

EASTOVER SANITARY DISTRICT
BOARD MEETING
September 27, 2011

Chairman, Morgan Johnson called the meeting to order at 7:00 and Marilyn Johnson opened the meeting with prayer. Morgan then led the group in the Pledge of Allegiance.

Present: Morgan Johnson, Helen Crumpler, Liz Reeser, and Attorney John Jackson.

Morgan introduced and welcomed Connie Spell as ESD's new District Manager. He stated she has 25 years of experience working with the town of Stedman, where she helped put the water system together for the town. She also worked with the town of Hope Mills as the deputy Town Manager. He stated Connie would be overseeing the resumes and will make recommendations to the Board for positions that need to be filled.

- I. Approval of Agenda
Liz made a motion to accept the Agenda as submitted, Helen seconded, and it was unanimous.
- II. Public Hearing - Financing of Dunn water line
Morgan said that the LGC requires a Public Hearing to be held before submitting an application to the LGC for its approval for amounts exceeding \$500,000 and a loan longer than 5 years.

Morgan gave a brief overview of the relationship between PWC and ESD. Morgan then stated that on September 15, 2011 Tim Carpenter, engineer with Hobbs-Upchurch, briefed the Eastover Town Council using a computer model study of the water system. At that time he addressed the fire department's concerns about volume and pressure. He assured everyone they would get all of the volume and pressure they need by the Dunn water line. He stated that we would have the same volume and pressure, if not greater, through out the system as we have now. Morgan stated he had met with Amy Canon, Deputy County Manager and County Finance Director and have worked many hours on the ESD budget and how it would affect the customer after ESD has hooked up to the Dunn water line. Morgan stated that after calculations, the customer would see less than \$1.00 per month increase. Morgan said that he would like to address the question of what would happen in case of an emergency. He stated that he had spoken with the Mayors of the towns of Godwin and Wade and they were agreeable to enter into an agreement with ESD stating we would help each other in the event of an emergency. Morgan also stated that ESD has a 300,000 gallon water tank that would provide water for at least 12 hours.

Morgan opened the Public Hearing and asked Helen to read the Public Hearing policy. Helen stated that the public is invited to speak on the topic of financing of the Dunn water line. Comments must be limited to three (3) minutes per speaker, 30 minutes total time.

The following speakers spoke in opposition:
Steve Godwin, 3780 Murphy Road, Eastover, N. C., expressed concerns with purchasing water from Dunn and asked ESD continue to purchase water from PWC.

Gayle Godwin, 3780 Murphy Road, Eastover, N. C., expressed concerns with the cost involved and requested ESD not purchase water from Dunn but renegotiate the contract with PWC for water and keep what we have in place.

Benny Pearce, 1880 Middle Road, Eastover, N. C., expressed concerns about the cost involved in going with the Dunn water line.

Phil Davis, 1702 Middle Road, Eastover, N. C., stated ESD needed to stay with PWC for their water supply. He stated we had good water and good service. If the rates go up, just pay it, and don't go further into debt.

Brian Pearce, 1862 Middle Road, Eastover, N. C., expressed concerns about the costs involved in a new water line from Dunn.

Danny Matthews, 1745 Eastover Street, Eastover, N. C., a member of the Eastover Volunteer Fire Department Board of Directors stated that he had concerns about purchasing water from Dunn and how it would affect fire protection capabilities in the Eastover area.

The following speakers spoke in favor:

Sara Piland, 1770 Dobbin Holmes Road, Eastover, N.C., Mayor Pro-Tem of Eastover, thanked the ESD Board for their many years of work and the grants they were able to obtain to provide water service to the community. She stated her support for the Board's decision to go with the Dunn water line. She said that as a member of the Town Council, she would like to offer her help on the redundancy issue that the Fire Department has. She stated that if we all work together, we can find the right alternative.

Judge Talmage Baggett, 1839 Middle Road, Eastover, N. C., was the first Chairman of the Eastover Water Authority for 11 years and served as a County Commissioner for eight years. Judge Baggett said he had asked PWC repeatedly to have representation on their Board and was denied. He states that he fully supports the water line from Dunn and encourages the Board to follow thru with going before the LGC to obtain permission to obtain the loan for the new water line from Dunn.

Morgan stated that USDA funding could only be used for household use (potable water) and could not use funds to upgrade for fire protection.

With no other speakers, Morgan thanked the speakers and closed the Public Hearing. Liz moved, Helen seconded and it was unanimous.

- III. Resolution supporting LGC application for Dunn Water Line.
Morgan asked Liz to read the Resolution that will be submitted to the LGC for consideration. After the Resolution was read, Liz moved to accept the Resolution as read, supporting LGC application for Dunn water line financing, Helen seconded and it was unanimous. (A copy of the Resolution is hereby attached and part of the official Minutes)
- IV. Public Forum (Fifteen minutes)
Morgan opened the Public Forum and asked Helen to read the Public Forum Policy. Helen stated that the public is invited to speak on any topic not on this Agenda. Comments must be limited to three (3) minutes per speaker.

Helen called the first speaker, Mr. Steve Blanchard of PWC. Mr. Blanchard passed out cost comparisons for PWC vs. Dunn for wholesale water. He stated PWC would work with the ESD Board to make this transition go as smoothly as possible. He also stated he looked forward to working with Connie Spell as he has worked with her in the past.

Helen then called Mr. Danny Matthews who spoke on the water change and how it would affect the Eastover Volunteer Fire Department. Mr. Matthews stated that the fire department does not have the volunteers that it used to have. He stated that the fire department was concerned about redundancy. He stated he was also concerned about who would bear the cost of hooking up to an emergency line to PWC to supply a backup line and paying the monthly maintenance fee as well as availability fee.

With no other speakers, Morgan thanked the speakers and closed the Public Forum. Liz moved, Helen seconded and it was unanimous.

- V. Consent items
Consent items consisting of Minutes of August 23, 2011 Board Meeting and Financial Statement of August 31, 2011 were approved. Liz moved, Helen seconded and it was unanimous.
- VI. Confirmation of invoices paid
 - A. Hobbs-Upchurch, dated August 31, 2011, in the amount of \$8,678.07 and
 - B. Hobbs-Upchurch, dated August 31, 2011, in the amount of \$12,360.00.Liz made a motion to confirm these invoices have been paid, Helen seconded and it was unanimous.
- VII. Presentation of new invoices for payment.
There were no new invoices presented.
- VIII. Engineer update of ESDII Water
Tim stated that the contractors are working on the final punch list. T. A. Loving has all of their people working and hope to have all items complete in the next three days. All data has been delivered to PWC, relative to certifications and O & M.

Morgan stated that Steve Blanchard brought an authorization to be signed for PWC to set up accounts for ESD II water customers. Morgan said that he hopes water will be flowing in the next week. He also stated that a mass mailing is ready to go out to ESD II customers informing them in detail how to hook up to the system. He said that he had also included phone numbers for customer convenience.
- IX. Engineer status of Dunn water line-
Tim stated that permits are still under review. He said they need to complete the water management plan, and that is underway.
- X. Status of LGC actions - no update given.
- XI. ESD Office update -
Morgan stated that work was almost finished on the office building and ESD should be taking possession of the building in mid October. He said that Connie and Helen would be working to get office furnishings in the next few weeks.
- XII. Delinquent Accounts: Liz update
Liz stated that she was still receiving payments from some of the delinquent account customers.

With no further business, Liz made a motion to adjourn the meeting, Helen seconded and it was unanimous.

Respectfully submitted,

Helen Crumpler, Secretary

Morgan Johnson, Chairman