

MINUTES  
TOWN OF PITTSBORO  
BOARD OF COMMISSIONERS  
REGULAR MEETING  
MONDAY, OCTOBER 13, 2008  
7:00 PM

Mayor Pro tem Gene Brooks called the meeting to order at 7:03 p.m. Commissioner Baldwin gave the invocation.

**ATTENDANCE**

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

Member Absent: Mayor Randy Voller, absence excused.

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

**APPROVAL OF AGENDA**

Motion made by Commissioner Harrington seconded by Commissioner Walker to approve the agenda as amended to add as Item #1 under Old Business an Update on Springdale Drive.

Vote   Aye-5   Nay-0

**CONSENT AGENDA**

The Consent Agenda contains the following item:

1. Approve minutes of the September 8, 2008 regular meeting.
2. Approve minutes of the September 22, 2008 regular meeting.
3. Amendment to Section 7.1G of the Subdivision Regulations to increase sidewalk width from 4 feet to 5 feet. Schedule a public hearing on October 27, 2008.

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

Vote   Aye-5   Nay-0

## **NEW BUSINESS**

### **Citizens Matters**

L. A. Voller stated that a veteran's event had been held over the weekend in Greensboro honoring military men and women who had fallen while serving the United States. He said they should let troops and local veterans know that they supported them and honored their service to our country. Mr. Voller asked that the Town of Pittsboro send a resolution to the Blue Star group honoring the service of Pittsboro and Chatham County's active troops and veterans.

Mr. Voller stated that after 37 years of service, he had retired as a Major in the U.S. Air Force, so this issue was one he had much experience with. He stated his hope was that they could bring together more of their veterans in Pittsboro and Chatham County by recognizing their sacrifices and work, and perhaps hold a real celebration on the next Veteran's Day in about four weeks.

Commissioner Walker thanked Mr. Voller for his past service to the country.

Commissioner Brooks asked Mr. Voller if he had a resolution that the Board could consider. Mr. Voller said not at this time, but he would provide one.

## **OLD BUSINESS**

### **1. Update on Springdale Drive**

Manager Terry said that he had been in contact with Leslie Landis at Voller Realty several times over the last few weeks, and they had agreed on a meeting date of this Thursday to review the contract and the markups proposed to that contract. He stated he would report the results of that meeting to the Board for its consideration.

Commissioner Harrington asked would that be ready for the next meeting. Manager Terry responded yes, noting Ms. Landis had indicated she may have a draft ready very soon for him to review.

Commissioner Bryan said that there had been mention of a bond for Springdale at the last meeting, and it was his understanding that there was no bond on Springdale, that the bond was on Bellemont. Manager Terry stated that was correct. Commissioner Bryan said speaking for himself he had been elected to serve the interests of the citizens of Pittsboro, not just Mr. Voller.

Commissioner Baldwin thanked Commissioner Bryan for his statement, noting she agreed. She said she also represented the interests of the citizens of Pittsboro and not any particular special interest.

### **2. Manager's Update on Capital Projects**

Manager Terry provided the following update on Capital Projects:

- The 4 million gallon per day wastewater treatment project – Hobbs and Upchurch continued to work on the revisions to the EIS discussed at the last meeting; that the agreed upon deadline was this Friday, October 17; and, he was cautiously optimistic that they would meet that deadline. Manager Terry stated they had held a meeting with the development community that was interested in bringing this project to fruition, to give them one last opportunity to put any issues or suggestions on the table for consideration that might improve the project. He said he had opted not to take some of the suggestions for various reasons, but he had asked Hobbs and Upchurch to respond to several questions that he believed could be answered in a reasonable amount of time.

Commissioner Harrington asked what type of questions Hobbs and Upchurch would be researching. Manager Terry stated one question was to the Corp of Engineers regarding whether or not they would entertain a route for the effluent line that passed across federal or Corp property. He stated that question had been asked over a year ago, and the Corp's response was they would be willing to consider it only as a last resort when every other discharge point had been eliminated for whatever reason. Manager Terry stated when Hobbs and Upchurch had asked the question again, they had received the same response. He stated another question was the possibility of what had been described as a bubble permit, which generally meant combining the permit capacity from two discharge points into one so that one could have a higher discharge limit and the other a lower discharge limit. Manager Terry stated if that merited the Town pursuing that, he would be willing to entertain a delay to incorporate that into the EIS.

Commissioner Harrington asked if they expected information on the bubble permit very soon. Manager Terry responded yes, noting if the information was not available by the deadline he expected the EIS would be submitted without it.

Commissioner Harrington asked was there any sense that they might get that information by the deadline. Manager Terry stated it was possible, but he had not been able to reach their contact at Hobbs and Upchurch today.

Philip Culpepper stated he had contacted the Corp of Engineers, and while there was a possibility of going to the lake, the Corp of Engineers had a very high standard that would have to be met before that could happen. But, he said, the Corp had not said it could not happen. Mr. Culpepper stated regarding the bubble permit, it would allow them to make seasonal adjustments to the discharge limits, but the question they were asking regarded the current proposal for the treatment of phosphorous at .2 parts per million. He said they were looking at the Roberson Creek discharge as three-quarters of a million gallons, and what they were asking was that since phosphorous was the key issue there, that if they went in the treatment down to .1 per million, could they then increase the discharge into Roberson Creek. He said that was the specific question to Hobbs and Upchurch which would come under that bubble permit question.

