. Stone said that was correct, that you could get 50% of that value or \$25,000, whichever was greater.

Commissioner Brooks said if a couple owned another lot and it was sold during the year that would drive their income up and make them ineligible for that year. But, he said, they would revert back to eligibility the next year. He asked how that would work. Ms. Stone said they were required to audit one fourth of the eligible homeowners each year, and if that couple were not audited in that year and did not report the income to them, then they would remain eligible because the County would not know about the income. Ms. Stone said with the Circuit Breaker that was an annual application, so such a couple would be reviewed annually.

Commissioner Brooks said with the Circuit Breaker, if a couple's income was \$25,000 this year but received funds from another source, would that make them ineligible. Ms. Stone said yes, but they could reapply the next year.

Ms. Stone said they were required to notify the taxpayers every September of the amount of deferred taxes and interest, and since they did the collections for Pittsboro it should make it an easier transition for everyone. She said they were working now on a process to notify taxpayers, either by putting it on the tax bill, sending out statements or some other method. Ms. Stone said if a property was in Pittsboro and paid \$1,500 in taxes, the County would get 64% of that and Pittsboro would get the remainder.

Ms. Stone noted that a property could switch each year between the Homestead exemption and the Circuit Breaker, depending on which method was most advantageous for them. She said they

could come into the office and ask that it be recalculated each year, and at that time could choose to switch to the other method.

Ms. Stone said there were three disqualifying events: death, transfer of the property, or that the property was no longer their permanent residence. She said in the event of death, taxes would be due six months after the event, but for other events the taxes would be due nine months from the disqualifying event.

Commissioner Baldwin said the three previous years of deferred taxes were actually a lien on the property that the County would enforce. She asked when that would be enforced. Ms. Stone said when they become due, which could be several years.

Commissioner Walker said liens generally showed up on credit reports. He said he would assume that this was a non-credit report lien. Ms. Stone replied it would not show because it would not be due.

Ms. Stone said the impact would be hard to determine, because it was not based on property value and the amount of deferred taxes could not be calculated until the tax rate was set. She said if a property owner came into the office in January and wanted to calculate their possible savings, it would be difficult because the tax rate would not be set until June. Ms. Stone said June 1 was the deadline for application, and once the tax rate was set then her office would have to try to process those applications in a very short period of time. She said her office would not be financial advisers, but would only do the calculations and inform property owners of what they were eligible for.

Ms. Stone said it was possible for someone to come in and make a prepayment, but it was not clear how that prepayment would be handled. She said one question was if they held the prepayments for ten years and then the property owner was disqualified, what would happen to those prepayments since they could only go back three years. She said those and other questions would need to be answered.

Commissioner Brooks asked when people could apply. Ms. Stone responded from January to June 1st each year.

Mayor Voller asked if Ms. Stone had an idea of when she could provide the Town with an estimate of deferments or exemptions based on population. Ms. Stone said she could not say, but there was a potential for 3,000 households County-wide that could qualify. She said it was important to keep in mind that the income level in 2008 would increase from \$25,000 to \$37,500, but did not know what the income level would be in 2009. Ms. Stone said once they knew what the Homestead exemption exclusion would be for 2009, they would be able to get better numbers.

Commissioner Walker said that solid waste pickup was a separate item on the tax bill, and not listed as a tax. Ms. Stone said that was correct. Commissioner Walker said if that was on as a tax, they would be losing some of that revenue, thus they would potentially have to offset that loss of revenue for solid waste pickup. Ms. Stone said that was correct, but it was separated on

the tax bill. She stated it was too early for numbers now, noting they were just beginning to work in the Pittsboro area. Ms. Stone said she hoped they would have more information in late July or early August.

Commissioner Brooks thanked the Tax Office for its work, noting it had been a real boon for them to take over collections. He said they had done a fantastic job this year, and the Board was very appreciative of the job they had done. Commissioner Walker added his thanks as well.

Mayor Voller noted that 98% of the Town's taxes had been collected, which was very good. Ms. Stone noted that the County Board of Commissioners had recently adopted a resolution asking for a delay in passing the Circuit Breaker because of all the issues that had not yet been addressed as far as administering it.

Mayor Voller added his thanks to the Tax Office for their efforts and hard work.

6. Presentation on Water Recycling Strategies (Hal House, President, Integrated Water Strategies)

Tom Glendinning stated he had asked Dr. Hal House to make the presentation this evening, and provided a brief description of Dr. House's education and qualifications.

