

DRAFT MINUTES

**STATE OF NORTH CAROLINA
COUNTY OF HENDERSON**

**CANE CREEK WATER & SEWER DISTRICT
SEPTEMBER 2, 2008**

The Cane Creek Water & Sewer District Board met for a regular meeting at 9:00 a.m. in the Commissioner's Meeting Room of the Henderson County Historic Courthouse on Main Street, Hendersonville.

Those present were: Chairman Bill Moyer, Vice-Chairman Charlie Messer, Commissioner Larry Young, Commissioner Chuck McGrady, Commissioner Mark Williams, County Manager Steve Wyatt, Assistant County Manager Selena Coffey, County Attorney Russell Burrell, and Deputy Clerk to the Board Teresa L. Wilson.

Also present were: Planning Director Anthony Starr, Planner Matt Card, Fire Marshal Rocky Hyder, Finance Director J. Carey McLelland, Research/Budget Analyst Amy Brantley, Code Enforcement Services Director Toby Linville, Engineering and Facility Services Director Marcus Jones, Associate County Attorney Sarah Zambon, Tax Assessor Stan Duncan, Soil and Water Conservation District Director Jonathan Wallin and Communications Officer Pam Brice.

Absent was: Clerk to the Board Elizabeth W. Corn

CALL TO ORDER

Chairman Moyer called the meeting to order.

Commissioner McGrady made the motion for the Board to convene as Cane Creek Water & Sewer District Board. All voted in favor and the motion carried.

MINUTES

Draft minutes were presented for CCWSD Board review and approval of the following meetings:

July 7, 2008

July 16, 2008

Commissioner McGrady made the motion to approve the minutes of July 7 and July 16, 2008. All voted in favor and the motion carried.

FY09 MSD Treatment Rate – CCWSD Advisory Board Recommendations

Regarding the FY09 Metropolitan Sewerage District's (MSD) Treatment Rate increase, the Advisory Board recommended during its August 19, 2008 meeting to table the increase until February 2009.

The following summarizes the rate increase from MSD and the impact on CCWSD customers: The wastewater collected by the Cane Creek Water and Sewer District (CCWSD) sewer system is treated by the Metropolitan Sewerage District (MSD). Effective July 1, 2008, the amount that MSD charges the CCWSD for wastewater treatment increased from \$4.57 per 1,000 gallons to \$4.71 per 1,000 gallons (3.1% increase).

Staff recommends a corresponding rate increase for the CCWSD sewer customers. A table comparing the current rates to the proposed rates is located below:

APPROVED:

	Current Monthly Rates (FY08)	Proposed Monthly Rates (FY09)
A. Minimum Charge / Month <i>(up to the first 4,500 gallons per month)</i>	\$16.42	\$16.42
B. Treatment Charge / Month <i>(from 0 gallons up)</i>	\$4.57 per 1,000 gallons	\$4.71 per 1,000 gallons
C. Overage Charge/Month <i>(all over 4,500 gallons per month)</i>	\$3.67 per 1,000 gallons	\$3.67 per 1,000 gallons

Note: For Total Monthly Charge add results of (B) and (C) to (A)

With the proposed increase, the monthly sewer bill for the average homeowner will increase by \$.63 (sixty three cents)

Commissioner Messer stated that since the last meeting the Cane Creek Water Advisory Board met and discussed the rates. Since that time they have scheduled a workshop, this month, to complete a study and look at other options. The Advisory Board did take opposition of the rate change because they felt that it wasn't fair and the people on the extension are already paying more. The CCWSD fund balance will pay the difference in the fees that would be granted until February. Once the study has been completed the Advisory Board could send a recommendation back to the Commissioners supporting the rate increase.

Chairman Moyer stated that the Advisory Board knows that the Board of Commissioners has the authority to do what they want. There were issues raised with respect to the amount of fund balance or reserve that CCWSD is sitting on and the purpose of that reserve. The CCWSD questioned if they should be continuing to maintain that. The answers they were getting were vague and they wanted more specifics as to how much was there. They questioned the cost if a pump went down every 5 years. The vague idea of building another treatment plant and possibly stock piling money so that some day you might build another treatment plant or rebuild a treatment plant to them is such a "pie in the sky", you wonder why in the world you would build such a reserve for something you know could never possibly happen. He feels that the thought was that they've raised the rates to pay the debt to get the cost of the system down. They realize the rates are going to be high, but thought the rates would begin to be reduced. The Advisory Board realizes they need to be updated and get an understanding as to why there is a reserve, how much you need going forward, and what are the capital plans, then reexamine the rates being charged to see whether it is still fair and appropriate under what the situation is today. They feel they can get this information together by February 2009. Chairman Moyer recommended the Board accept their recommendation and also recommended strongly to staff that they come up with the answers and the information this Board needs to come back with a further recommendation on this matter by February 2009.

Commissioner Messer made the motion that the Board table the MSD Treatment Rate increase until February, 2009. All voted in favor and the motion carried.

Commissioner McGrady made the motion to adjourn as the Cane Creek Water & Sewer District Board. All voted in favor and the motion carried.

Attest:

Teresa L. Wilson, Deputy Clerk to the Board

William L. Moyer, Chairman