Commissioner Harrington asked was it the opinion of the development community and Mr. Culpepper that if they could do that, that it might give more flexibility in the near term. He stated Mr. Culpepper had raised this issue at the Planning Board meeting, noting that it would require an initial expenditure of \$8 million just to run the pipe down to the Haw River. Commissioner Harrington asked would that allow them to do improvements at the sewer plant in

conjunction with that as a long term solution. Manager Terry said he saw the point being made here was that if they could ever get the State to approve the 750 thousand gallons per day limit at Roberson Creek that there would be other options that would then open up. He stated that question had been asked during the State meetings, and they had been told that it would never happen. But, he said, they were willing to ask it again.

Mr. Culpepper stated at this point they were trying to determine if there was anything there that was worth pursuing, and then look at how much time it would take to pursue it. He said they were trying to determine up front if any of those issues would justify delaying the EIS.

Commissioner Walker stated that at the last meeting, page 8 of the minutes indicated that Mayor Voller had said "...that item 15 said 'Please include that the discharge to Roberson Creek can not be expanded because it is a zero flow stream.'" Manager Terry stated that was part of the answer they had been getting, but there was some new technology that could reduce phosphorus levels and he was willing to sacrifice a week to pursue the question.

Commissioner Walker asked what a zero flow stream was.

Commissioner Harrington said they had been told at one time that they would have to get out of Roberson Creek because that was the flow of the stream. Manager Terry stated he would have to look that up, but intuitively that sounded reasonable.

Manager Terry continued his update:

- Disinfection Byproducts Reduction project – he had attended a meeting this morning that changed slightly the report given to the Board. He said the report said that the State was withholding the authorization to construct pending review of their water system management plan, but he had received an email today where the State indicated that they had completed their review and would be releasing the authorization to construct this week. Manager Terry stated once that was received they would award a contract.

Commissioner Harrington asked what types of information was included in the water system management plan. Manager Terry stated it contained a lot of detail about Town staff and their training, how they treated their water, what the various contingency plans were, and also contained a rather large financial aspect to it where such things as capital projects and maintenance were discussed.

Manager Terry continued his update:

- Powell Place Park – they had executed the contract for the design work, but it would be several weeks before they saw the first deliverables on that. He said the first deliverables would likely be the concept plans that would show the possibilities and the architect would seek guidance on which was the preferred path to pursue. Manager Terry said in the next few weeks he would place that on the agenda so that the conceptual ideas could be discussed and some guidance given by the Board.

### **3. Dr. Bob McConnaughey's Report on Tick Borne Diseases in Chatham County (Presentation by Commissioner Brooks)**

Commissioner Brooks stated that Dr. McConnaughey had a Doctorate in Epidemiology and had produced a report on tick-borne diseases in Chatham County and the country as a whole, and that report was included in the agenda packet. He stated a portion of the report specialized in enhanced surveillance for tick-borne diseases in Chatham County, and it was his opinion that they needed to develop a strategy to approach the State and attempt to obtain some assistance with that issue. Commissioner Brooks said he had learned that many times people were weakened to the point of death by such diseases, but it would not be reported that they died from a tick-borne disease but from some organ failure. He said one tick-borne disease that would be reported was Rocky Mountain spotted fever, but others could be contributing factors in death especially if someone had a weakened immune system or some other health issue. Commissioner Brooks stated they needed to take that information and any other that could be identified and develop a strategy to approach their legislators and try to get them to intervene on the Town's behalf with the Wildlife Commission to study tick-borne diseases in the State.

Commissioner Brooks said that the Chatham County Health Department appeared to be contributing to the report, and Al Cooke at the Agricultural Extension Service had done extensive work in this area and was also very concerned. He said his point was that the Town had allies, and believed they needed to get the legislators in Raleigh to approach the people who had the power to help the Town address the problem. Commissioner Brooks stated he was not opposed to Commissioner Harrington's approach to a very limited and controlled hunting season in Town, but that could not begin until next April.

Commissioner Harrington stated that was not true.

Commissioner Brooks said he would like to begin working on some strategies and approaches to include blood testing of deer in the County. He stated he would like to see at least part of the herds of deer trapped and taken to more isolated areas.

Commissioner Harrington stated he had spoken with Mr. Strayer and they were very supportive of hunting the herds because that was the most efficient way to control the numbers.

Commissioner Brooks reiterated that they needed to develop a strategy to address the problem. He said that it had been noted how aggressive the Lone Star tick was which carried a serious illness, and hoped that they could work in a cooperative manner and try to get some help to solve the problem.

Commissioner Harrington commented that the State would likely want the Town to propose a strategy.

Commissioner Baldwin remarked that as the Board's representative to the Triangle J Council of Governments, she could bring this issue to them and establish a direct link to the legislators. She said the issue could be discussed with other local governments to determine their interest in the issue and to garner additional support.

