

THE THREE HUNDRED-NINETY THIRD SESSION OF THE BOARD OF ALDERMAN  
VILLAGE OF ALAMANCE  
FEBRUARY 28, 2011 – 7:00 PM

Present: Mayor Bundren, Mayor Pro-Tem Sharpe, Alderman Crouse, Alderman Tichy, Alderman Clemmons, Alderman Slaughter, Alderman Jones, Clerk York.

Alderman Crouse gave the invocation.

Alderman Clemmons moved to approve the January 24, 2011 meeting minutes and Alderman Tichy seconded. The Motion carried unanimously.

**OLD BUSINESS**

**CDBG PROJECT**

Mark Reich reported on the CDBG project, good progress has been made since the last meeting. The contractor is currently installing the last leg of the 8 inch main. The saddles and the “T”s have been installed on the short side. The bore underneath the road for the sewer service is yet to be done; all the lateral lines up to all the homes will need to be run. The project should be close to completion by next month. The septic tank fill-in will also need to be done. Mark noted that budget-wise, everything is looking pretty good. More rock was hit than anticipated, but there was enough funding in the contingency budget to cover that. Other items were under budget, so everything should still come in under budget.

**Report on Cabin Pump Station Project**

Mark Reich also reported on the Cabin Pump Station Project. He noted that work has moved forward on the Preliminary Engineering Report approved last month. He will be getting some paperwork to Clerk York this week for signatures. Once all the environmental reports are back, information can be compiled. The Mayor asked if the Preliminary Report will include some rock study. Mark Reich replied that he has talked with some of the sub-consultants about the rock. Once there is a better idea of where the alignment can be tied down, they will need to talk with the property owners, to allow some minor bores in a couple or three places, to determine how much rock is below. This will allow for estimation of quantities; this will be included in the report.

**ORC Report**

Arnold Allred noted that much of the information on the report is from January. There has not been much activity in February. Regarding the Birch Station, there was a power outage, and also a power outage at the Cabin Station. In regard to the question at the last meeting about the pump, the pump is in the building. The Mayor asked for confirmation that there is now a spare pump. Arnold affirmed that the spare pump at the Birch Station is now in the building. Everything is fine at the Cabin Station. Arnold asked if there were any questions about the NC 62 Station collections. The Mayor asked Arnold Allred if he knew what caused the power outage. Arnold replied that it was an issue with Duke Power, he did not know the exact problem. He noted that this event was not a planned outage.

Relating to the distribution system, Arnold reported that the leak was found and repaired. Another THM sample was taken on January 31, 2011, but results are not yet back. Arnold Allred provided the Board with pricing on a generator for the Birch Station. He has spoken with Alderman Crouse about the natural gas line that goes through that area. That meant staying away from a generator with fuel oil; this changed the price considerably. The price being quoted is for an air-cool natural gas generator. Mayor Bundren asked if the pricing was for a new generator or a used one. Arnold replied that the pricing is for a brand new generator. He noted that the air-cool generators are a little harder to find; diesel generators are easier to find. The Mayor inquired about warranties for the generator. Arnold stated that there would likely be a year warranty on parts and labor. He will get some more information on this after the meeting, he was focusing on pricing information for now. No matter what action is taken, the Birch Station is still going to need stand-by power.

The Mayor asked the Board if they wanted to move forward on obtaining the generator. Alderman Jones asked how much time the Village had on each pump station, when the power went out, before there would be an overflow situation. Arnold Allred responded that this depended on the time of day and exactly what was happening. Alderman Jones then asked Arnold to cite the worst case scenario. Arnold replied there would be about an hour, worst case. Alderman Jones asked if this would apply to all the stations. Arnold pointed out that, at Birch Station, there was an alarm within an hour. He said it was because this particular event was at 9:30am, the school was at "full blast"; everything from the school comes to the Birch Pump Station. Alderman Jones asked about worst case timing for the Cabin Station. Arnold said this is usually afternoon when everyone comes home, or early morning when everyone is getting ready for work. There was still an alarm at the Cabin Station within an hour and a half. The best timing that could apply to these situations at any of the stations would be four hours. In four hours, best case scenario, there would be an overflow situation. Alderman Jones asked if the Village could be fined. The Mayor and Arnold Allred both replied affirmatively that the Village could be fined.