Hal House explained the recycling system that cleaned water, noting that the way it worked was that the sun grew the plants, the plants leaked a little sugar and air from its roots and congregated, making a rich microbial environment, polluted water was then put in contact with the roots, and the microbes transformed the pollutants and cleansed the water.

Mr. House said that was called an activated process, because the plant was activating the microbes. He said that was a natural system to cleanse water, and the idea was to use something that was low energy and had no chemicals to run the system. Mr. House said when you had a biological plant based system; you could use a park or a greenway as your wastewater treatment system. He said it was low maintenance, and the system had been used for a number of years. Mr. House then described how this method and others were used, including capturing rainwater from roof systems and integrating that water with the cleansed wastewater. He said such integrated systems were used by schools and other places, noting he believed there were opportunities to use such a system in Pittsboro.

Mr. House said that the State was currently writing rules that would permit the use of reuse water to irrigate food crops.

Commissioner Walker asked Mr. House if he was the one who had brought this Board information five years ago about a reuse program to be used at the community college, but the State would not allow it because they did not want to use reuse water for agricultural uses. Mr. House said that was correct, noting that now the State was changing the rules. He said if the Town was interested they could begin with a small system.

Mr. House said he believed the Board had heard about the so-called emerging contaminants, noting that anything used in society was in our water in some concentration. He said the question was what did that do to our health and to the environment. Mr. House said after some research, they had found that the system actually removed those emerging contaminants better than a wastewater treatment plant. He said they were very pleased with that, and were pleased to be ahead of the curve on that particular issue.

Commissioner Walker said he had read that a study was done on Puget Sound in Washington State, and it had been found that everything humans ingested was found in the water, particularly drugs. He asked if that type of system would remove those contaminants. Mr. House said yes, according to their research. He said that many small towns were using small wetlands to cleanse water along with the use of mechanical systems, and the water was then integrated.

Mr. House said about six years ago Chatham Central was out of compliance and the County was being fined \$120,000 a year. He said several engineering firms had looked at the issues to see how to fix it, and they had gone to the State and said they could fix it by adding plants to it. Mr. House said the State had been very surprised at the idea, since the State had been removing plants from the system for 50 years and were now being faced with a proposal to put them back. He said they had moved forward with their plans, and as the Board was aware the system worked quite well.

Mr. House said as far as agricultural uses, the farms in this area could not grow any more crops because of the thin soil, but it was suitable for chickens and cows. He said if the reuse water was allowed to be used for crops, then farms could produce more crops because the water would contain nitrogen and phosphorus which would act as a fertilizer. Mr. House said such a system could potentially increase the food supply nationwide.

Mr. House said he had talked with Chatham County about this system, noting that in Chatham County there was 15 million gallons a day of wastewater treatment capability. He said if all that cleaned water was taken and put in a pipe and supplied to farmers or industry, then you would have tremendous potential to use your current wastewater treatment capacity for other uses.

Mayor Voller asked how large a wetland you could possibly build, once you got beyond a small building. Mr. House said a wetland serving an entire city such as Pittsboro would be a matter of acres of land. He said the main cost would be in buying the land, and if you already had the land, then the greatest cost would be grading. Mr. House said basically what you would do was grade the space and put in the plants, and taking the water from the wastewater treatment plant and running the water through the wetlands or some other biological system which would cleanse it, and then it would be ready for reuse.

Mr. House said if the Town was interested in looking at this further, he would take the numbers for the Town's wastewater treatment plant and look at land that might be available, and put those two together and give the Board some estimate of what it would look like, what it would cost, how it would perform, how it might serve as a community amenity such as park space, and put them in contact with others that were using the system.

Commissioner Brooks stated that Karen Hall was part of a consortium made up of different organizations and agencies that had proposed to restructure the stream through Pittsboro's old water source. He asked if Mr. House would work with them to do something like that system there. Mr. House said he had spoken to Ms. Hall before the meeting, and she was enthusiastic about the potential for a collaborative process. He said he would certainly want to sit down with her and find out how they might work together.

Mr. House said that type of technology was used for stormwater, wastewater, and other types of water, noting that the process was the same regardless of the type of water. He said there was tremendous potential to have low cost and a beautiful and effective system.

