

REQUEST FOR BOARD ACTION / CONTRACT CONTROL FORM

Tracking Number: 9

Date of Request: June 9, 2008

Date Request Received: June 9, 2008

Board Meeting Date Requested: June 16, 2008

Board Meeting Date Assigned: June 16, 2008

Short Title: Continued Discussion Of Water Capacity Fees.

Request Status:

- Request is proceeding to Board of Commissioners
- More information is needed – see attached
- Request on hold – no further information needed
- Other:

(Administrative Use Only)

CONTRACT TYPE

- Renewal
- For Service(s)
- Intergovernmental – County as Grantee
 - Federal Grantor
 - State Grantor
 - Grant or
- County as Grantor
 - County Funds
 - Other Funds:
- Revision
- For Equipment

Background: At the June 2, 2008 Board of Commissioners meeting, additional information pertaining to Capacity Fees was requested during a discussion on the issue. As previously mentioned, the Board of Commissioners established County-wide water and wastewater Capacity Fees in August of 2005. These fees are imposed against new connections in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions attributable to the new connections and have been subsequently increased in three separate resolutions, once for water and twice for wastewater, to the current rate of \$4.00 per gallon for water capacity and \$20.00 per gallon for wastewater capacity. Copies of all four Resolutions are provided. The benefit of collecting Capacity Fees is to reduce the amount of money that has to be borrowed for improvement projects and thereby reduces the on-going rates necessary to recover the debt service for the repayment of loans. A uniform application of Capacity Fees should include every tap that "impacts" the water system beyond the planned customer base as defined by original sign-up campaigns. The actual method of collection was not defined in any of the Resolutions or by policy and did not implicitly include individual lots or preclude them, but rather was the philosophy of management and at the discretion of the Utilities Department. While the Utility Department sent invoices out to the developers of subdivisions for the pre-payment of Capacity Fees at the time their water extension applications were approved, most were ignored. However, the Department has and will continue to collect these Capacity Fees when contractors apply for building permits on the individual lots. While an exact number cannot be ascertained, there are some lots that were not charged the Capacity Fee simply because the address information requested at the time of application did not indicate that the lot was in one of the newly approved subdivisions. The application form has since been corrected and there is a clearly delineated procedure established for collection of these fees.

PURCHASING

Date Rec'd: Budgeted Item: Yes No
 Reviewed and Approved
 Comments on Reverse

Date Sent: Signed:

ATTORNEY

Date Rec'd: Reviewed and Approved
 Legal Problem(s)
 Comments on Reverse

Date Sent: Signed:

FINANCE

Date Rec'd: Sufficient Funds Available Not Available
 Budget Amendment Necessary
 Budgeted Amendment is Attached
 Comments on Reverse

Date Sent: Signed:

CLERK

Signature(s) Required:
 Board Chairman/County Manager
 Other:

Date Rec'd: Approved by Board: Yes No
 At meeting on

Specific Action Requested: Commissioner requested additional information.

Requested by: Michael Mack
 Department: Utilities Director
 Title:
 Contact Phone: 910.259.1570
 Contact Fax:

INTRODUCED BY: John Bauer, County Manager DATE: 08/01/05 ITEM NO. 17.

Resolution to Establish County Wide Water and Wastewater Capacity Fees

SUBJECT: Administrative

ACTION REQUESTED:

The Board of Commissioners is requested to establish county-wide water and wastewater Capacity or Impact Fees (one-time fees) in the amount of \$2.50 per gallon for water and \$5.00 per gallon for wastewater.

HISTORY/BACKGROUND:

The implementation of the Wastewater Master Plan will allow the Rocky Point - Topsail Water & Sewer District and other water and sewer districts to pursue different options to obtain wastewater treatment capacities. Contracts have been negotiated with the Town of Wallace and New Hanover County to buy wastewater capacities. In addition, the County is pursuing an additional drinking water source which will involve costs to buy and/or construct additional capacity.