The Mayor asked Clerk York for related budget information. Clerk York stated that there was not a specific budget line item for the generator expenditure. He stated that if the Board chose to buy the generator now, along with current expenditures for the year, it's likely this would put the budget in the hole. We still have the amount that is transferred in from the general fund, but that would not be what the LGC would want to see. The Mayor asked if there was any additional money in this year's budget related to higher expenditures for water last year. Clerk York replied that this year's budgeted amount assumed that the water leak would be repaired and that we would save that money. He said that the budget for water purchased from Burlington is at \$52,000 right now, based on water use through the end of January. In the next six months, if \$5000 was used each month, that would bring the budget for water purchased to \$82,000. The Mayor asked about the budget up to June 30<sup>th</sup>, inquiring about availability of funds in this current year. He noted that, assuming the same expenditures as last year, this purchase would mean spending \$8000 more than last year. There will likely be only \$23,000 more in revenues this year, there are additional expenses of \$20,000, different from last year. That results in a \$3000 surplus. If the Village can save \$15,000 due to fixing the leak, there will be \$18,000 available. With the PER costing approximately \$10,000, the generator costing \$8000, that means the Village could break even, assuming there are not additional expenses before the end of the year.

Attorney Bateman stated he didn't think the LGC would mind if the Village moved money to purchase a generator. Mayor Bundren expressed agreement with Mr. Bateman. Clerk York noted that the Village wouldn't be in any trouble, but would receive a letter noting that the budget was in the hole. Mayor Pro-Tem Sharpe asked how long it would take to get the generator. Mayor

Bundren asked if the pricing included installation. Arnold Allred read the detailed information: New 20KW GENERAC Guardian Series Natural Gas Generator includes 200AMP 120/240 Volt Santa Fe Transfer Switch, includes Concrete Pad, All Reputable Work, Programs, Natural Gas Hookup and 2 Hours of Run Time. It will take four to eight Weeks for Delivery.

Alderman Clemmons asked Clerk York if he foresaw any problems with the grant and the loan with the USDA. Clerk York said he wasn't sure how the USDA would look at this, perhaps noting more need for a grant if the budget was in the hole. Alderman Clemmons said he was referring to what was already done, in terms of the Second Connection. Mark Reich said that funds for the second connection came from ARRA money. He said that the amount of payment required for that loan should be less than was originally budgeted for. Alderman Clemmons said that the Village does have a considerable reserve fund. Mayor Bundren said she felt this was something the Village needs to do, unless it will negatively impact the budget. If there is a possibility to break even, this could be considered. Clerk York said there is considerable reserve funding in the General Fund and in the Water and Sewer Fund there is about \$68,000, which represents about 30% of the budget. He observed that the Village ran \$7000 in the hole last year. He believes that the Village may take in less revenue than expenditures this year in the water and sewer fund. He said that General Fund money can be used to offset that difference. Mark Reich said that the USDA considers the current state of the budget when making a decision on how much grant money to award.

Mayor Pro-Tem Sharpe moved to go ahead with the purchase of the generator for the Birch Station. Alderman Clemmons seconded the motion. The motion passed unanimously.

Alderman Jones then raised a question about distribution. He asked how often the main meters were read. Arnold Allred replied that he reads the meters every week. Alderman Jones asked if a comparison was made between what's purchased and what's sold. Clerk York asked if he was speaking in terms of water loss. Alderman Jones affirmed this question. Clerk York said that since the leaks were fixed, this has been almost zero for the past couple of months. Arnold said Burlington reads the meter around the 25<sup>th</sup> of the month. Arnold reads the meter at the end of the day every month, to stay as close to the monthly average as possible. Clerk York has been tracking this information.

## **NEW BUSINESS**

### **Resolution Approving the Water Shortage Response Plan**

Clerk York provided handouts to the Board. A couple of years ago the State wanted everyone to pass a Water Shortage Response Plan. The Village wrote a plan comparable to the plan for Burlington. It was sent back, with the request of some additions stating that whenever Burlington triggered a water shortage, the Village of Alamance would do likewise. That was approved in April last year, and was sent back to the State. It has now been accepted by the State. Though the Board has already approved this, we have to pass a resolution saying we have adopted the final Water Shortage Response Plan. Alderman Clemmons made the motion to adopt the Water Shortage Response Plan. Alderman Tichy seconded. The motion passed unanimously.