Kathy Meredith thanked the Board for keeping up with this issue, noting the community was being impacted by tick-borne diseases and they did need to address it.

Commissioner Brooks stated it had concerned him for a very long time, and something needed to be done as quickly as possible. He briefly mentioned the many people he knew that had been affected by such diseases.

Commissioner Walker stated he was aware of one person whom he had attended high school with, and it had taken years for him to be diagnosed with a tick-borne disease and his doctor had eventually been “disbarred” by the State. He stated there were so many levels you had to go through to determine if an illness or death was brought on by a tick-borne disease that it made it difficult to have accurate records.

Commissioner Harrington said that Attorney Messick had sent out a link that gave examples of all the towns in Virginia and their ordinances that were related to deer hunting, and he had passed them on to an acquaintance who was a deer hunter who would review them with other hunters to see if any of those ordinances may be something that might be considered by this Board. He said that the Town could lift the hunting ban through the end of the year if they wanted to do that, and could perhaps use one of those Virginia ordinances to craft one that was appropriate for Pittsboro. Commissioner Harrington stated anything that was done would be very controlled and very restrictive to ensure public safety.

Commissioner Brooks said that hunting season ran through January 1, 2009.

Commissioner Walker asked was the doe or the buck most responsible for tick-borne diseases.

Commissioner Baldwin said when she had talked with the hunter, he had said the best thing to do would be to set the guidelines where you would exterminate only doe so that more births could be prevented.

Commissioner Harrington stated that Commissioner Baldwin was exactly right, noting that most of the Virginia ordinances were directed towards “antlerless” deer only, and the object was to cull the doe.

Commissioner Brooks noted that the Wildlife Commission had a program where they would distribute the meat to needy families.

### **3. Chatham Forest Infrastructure Deficiencies (Commissioner Brooks)**

Commissioner Brooks submitted the following information in the agenda packets:

- Replace several hundred feet of cracked and damaged curb on Bellemont Road, Bellemont Ridge Road and Park View Road where marked by engineer and Town. This must be done prior to applying finish paving.

- Install curb on both ends of Bellemont Ridge Road as shown on Plans.
- On Bellemont Road, excavate and repair two areas marked by engineer where road is settling.
- Area at west end of Bellemont Ridge Road is eroded and needs to be re-graded and seeded. This has occurred because curb was not installed across end of road as noted above.
- Provide additional clearance around the fire hydrant on Park View Road.
- Prepare new plans for Park View Road showing the addition of lots to be served by the six unauthorized sewer services that were installed and for authorizing the sewer line paralleling Park View Road. If the town approves the plans, an application for these lots and sewer services, plus the six (6) existing lots that were not included in the original DWQ permits will have to be prepared and approved by DWQ.
- Additional drainage work or modifications to existing drainage may be required when above mentioned plans are prepared.
- If the unauthorized sewer line paralleling Park View Drive is approved, the line and its associated manholes will have to be tested per the Town's Utility Specifications before approval and acceptance.
- All storm water lines in Phase 9 need to be inspected for silt and debris from construction and flushed clean if needed.
- Miscellaneous repairs to base paving will have to be completed prior to finish paving.
- In Phase 9, finish paving is to be done after all repairs or modifications as noted above are completed.

Commissioner Brooks stated that the information in the agenda packet had come from material provided over the last eleven months, and he had checked with Hydrostructures and they had said all of those things had been promised. He said he had visited the site and the developer had begun work on many of the issues, and the Board had received something tonight regarding what had been completed or was near completion on Bellemont. Commissioner Brooks stated that work was being done and they were all glad to see it, but he continued to believe that the Board needed to make a motion to determine what options they had to try to get developers to complete projects, not just for Chatham Forest but for developments in the future. He asked that the Town Attorney and staff take two weeks to research the information and provide it to the Board at the next meeting so that they could study it and deal with this situation if needed, and use it to deal with other situations that might arise.

Commissioner Walker stated he would like to have a better understanding himself, and would make a motion that the Town Attorney and staff provide a report on the 11 bullet points noted in the materials and any legal options the Board might have to compel developers to complete

projects, and a schedule or timeframe to move forward if developers did not get done what had been specified.

Commissioner Baldwin suggested that the motion be split into two parts, with the first being a general motion for all developments, and then a second one specifically targeted to Chatham Forest. Commissioner Walker agreed that would be more appropriate.

Ms. Lesley Landis submitted the following email earlier today:

Dear Mr. Terry:

I have reviewed the memorandum dated 10/8/08 from Commissioner Brooks. Respectfully, I offer these comments correlating with the numbers in the Mr. Brooks' memo:

1. At great expense Voller Realty & Construction, Ltd. [Voller Realty] has recently replaced approximately 1,000 feet of curb and gutter on the streets in Phase 9 of Chatham Forest. We have fixed some of the driveway approaches as well. The job will be completed this week.

2. Voller Realty also recently repaired sections on Belmont Road (which is listed as a Town street under the Powell Bill) last December and January under the supervision of Geotechnologies, Inc., Pete Domas and the Town Staff.