EVALUATION:

Capacity or Impact Fees would recover the initial costs associated with obtaining the treatment capacities, plus capital reserves to pay for future upgrades. Based on the current cost range of treatment (\$4 to \$6 per gallon), staff recommends a wastewater capacity fee of \$5.00 per gallon. Based on the current cost range of treatment for a water plant (\$2 to \$5 per gallon), staff recommends a water capacity fee of \$2.50 per gallon. The following chart is a comparison of similar fees in two (2) nearby counties:

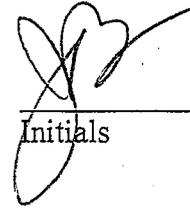
County	Capacity Fee: (3 Bedrooms) Residential (360 GPD)		Capacity Fee: Commercial	
	Water	Sewer	Water	Sewer
New Hanover	\$2/gal (\$720)	\$5/gal (\$500 - \$1800)	\$1.8/gal (\$648/ERU)	\$3.75/gal (\$1,115/min)
Brunswick	\$2.38/gal (\$860)	\$5.50/gal (\$2,000)	\$2.38/gal	\$5.50/gal
Pender	\$2.50/gal (\$900)	\$5/gal (\$1800)	\$2.50/gal	\$5.00/gal

The cost for the installation of a well and pump for a resident currently runs from \$1500 to \$1800, depending on the depth. The average costs for a septic system (900 gallon tank and 3 - 80' drain lines) currently ranges from \$2500 to \$3000. Conservatively, this would total \$4000 for a residential water and wastewater system, compared to \$2700 (\$900 water and \$1800 sewer) Capacity or Impact Fee for a three (3) bedroom home.

A Municipal Water and Sewer Capacity Fee survey is attached.

MANAGER'S RECOMMENDATION:

Respectfully Recommend Approval


Initials

RESOLUTION: NOW, THEREFORE, BE IT RESOLVED, by the Pender County Board of Commissioners, that the following Water and Wastewater Capacity Fees are adopted for implementation effective this date; The County Manager is authorized to execute any documentation necessary to implement this resolution.

Water	Sewer
\$2.50/gal	\$5.00/gal

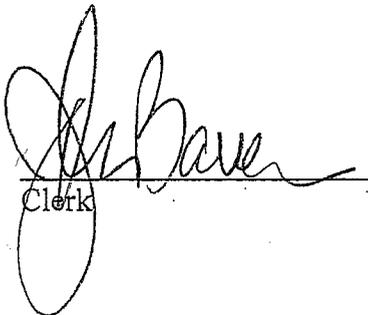
AMENDMENTS:

MOVED Williams SECONDED Holland

APPROVED _____ DENIED _____ UNANIMOUS

YEA VOTES: Meadows ___ Holland ___ Moore ___ Williams ___ Rivenbark ___

Eugene B. Meadows 08/01/05
Eugene Meadows, Chairman DATE

 08/01/05
Clerk DATE

Municipal Water and Sewer Fee Survey

Municipality / County	Population *	Impact/ Acreage/ Capacity/ Availability Fee				Service Installation (Tap) Fees within City Limits				3/4" Water Meter Fee	Total Residential Connection Fee		Main Charge / Frontage Assessment			
		Residential (per unit)		Other		Water		Sewer			Water	Sewer	Residential (per unit)			
		Water	Sewer	Water	Sewer	3/4"	1"	2"	4"		Water	Sewer	Water	Sewer	Other	
Lumberton	20,795	\$50	\$0	\$50	\$0	\$600	\$800	cost + \$100	\$700		\$650	\$700	Developer is responsible for costs to extend new water and sewer mains.			
New Bern	23,128	\$0	\$0	\$0	\$0	\$500	\$885	\$3,535	\$1,000	\$0	\$500	\$1,000	Developer is responsible for costs to extend new water and sewer mains.			
Goldsboro	39,634	\$0	\$0	\$0	\$0	\$500	\$525	\$2,000	\$600	\$0	\$500	\$600	Developer is responsible for costs to extend new water and sewer mains.			
Greenville	60,476	\$0	\$1,200	\$0	\$1,200	\$330	\$460	\$2,200	\$520	\$0	\$1,080	\$2,470	\$0	\$750	\$0	\$750
Jacksonville	66,715	based on # fixtures est. \$470	based on # fixtures est. \$1,190	\$470- \$15,565 based on meter size	\$1,280- \$49,300 based on water meter size	\$340	\$340	\$460	\$250	\$0	\$810	\$1,440	Developer is responsible for costs to extend new water and sewer mains.			
Wilmington	75,838	\$860	\$810	\$860- \$85,600 based on meter size	\$810- \$80,800 based on water meter size	\$1,430	\$1,620	\$2,730	\$2,700	\$0	\$2,290	\$3,510	Developer is responsible for costs to extend new water and sewer mains in most cases.			
Fayetteville (PWC)	130,762	\$460	\$670	\$460- \$41,520 based on meter size	\$670- \$60,310 based on water meter size	\$345	\$345	\$425	\$505	\$0	\$1,777	\$2,363	\$972	\$1,188	\$10.80 per front foot, \$972 min.	\$13.20 per front foot, \$1,188 min.
Raleigh	276,093	\$253	\$253	\$1,245- \$3,478 per acre	\$1,245- \$3,478 per acre	\$2,515	\$2,366		\$2,680	\$153	\$2,921	\$2,943	To be determined on a case by case basis by the City.			
		Population 10,001 - 80,000														
		Population > 80,000														

Resolution to Increase Wastewater Capacity Fee

SUBJECT AREA: Administrative

ACTION REQUESTED:

The Board of Commissioners is requested to increase the Wastewater Capacity Fee from \$5 per gallon of wastewater to \$8 per gallon of wastewater.

HISTORY/BACKGROUND:

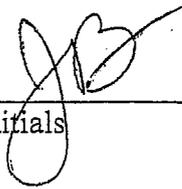
The Board of Commissioners established Water and Wastewater Capacity Fees of \$2.50 per gallon and \$5 per gallon respectively at their August 1, 2005 meeting. These are one-time fees that would recover initial costs associated with obtaining treatment capacities plus capital reserves to pay for future upgrades.

EVALUATION:

Since the implementation of these fees on August 1, 2005, the Wastewater Master Plan has progressed extensively. The last workshop held with staff on December 2, 2005 revealed that the actual construction costs for Wastewater treatment plants, not including purchase of land, are presently \$8 per gallon. It is recommended that the wastewater capacity fee be increased to stay with current construction costs.

MANAGER'S RECOMMENDATION:

Respectfully recommend approval.



Initials

RESOLUTION: NOW THEREFORE BE IT RESOLVED by the Pender County Board of Commissioners that the Wastewater Capacity fees are increased from \$5 per gallon of wastewater treated to \$8 per gallon of wastewater treated.

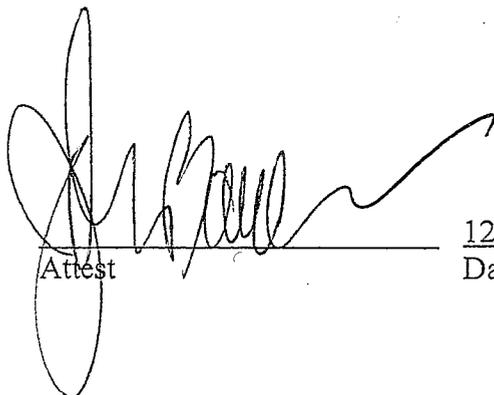
The Chairman and/or County Manager is authorized to execute any/all agreements necessary to implement the resolution.

AMENDMENTS

MOVED Williams _____ SECONDED moore _____

APPROVED _____ DENIED _____ **UNANIMOUS**

YEA VOTES: Holland ___ Rivenbark ___ Meadows ___ Moore ___ Williams ___



Attest _____ 12/19/05
Date



Stephen C. Holland, Chairman 12/19/05
Date

Resolution to Increase Wastewater Capacity Fee to \$20 per Gallon

SUBJECT AREA: Administrative

ACTION REQUESTED:

The Board of Commissioners is requested to increase the Wastewater Capacity Fee from \$8 per gallon of wastewater to \$20 per gallon of wastewater.