### **Approval of Street Patching Proposal**

Clerk Ben York said the contractor who did the crack sealing noticed some areas that needed patching. This was not part of the original contract. He submitted a proposal to do this work. There is also a second proposal to put some stone in an area off of Pond Road, on Hinkle. When the second connection was installed, there was some disturbance and the owner asked if some more stone could be put down. Tom Thumb Asphalt provided a quote of \$325. Clerk York obtained a second quote from ProPave for comparison. The Mayor asked Clerk York if he had checked with Randy Cardwell for the stone. She suggested it would be good to get a price from him. Alderman Crouse suggested a price also be obtained from Mr. Warren who lives in Heritage Glen. Clerk York noted it was a very small area that needed the stone. The Mayor recommended that the Clerk hold off on the stone project to obtain some local quotes. Since the patching projects would come out of the Powell Bill funds, it would be fine to move ahead with those needs, because funds needed to be spent by June 30<sup>th</sup>. Alderman Tichy moved to approve the patchwork by Tom Thumb asphalt.

Alderman Jones said that since the difference in between prices for the stone was only \$125, the Village should just go ahead with the work, rather than obtaining additional quotes. Mayor Pro Tem Sharpe agreed. Alderman Tichy pointed out that Tom Thumb would grade the area where the stone would be placed. This is why the prices are different. Alderman Tichy amended his earlier motion to include both the patching projects and placing the load of stone by Tom Thumb. Alderman Crouse suggested Tom Thumb be asked to do the stone project for \$200 and complete all the work, including the patching. Alderman Tichy amended his motion to have Tom Thumb do both contracts at these prices, or lower. Alderman Crouse seconded the motion. The motion passed unanimously.

### **Appointment of Community Pride Award Representative**

Clerk York reported that he has conducted a search, but has not yet found anyone to be the Community Pride Award Representative. He will do it this month. Rudy Cartassi has been doing this for a couple of years, along with Mr. Amaral. Rudy has been doing it alone most recently. Rudy plans to do more traveling and won't be around as much. Mayor Bundren suggested that Clerk York ask Villagers who come in to pay their water bills whether or not they might be interested in being the Community Pride Award Representative. Clerk York noted that Rudy Cartassi tended to alternate between the Main Village and Heritage Glen every other month. Right now, Robert Miles has the Community Pride Award for this month. Next month, the Award Winner will be from Heritage Glen. Alderman Slaughter suggested the name of Elizabeth Ford, who is interested in helping with the community. Clerk York said that he would be glad to ask Ms. Ford if she would be interested.

### **Other Business**

#### **Budget Amendment**

It was decided that a Budget Amendment would not be needed for the generator would not be needed as it would be a Capital Expenditure.

Clerk York addressed the Budget Amendment under consideration, noting that both items are in the General Fund. The limit is about to be reached in the General Fund for engineering expense.

He is increasing that to accommodate expenses through the end of the year. Regarding the Transportation / Street Repairs, there are enough funds in the Transportation budget for the crack sealing, but the line item this was under was Capital Expenditures. Clerk York suggested the crack sealing go into the Street Repairs line item. Mayor Bundren said that she thought that this was a Powell Bill Expense. Clerk York replied that this is indeed a Powell Bill expenditure. Powell Bill related expenses are totaled up at the end of the year and reported to the state. The report also includes the distribution from the state and any interest earned. Mayor Bundren asked if the Village was required to pay up front and then be reimbursed. Clerk York replied this was not reimbursement, but rather an accounting function. Alderman Clemmons commented that this was just a budget matter of moving the funds. Mayor Bundren asked if the approved patching needed to be included. Clerk York said that it did not. Mayor Pro Tem Sharpe moved to approve the budget amendment as described. Alderman Jones seconded. The motion passed unanimously.

### **Finance Report**

Clerk York then gave the Finance Report. The \$314,000 CD earned \$310 in interest. The new CD was purchased at .35%. The bank account at Wachovia earns .25%.

Alderman Jones asked about the forecast for the interest bearing account versus jockeying CD funds. Alderman Clemmons responded that the Village was getting closer to this because of expenses of going to different banks. He said it probably was time to go ahead and move the funds back into one account. He said rates are coming up somewhat. If rates drop anymore, it makes sense to put everything back into the Wachovia account.