Two areas of the road which have settled slightly, were remarked by Pete Domas and will be repaired by S.T. Wooten at Voller Realty's expense when the last lift of asphalt is installed.

3. The area where the pavement ends on the west end of Belmont Ridge Rd. was regraded and reseeded. (Curb and gutter is not usually installed horizontally across a road as was mentioned in the memo.)

4. I understood that the clearance around the hydrant had been addressed. (If it has not been adequately dealt with according to standard specifications, please clarify the problem and Voller Realty will revisit it.)

5. Voller Realty's consultants, Samir Bahho, PE, Rich Bullock, PLS have prepared and submitted "as-builts" for the entire Chatham Forest community. Upon request from Hydrostructures, both Mr. Bahho and Mr. Bullock have worked diligently to reconcile waste water paper flow and actual flow in the system. Members of Town Staff have been met with both Mr. Bahho and Mr. Bullock to bring closure to these issues. In fact, a meeting was held just last week to discuss some of these matters.

6. I am unsure about the referenced drainage work. Voller Realty has worked cooperatively with the Chatham Forest HOA to notify property owners about compliance issues with soil and erosion control. Significant improvement has been made in the past 7 months regarding erosion control and the builders have planted and stabilized most of their properties.

7. Testing and certification has been done on all infrastructure under the supervision of a licensed

engineer and appropriate Town staff. If any infrastructure requires more testing, the Town should contact Samir Bahho, P.E. at: 919-621-0628.

8. As I mentioned above at #6, the silt issues caused by builders and/or property owners has been addressed and remediated. Naturally, Voller Realty will cooperate with the wishes of the appropriate Town staff and/or their designated engineers.

9. Voller Realty has always worked with the Town and its representatives since we first began work in 1997 addressing miscellaneous repairs and punch list items.

At the last meeting of the Town Board, a citizen asked about the letter of credit for Phase 9. Please note the following:

The Letter of Credit is #43-345

It has been issued by First Bank in the amount of \$102,271.00.

The Beneficiary is the Town of Pittsboro.

The expiration date is 12/15/08.

If required, it can be readjusted to reflect job status and the date can be extended.

(A copy of the letter of credit is on file with the Town of Pittsboro.)

In closing I understand the concern for the public good to finish the items specified in the current Letter of Credit. As we have done since 1997, it is Voller Realty's intention to finish all required work in a reasonable fashion and substantially in accordance with the plans and specifications. Voller Realty will complete this work under the direction of Pittsboro's engineer and the Town staff.

I respectfully request that the Town apply the same uniform standards objectively to ALL property owners in the Town of Pittsboro, regardless of the owner and how robust the debate becomes.

Voller Realty has worked with the Town in the past to successfully complete the previous 8 phases of the development and I hope the Town of Pittsboro will continue to apply the same standards of fairness and objectivity in the future.

Sincerely,  
Lesley Landis

Voller Realty & Construction

Motion made by Commissioner Walker seconded by Commissioner Baldwin to request that the Town Attorney and staff identify any legal options the Board might have to address situations where developers failed to meet Town standards to the Town's satisfaction and/or timeframes, and the process by which they would perfect a bond and have it in writing.

Vote    Aye-5    Nay-0

Motion made by Commissioner Walker to have the Town Attorney and staff report back in two weeks on the 11 items provided by Commissioner Brooks, and that a status report be provided on how those issues would be handled going forward with timeframes.

Commissioner Brooks stated that Hydrostructures and Town staff should work together on that, noting most of his information had come from Hydrostructures.

Commissioner Walker stated it had also been brought to his attention in regards to the subdivision itself whether or not the Town had received the fees for recreation. Manager Terry said he did not believe so. Commissioner Walker stated that no land had been dedicated and turned over to the Town.

Commissioner Walker amended his motion to include as item 12 dedicated recreation areas or payments-in-lieu. He stated the development had been underway for ten years, and that issue needed to be resolved one way or the other.

Motion seconded by Commissioner Bryan.

Commissioner Harrington said he believed the Recreation Board would like to understand the process of in-lieu fees, and that Planner Monroe would be speaking to that board to explain that process. He said he would like for that same information to be presented to the Town Board so that the Board would have a clear understanding as well. Commissioner Harrington stated sometimes a developer should not be able to dedicate land that they did not want, and perhaps the Recreation Board should be able to determine if land should be accepted or a payment-in-lieu of recreation area be provided. He said as a point of discussion, he would like to understand the process to see how well it was working and in what instances it had not worked well.

Commissioner Walker said in all fairness to Voller Realty and Leslie Landis, some of the items Commissioner Brooks had on his list were in process. He said he had one question, noting that #2 stated that Voller Realty had recently repaired sections of Bellemont Road, and in parenthesis Ms. Landis had put that it was a Town street under the Powell Bill. Commissioner Walker said correct him if he was wrong, but asked why Bellemont Road was on the Powell Bill when the Town had not yet accepted that street. Manager Terry stated he did not believe Ms. Landis was accurate in her description, noting that there was a formalized procedure to accept such streets and that procedure had not yet been performed.