HISTORY/BACKGROUND:

The Board of Commissioners recently established Water and Wastewater Capacity Fees at \$8 per gallon. These are one-time fees that would recover initial costs associated with obtaining treatment capacities plus capital reserves to pay for future upgrades.

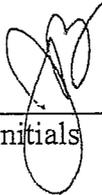
EVALUATION:

The Wastewater Master Plan presented to the Board of Commissioners on February 7, 2006, and related discussions revealed that the actual construction costs of wastewater treatment plants are approximately or in excess of \$20 per gallon. This does not include the cost of land acquisition. It is recommended that the wastewater capacity fee be increased to maintain currency with actual construction costs.

A handwritten signature in black ink, appearing to be "John Bauer", is located at the bottom center of the page.

MANAGER'S RECOMMENDATION:

Respectfully recommend approval.



Initials

RESOLUTION: NOW THEREFORE BE IT RESOLVED by the Pender County Board of Commissioners that the Wastewater Capacity fees are increased from \$8 per gallon of wastewater treated to \$20 per gallon of wastewater treated.

The Chairman and/or County Manager is authorized to execute any/all agreements necessary to implement the resolution.

AMENDMENTS

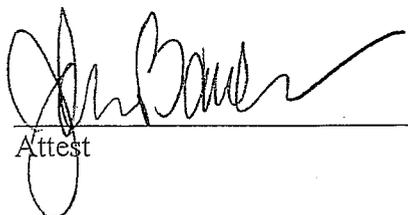
MOVED Meadows SECONDED Moore

APPROVED X DENIED _____ **UNANIMOUS**

YEA VOTES: Holland _____ Rivenbark _____ Meadows _____ Moore _____ Williams ✓



Stephen C. Holland, Chairman 02/20/06
Date



Attest 02/20/06
Date

Resolution to Increase Water Capacity Fees to \$4 per Gallon

SUBJECT AREA: Administrative

ACTION REQUESTED:

The Board of Commissioners is requested to increase the Water Capacity Fee from \$2.50 per gallon of water to \$4 per gallon of water.

HISTORY/BACKGROUND:

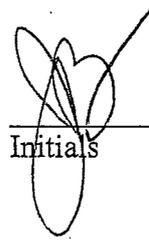
The Board of Commissioners at their August 1, 2005 meeting established water capacity fees at \$2.50 per gallon. These are one-time fees that would recover initial costs associated with obtaining treatment capacities plus capital reserves to pay for future upgrades.

EVALUATION:

The Water Feasibility Study presented to the Board of Commissioners on February 7, 2006, and related discussions revealed that the actual construction costs of water treatment plants are approximately at or in excess of \$4 per gallon. This does not include the cost of land acquisition. It is recommended that the water capacity fee be increased to maintain currency with actual construction costs.

MANAGER'S RECOMMENDATION:

Respectfully recommend approval.



Initials

RESOLUTION: NOW THEREFORE BE IT RESOLVED by the Pender County Board of Commissioners that the Water Capacity fees are increased from \$2.50 per gallon to \$4 per gallon of water.

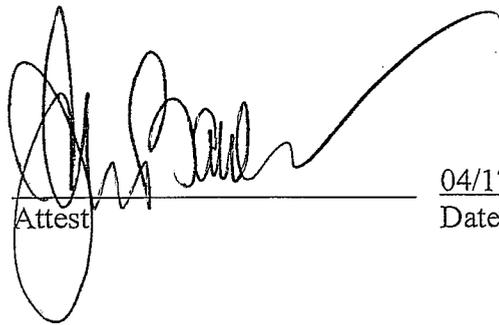
The Chairman and/or County Manager is authorized to execute any/all agreements necessary to implement the resolution.

AMENDMENTS

MOVED Moore SECONDED Williams

APPROVED x DENIED _____ **UNANIMOUS**

YEA VOTES: Holland _____ Rivenbark _____ Meadows _____ Moore _____ Williams _____



Attest _____
Date



Stephen C. Holland, Chairman
Date 04/17/06