Commissioner Harrington asked what the typical discharge per day was per acre. Mr. House said typically you would have to size your wetlands to manage phosphorus, noting phosphorus could be stored in wetlands during the winter and then let out in the spring and summer when plants were growing. Commissioner Harrington said he was picturing more of a spray field type thing, but what Mr. House was talking about was more a collection type basin with plants in it. He said he was thinking if there was some limiting amount you could spray that may depend on what the ground could take, but Mr. House was actually talking about a basin. Mr. House said they put together the two systems, the basin strategy and the land-based strategy, and a typical system would be where they applied partially cleansed water to land at a high rate and allowed it to percolate through the soil and then go into a basin. He said one reason that worked so well was because it followed a natural model. Mr. House said when it rained, the rainwater hit the land, it would move off the land into the marshes and then into open water, and that sequence had been in place for millions of years. He said they were simply copying that sequence.

Commissioner Harrington asked if Mr. House had one of those systems at this office. Mr. House said that was correct. Commissioner Harrington said then they could visit that location and see how the system worked. Mr. House said they were always welcomed to do so.

7. Request for Authorization to Purchase Electronic Surveillance Equipment (Item #3 removed from Consent Agenda)

Mayor Voller indicated that Commissioner Brooks had requested that this item be removed from the Consent Agenda for discussion.

Commissioner Brooks stated that he had never voted against anything the Police Department wanted in the last 20 years. But, he said, he believed they had made a real effort to modernize the Police Department, and did not yet know the end result of that investment. Commissioner Brooks said there were other agencies that could provide surveillance, and he would like to use that \$12,000 elsewhere.

Manager Terry stated that Chief Collins had brought this to him as a proposal to enhance the drug interdiction prevention operations in the Town, and they had experienced some recent success in that area with the retrieval of one of the largest drug caches in the Town's history. He said he would make the case that when they sent their detectives or officers out that they have the appropriate equipment to do their jobs, noting this equipment was in their best interests.

Manager Terry said he had believed it was a valid request and that was why he had brought it forward for the Board's consideration.

Commissioner Bryan asked how much equipment would the \$12,000 buy, asking was it enough for one person or multiple persons. Manager Terry said he could not answer that, because he had not actually seen the equipment.

Mayor Voller asked where they stood as far as cameras in vehicles, asking how many now had them. He said he believed that was a bigger item that the Board was interested in providing.

Commissioner Walker said he believed only one or two vehicles had the cameras. Manager Terry said he did not know, but it was minimal.

Commissioner Harrington said he had recently done a ride-along and it had been pointed out to him where the "hot spots" were such as suspected drug houses. He said there was certainly a need to address some of those places, and when he had first read the proposal he had thought that perhaps the equipment would be complimenting some of the things like cameras in cars. Commissioner Harrington said he certainly saw a need for that, when they had individual officers pulling people over at night. He said if the funds were to be used only for listening equipment that did seem a little high.

Manager Terry said there was no urgency for the Board to make a decision this evening, noting that if the funds were not used they would revert to Fund Balance. He said the Board could revisit this again, and could amend the budget if necessary. Manager Terry suggested having the Police Chief come and make a presentation.

Commissioner Baldwin said that was exactly what she was going to suggest, stating that the drug issue in Pittsboro was large and getting larger. She said she believed they needed to address it before it became overwhelming. Commissioner Baldwin said she believed the Police Department was on the right track, and agreed that it did take undercover work to address the issues. She said anything the Board could give them to assist in getting the drugs out of the Town was very important to her. Manager Terry agreed to have the Chief report to the Board, noting the Department was working hard to do what needed to be done, and they needed the tools to do that.

Mayor Voller said he would also like a status report on the vehicles that actually had cameras. He said such equipment was good protection for the officers and for the Town. Manager Terry said it was his understanding the Board wanted a broader discussion of Police equipment in general. Mayor Voller said that was correct.

Mayor Updates

Mayor Voller indicated he had no updates to provide at this time.

Commissioner Concerns

No concerns were offered at this time.

CLOSED SESSION

Motion made by Commissioner Bryan seconded by Commissioner Walker to Motion to go into closed session pursuant to GS 143-318.11(a) (3) to receive information or discussions with an attorney under the attorney-client privilege.

Vote Aye-5 Nay-0

ADJOURN

Motion made by Commissioner Brooks seconded by Commissioner Bryan to adjourn the meeting at 11:13 p.m.

Vote Aye-5 Nay-0

Randolph Voller, Mayor

ATTEST:

Alice F. Lloyd, CMC, Town Clerk