Commissioner Walker said if a developer failed to meet the quality of standards for a street and the Town did not accept the street, what happened then. Attorney Messick stated those standards were spelled out and the final plat would not be approved until all improvements were 100% completed. He said under the Town's ordinance if those improvements were more than 40% complete the Board had the discretion to accept the final plat with some sort of adequate security for the completion of the improvements, such as the bond. He said then if the work was not done to the Town's satisfaction, that they called the bond and performed the work. Commissioner Walker said then the key was the bond. Attorney Messick said he believed the key was requiring

the developer to do the work, and the bond was to cover the cost should the developer for some reason not do the work.

Commissioner Harrington stated he did want to note that in Ms. Landis' letter she had requested that the Town apply the same uniform standards objectively to all property owners in Pittsboro regardless of the owner and how robust the debate became. He said for the record he believed that the Board did do that.

L. A. Voller asked would the Town Board get progress reports on the items that still needed to be completed in other developments within the Town.

Commissioner Harrington responded that they did receive such reports. Mr. Voller asked if they were on file. Commissioner Harrington noted that they were a part of the minutes, and he was welcomed to research those at any time. Manager Terry stated he believed this went back to comments at the last meeting where Commissioner Harrington had made a point about protocol and procedure and whether there was violation of the Board's approved policies and procedures.

Commissioner Brooks suggested that Mr. Voller contact Manager Terry.

Commissioner Brooks called the question on the motion as amended.

Vote Aye-5 Nay-0

## **NEW BUSINESS**

### **1. Manager's Report on Enterprise Fund Revenues**

Manager Terry stated that it was important to recognize what had been happening nationally regarding the economy and financial markets. He said as unhappy as the news was, he was obligated to provide the information. Manager Terry said that he would be bringing forth two possible ordinances that would amend their utility rate structure to recapture some revenue that was not realized in the first quarter. He stated that Option A would capture about 66% of what was not realized, and Option B would capture only about 28%.

Manager Terry said to understand how they had gotten to this point, he called attention to the first graph in Attachment 1 that indicated the tracking conducted for the first three months of the year to follow how the revenues behaved under the new rate structure. He said looking at sewer first, they had not realized what had been budgeted, and that water was closer to being on budget. Manager Terry said the total shortfall for the first quarter was about \$84,000, with about two-thirds or \$61,000 being sewer fees and one-third or \$22,500 being water. He said if the decision was made not to adjust rates and just accept the revenue loss, the prediction was that if the trend lines held that over the next nine months the revenue shortfall would be on the order of \$337,000.

Manager Terry said in the second graph, they had analyzed actual revenues compared to last year, and you could see that the lines generally fell right on top of each other. He said that meant

they were generating about the same revenues as last year, but unfortunately that had not been their goal. Manager Terry said the goal had been to make the water and sewer utilities self-supporting without relying on capital recovery fees and infusions of cash from Fund Balance.

Manager Terry said in looking at volumes of water consumed on graph three, again the lines fell on top of one another, suggesting that customers were consuming about the same amount of water this year as last year, but they had anticipated that there would be some moderate level of growth due to the construction in the Town. He stated that had not been reflected in the numbers.

Commissioner Walker said that said to him that if they had the same amount of usage on the sewer side, did a lot of the problem go back to what was stated on page 2 in regards to the software being unable to accommodate that. Manager Terry said he believed so, noting he had been somewhat surprised that their software would not perform as they had expected. He explained how the software performed, noting that what was happening was higher use users paid the lower rate for their first 2,000 gallons, and then the second tier rate for the next 4,000 gallons, and then paid the highest rate for anything over 6,000 gallons. Manager Terry stated the result was that people using more than 6,000 gallons a month were getting an unintended discount on the first 6,000 gallons of water, and that resulted in a loss of revenue because of the inability of the software to perform.

Manager Terry stated he had challenged the software company about that, and had made the point that he was not a computer expert but believed he could create a spread sheet to do what was needed. He said he had realized that the person he was speaking to was not in a position to help, noting that the software that was purchased had been intended for use for a wide variety of purposes. Manager Terry stated the software did a good job with what it did, but the problem was it was not flexible enough to allow them to go in and tailor-make a rate structure. He said to get that level of flexibility they would have had to purchase a much more expensive software package.

Commissioner Harrington stated in some ways it was not so unreasonable in the sense that if you were to get 2,001 gallons, then that one gallon would become very expensive and that would be extraordinarily unpopular. Manager Terry stated he had pointed out that fact as well, noting that sometimes meters were read on the 29<sup>th</sup> day and sometimes on the 30<sup>th</sup> or 31<sup>st</sup>, and if someone had a bill for 6,002 gallons they would be very unhappy. So in that regard, he said, perhaps they were better off with the software arrangement they now had, although that did not help them to recapture the revenue they were not now collecting.

Commissioner Harrington asked with the proposed options A and B, wasn't that the same concept but just with higher rates. Manager Terry stated they were accepting the fact that the software had a single rate structure, and since they were unable to have the rates calculated the way they had planned it meant that the highest end customers were getting a bargain on the first 6,000 gallons of water. He said they were proposing a way to change that, and the only way was to incrementally increase the rates to capture that revenue that they were failing to capture now. Manager Terry said in his view it was not really raising the rates, it was just collecting the rates that they should have been collecting all along but had been unable to do due to the software.

Commissioner Harrington asked did they need to go back to the way it was done before. He said if they were just increasing the rate and the software could not handle the breakdown in the rates, would they not end up potentially in the same place. Manager Terry said they essentially were doing it the way it had been done before. He said the change made last time was that they had gotten rid of a minimum charge and replaced it with a basic service charge, so that people who used little or no water would not be charged for the minimum 2,000 gallons. Manager Terry stated that had shifted the revenue away from the minimum users up to the larger users.

Commissioner Harrington said he was fine with that, but still questioned if increasing the rate would work and asked could they calculate the charges manually. Manager Terry stated the software would allow them to change the rate schedule. He said the changes would continue to shift the higher rates to the higher users, and it would also push higher increases to the sewer side in the same manner. Manager Terry noted that the reason for the differences in use between water and sewer was because they had many water customers that were not sewer customers.

Commissioner Harrington asked would it be too time consuming to have the Manager provide monthly status reports starting with the first of December of how they had done in the previous month. He said he was somewhat concerned that if they did not address this issue soon, the lost revenue would continue to escalate and they would have even more of a shortfall. Manager Terry stated he was already tracking it monthly, and would be happy to provide a monthly report. He added that it was certainly appropriate to table this issue tonight and delay the rate increase until January 1, as long as it was understood that every month that went by the deficit would grow. Manager Terry stated the good news was they had a healthy Fund Balance, although he would hate to recommend that it be invaded for this purpose.

Commissioner Walker asked would it be possible to bring this back at the next meeting but still make the rate change effective on November 1. Town Clerk Alice Lloyd responded the November billing cycle would not actually be done until December 1 for the month of November, so that was possible.

Motion made by Commissioner Walker seconded by Commissioner Baldwin to table the issue until October 27, 2008 and possibly be prepared to make a decision to make the rate change effective November 1, 2008.

Commissioner Walker stated he did not want to miss another billing cycle because it would put them further behind in revenue collection.

Commissioner Harrington said they had always in the past made up deficiencies through the Capital Reserve Fund. Commissioner Walker stated not always, noting that when you took out depreciation they actually had cash flowing and they made money. He said the problem was when you were not covering depreciation you were basically not putting money back to handle those deficiencies and any problems that came up. Commissioner Walker said in the past seven years there had been occasions when they had not taken the cash flow out.

Commissioner Harrington said he was having trouble understanding how that worked. Commissioner Walker stated he believed that last year they did not take cash flow, that the year before they did and had taken depreciation and in fact had a negative cash flow.

Manager Terry stated that was why they had recommended using Capital Reserve Funds to fund the operation. Commissioner Walker stated that would have been for 2006-2007. Manager Terry stated that was correct.

Commissioner Harrington asked was there anything in the budget that could make this look somewhat better, noting he believed there were some positions budgeted that may not have been filled yet that could be delayed, such as the Lab Operator. Manager Terry stated that position had been filled last week. He said there was a Utility Maintenance position that had not yet been filled. Commissioner Harrington stated he was only looking for savings, but asked was there anything that could be cut at this point. Manager Terry said he could certainly make that a part of the report to come back on October 27.

Commissioner Harrington stated the reason the Board had gone to the lower rate structure was to bring the price down for those citizens who were on fixed incomes or who were at the lower end of the income scale. He stated he would hate to reverse that now. Manager Terry stated if any of the Board members had suggestions to please contact him. He noted that the way the break in the rate structure was now, any break given to the 2,000 gallon user would go to 1,700 customers.

Commissioner Harrington stated he had asked Manager Terry earlier what would happen if they did not raise the rate on the lowest customer using less than 2,000 gallons and raising it only for the top two tiers of users, and the response was that would generate only \$5,900 a month as opposed to the \$28,000 they needed.

Commissioner Walker asked Manager Terry to include in his report for the next meeting a profit/loss statement on the water and sewer revenues. Manager Terry agreed to do so.

Commissioner Brooks said what happened to Pittsboro with the water was that when production at the poultry plant was cut back so drastically from its previous four shifts, that was when they began having problems. He said they had tried to hold down rate increases, and perhaps they had tried too hard. Manager Terry stated the fact of the matter was that people would call this a rate increase, but he had not collected what the Board had authorized him to collect in the last budget cycle. So, he said, this was remedial action to adjust rates so that they actually collected what was authorized in the last budget.

Commissioner Brooks called for the vote.

Vote Aye-5 Nay-0

## **2. Transportation Improvement Program Project Recommendations.**

Paul Horne stated that the only issue of note was that the first item was probably less of a priority now than it was originally by virtue of some other projects that were going on now.

Motion made by Commissioner Walker seconded by Commissioner Baldwin to adopt the resolution approving the Transportation Improvement Program Project Recommendations.

Commissioner Harrington asked were these projects something that the Town had sent to DOT. Mr. Horne said the Town produced a wish list, and those got balanced into every other community in this RPO that had a wish list as well. Commissioner Harrington said there was one item regarding providing a continuous turn lane with curb on Hillsboro street going north, and asked would that take care of the turn lane going into Springdale. He said the document said to provide widening to provide continuous turn lane with curb, gutter, and sidewalk on the west side, so it sounded to him as if there would be a continuous turn lane, curb and gutter all the way up the street with a sidewalk on the west side. He said that would be the turn lane into Springdale. Manager Terry said the east side was the problem on Springdale. He said the improvements on 15-501 to Springdale were a northbound turn lane on the east side, and then an expanded center lane to collect traffic.

Commissioner Harrington asked did they really need the bridge widened over Roberson Creek. Commissioner Brooks said the one he believed they were talking about was the one over the Town lake, which was very narrow and actually shook when a large truck went over it.

Commissioner Brooks called for the vote.

Vote Aye-5 Nay-0

## **Mayor Updates**

No updates were presented at this time as Mayor Voller was not present.

## **FYI Items**

- Kiwanis Park News
- Hydrostructures Monthly Project Status Report follows:  
Chatham Forest Subdivision
  - Samir Bahho has submitted the Engineers Certification for the outstanding DWQ (sewer) permits for the subdivision (#18824 and #22663).
  - Mr. Bahho has submitted new plans, for what he refers to as Phase 9A, for review and comments showing the addition of lots on Park View Road to be served by the six unauthorized sewer services that were installed and for authorizing the sewer line paralleling Park View Road. In the event that the town approves the plans, Mr. Bahho has included "draft" applications for submittal to DWQ for these lots plus the six (6) lots that were not included in the original DWQ permits. The "draft" applications are for five (5) lots at 360 gpd each and six (6) lots at 480 gpd each for a total increase in flow of 4,700 gpd in excess of previously allocated flow for the Chatham Forest subdivision.

- Phase 9,Roads: The two new areas on Bellemont Road that are settling were paint marked by Hydrostructures, P.A. These areas have continued to settle and will have to be excavated and repaired prior to final paving. No work has been done on this repair. The settlement has increased to a point that it may be damaging to vehicles using the road.

Hydrostructures has previously recommended that the damaged curb be replaced where marked. To date there has been no progress to rectify this problem.

- There are several punch list items that remain uncompleted. Hydrostructures' Memorandum of November 20, 2007 lists the items that need to be completed.

#### Powell Place

- Utility installation, curbs, final grading and sidewalks have been installed in Phase 3. All base paving has been completed and final paving has been completed on Rock Springs Church Cemetery Road and Lawton Row. All utility testing is complete and permit closeout documents are being prepared. The new procedure for documenting acceptance of utilities and roadways into the Town system will be used.

#### Powell Place Village Center

- The BB&T building is completed and occupied.
- Plans for Building 2, located on the south side of Powell Place Lane and opposite the entrance road to BB&T, have been reviewed by Hydrostructures and comments submitted to the town. We are waiting for resubmittal of plans for approval and the engineers response to our comments.

#### McDonald's

- Construction is complete and the restaurant has been placed in service. All close out documents have been received and furnished to the Town. Hydrostructures has recommended acceptance in our Memo of September 8, 2008.

#### Pittsboro Medical Office Park

- Preliminary construction plans have been received and reviewed by Hydrostructures and review comments forwarded to the Town. We have distinct concerns with the storm water system design and the number of water lines shown crossing Sanford Road. We are presently waiting for the engineer to respond to our comments and submit revised plans as applicable.

#### Chatham Oaks Subdivision

- Plans have been received and commented on by Hydrostructures. After discussion with Town personnel a recommendation was made that the existing 6" water main on

East Cornwallis Street, which was shown being extended to the eastern boundary of the proposed development, be instead extended further eastward and connected to the existing 8" water main in Windsong Drive. As this extension may be beyond the scope of the project, the Town may want to have this done as a Capital Improvement. Additionally, the construction plans were not consistent with the Preliminary Plat approved with the Special Use Permit, so the engineer has been instructed to incorporate required aspects before resubmitting plans for review. Revised plans have recently been submitted for approval and are being reviewed.

- Chatham County Justice Facility Project Schedule
- NCLM memorandum; RE: Drought Management Legislation
- Williams Company Letter RE: Flooding on Park Drive

Commissioner Harrington said in regards to the flooding on Park Drive, was the Town doing anything on that. Manager Terry stated they had met with a representative of Williams Construction Company last week, and it was their contention that the Town should solve the problem. He stated after studying it with Hydrostructures and John Poteat, their conclusion was that the primary problem with the flooding in the one homeowner's front yard was because the culverts had not been engineered properly under the driveway. Manager Terry stated Williams Construction had taken issue with the fact that there had also been flooding at Oakwood, and he had shown them on the contour map that that was 30 feet below this issue on Park Drive, which would mean that the houses would have to be under water to affect them. So, he said, he was back to the fact that the engineering on the culverts had not been done properly in front of those houses. Manager Terry stated he was not sure they were convinced, but he was convinced as was Jay Johnston, and he had made it clear that they needed to address the size of the culverts and ditch in front of the properties.

Manager Terry stated he had asked Mr. Johnston to provide a cost estimate of what it would take to design the culvert, noting they did need to deal with the issue at the bottom of the hill where the water overtopped Oakwood, and Mr. Johnston had said that for \$7,000 they could do the engineering work and provide a new design. He said right now they had two barrels of 36" culverts and it clearly was not enough to handle the flow there, noting they likely needed a three or four barrel box culvert that was larger than what they had, so it would be a significant project. Manager Terry stated he had not asked for a cost estimate for digging up the road and installing larger culverts, but guesstimated that it would be on the order of \$70,000 to \$80,000. He said at some point he may bring forward a budget amendment to do the design work.

### **Commissioner Concerns**

Commissioner Harrington stated the Board had received a letter from Barber and Falcone about the sidewalks, and they were saying that the Town's sidewalk was routing water into the crawlspace of their building. He said that raised issues of handicap accessibility, noting they should have their porch accessible to the sidewalk and the Town should not have to make the sidewalk accessible to their porch. Manager Terry stated that Mr. Poteat had discussed the situation with them, but he did not know what the outcome of that was.

Commissioner Harrington asked did they have THM numbers for the third quarter. Manager Terry stated those lab results had not yet been received.

Commissioner Harrington asked about the water pressure at Bellemont Ridge. Manager Terry said they had one house that they should probably help the homeowner with at the top of the hill. He stated in conversations with Jay Johnston and John Poteat, they had thought it would be reasonable for the Town to enter into an agreement with that one homeowner that the Town would provide him a one-time reimbursement of some fixed dollar amount, somewhere between \$4,000 and \$6,000, for the homeowner to install a booster pump on his property for which he would be totally responsible for the maintenance or eventual replacement in future years. Manager Terry stated he did not believe it would be a good idea for the Town to own that pump and be responsible for its maintenance since it would amount to having capital equipment on private residential property. He said he believed the homeowner may be agreeable to that.

Commissioner Harrington stated the Town was required to provide a certain amount of pressure. Manager Terry said he believed the homeowner's complaint was legitimate, noting that he experienced periodic instances of next to no water pressure to his home. He said by the same token, as they approved construction along that entire road they needed to be aware of other properties that might be in the same situation, and there were about a half dozen. Manager Terry said his recommendation would be that as they approved construction on those lots that they make sure that the contractors were aware of the issue and put the booster pumps in as a part of the construction process.

Commissioner Harrington stated it appeared they needed to be thinking of a system that could serve the entire street. Attorney Messick stated that one of the prerequisites for a building permit was to have adequate water and sewer, and if there was not adequate water pressure then they should not have been given a building permit. He said that would not help this homeowner, but it would help others in the future. Attorney Messick said if there was not adequate pressure then they should not be building there, unless other arrangements were made such as installing a booster pump.

Manager Terry said he believed that the Town's obligation would be met if in the permitting process they informed the potential new owner or builder that there was an issue there, and that their plumbing permit needed to be amended to include a booster pump.

Attorney Messick stated another option would be for the Town to install the booster pump and assess the homeowner.

Manager Terry stated they would work with this homeowner to solve the issue, reiterating that he believed they had an obligation to do that.

Commissioners Baldwin, Walker, and Bryan indicated they had no concerns to be discussed.

## **CLOSED SESSION**

Motion made by Commissioner Bryan seconded by Commissioner Walker to go into closed session pursuant to GS 143-318.11(a)(6) to consider the qualifications, competence, and performance of the Town Manager (Annual Performance Evaluation.)

Vote Aye-4 Nay-0

### **RETURN TO OPEN SESSION**

Motion made by Commissioner Harrington seconded by Commissioner Walker to go out of Closed Session and return to Open Session.

Vote Aye-4 Nay-0

Motion made by Commissioner Walker seconded by Commissioner Bryan to increase Manager Terry's annual salary from \$70,000 to \$75,000.

Vote Aye-4 Nay-0

Commissioner Harrington stated he had talked to each of the Commissioners regarding Springdale and the issue with the northbound turn lane and the pipe underneath the road that may need to be replaced. He stated that was a main consideration he had raised with each of them as far as it being an area where he believed the Town would need to be involved in helping to provide that piece of infrastructure, which would likely mean preparing the bed underneath that lane and replacing the older pipe. Commissioner Harrington stated he believed they needed to replace that section of pipe on the east side of 15-501 and that the Town should rebuild the subgrade of the road or at least participate in supporting that piece of infrastructure. He said he believed that could be a negotiating point.

### **ADJOURN**

Motion made by Commissioner Harrington seconded by Commissioner Walker to adjourn the meeting at 9:30 p.m.

Vote Aye-4 Nay-0

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Randolph Voller, Mayor

ATTEST:

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Alice F. Lloyd, CMC, Town Clerk