### **Other Business**

Mayor Pro Tem Sharpe asked about plans for the City/County event. Mayor Bundren said she has obtained quotes for the dinner for the City/County meeting. Michelle's Kitchen quoted nearly \$13.00 per person. Mykanos will do the meal for less than \$10.00 per person, with the Board's approval. The meal will include Greek Spinach Pie and Chicken, along with Salad. Peggy May has agreed to make cakes for the meal. Mayor Bundren said that she and Clerk York had been over to look at the tables. She asked if Mayor Pro Tem Sharpe would get together with Clerk York on the table arrangements. Clerk York has obtained a quote for the tablecloths and dinnerware for \$328.00, based on a count of 60 attending. Delivery costs of \$60.00 are included in the quote. If the Village picked up and returned the tablecloths and dinnerware, this would lessen the cost by \$60.00. The quote included dinner plates, dessert plates, coffee mugs, beverage pitchers and silverware; 10 tablecloths. Clerk York offered to obtain another quote if the Board wished. Mayor Bundren said she would contact Mykanos to see what type of dinnerware he has. Mayor Pro-Tem Sharpe asked if they usually have nice dinnerware at the City County meeting. Mayor Bundren said that they did. Clerk York also said that they did. Clerk York said he just wanted to make sure the Board was aware of the option to rent dinnerware.

### **Public Comment**

Mayor Bundren opened the meeting for Public Comment.

Gerald Walters addressed the Board. He said that he lives on Birch Lane. He received a letter in early February from the Town Clerk. The letter indicated he owed \$817.54 for water and sewer

assessment. Mr. Walters said he thought this had been paid. He has a schedule of payments that he has made, starting in 1998. Payments were supposed to start in 1999; he started making payments in 1998. Each payment was supposed to be \$1301.75. He said he made the last payment in 2001, with a balance of about \$460.00. Mr. Walters said he was trying to figure out why he had never received another bill. He will take part of the responsibility but he thought he had this paid. He is unable to locate his receipt that indicates the final payment. He has receipts dating back ten years. He doesn't mind paying money owed, but doesn't want to pay 10 years interest. He connected to water in February 2005, paid the tap-on fee, and was not informed then that he owed anything.

He has regular contact with the Village of Alamance, as Chairman of the Planning Board. Mr. Walters said he would pay the balance as it was, but doesn't want to pay the 10 years interest. Clerk York pointed out the balance of \$461.26 is the principal, the interest as of 2009 and 2010 was noted, along with the interest added on in 2010, for a total amount of interest of \$356.28. The total amount owed, principal and interest is \$817.54.

Mr. Walters observed that his last payment should have been in 2003, though he was ahead of this with his payments. Alderman Jones asked if Mr. Walters was receiving a bill when the payments were set up. Mayor Bundren noted that no one was receiving a bill then. She said everyone was given an amortization chart. Mr. Walters said he had the schedule that he was given, he paid \$1400 in September of 1998. In May, 1999, he paid \$1500. In July, 2000, he paid \$1302. In 2001, he paid \$1302. He was ahead at that time. He said he had a receipt that said the amount was paid in full, but can't find it. The Mayor asked for the Board's pleasure in taking this matter under consideration. Mayor Pro Tem Sharpe asked if there had been a time when this was not being looked at. Mayor Bundren noted that there were some "in between" Clerks who obviously did not follow up on this. Becky Loy said that there was something wrong with the assessments and that the Village needed to finalize this. The Mayor apologized that there had been a delay. Mr. Walters said he apologized if he had not paid the money, but he thought he had paid. Alderman Jones asked if everyone's schedule ended on the same date. Mayor Bundren said it was a 5-year window of opportunity to pay the assessment. You could pay monthly payments or annual payments. Alderman Jones asked about the 5-year window stopping at different intervals. Mayor Bundren observed that Mr. Walters had made larger payments that may have changed his schedule. She explained that everyone who came on later, for water and sewer in the Village, still had 5 years to pay. Because of this, there were some scattered, different dates for payment.

Alderman Clemmons asked Mr. Walters how much he had paid ahead of time. Mr. Walters said that he made a payment in 1998, though it wasn't due until 1999. Alderman Clemmons asked how the interest was set up on the amortization schedule. Mayor Bundren said it was a true amortization schedule, with principal plus interest. Alderman Clemmons said if Mr. Walters paid that much ahead of time, he saved in interest. Alderman Crouse noted that was the point of paying more in principal. Clerk York said Mr. Walters had a yearly payment he was required to make, which was \$1302. The first two payments Mr. Walters made were more than the required yearly payment. The last two payments received by the Village were equal to the yearly payment, but there was still a balance because of interest. Alderman Clemmons asked for the total amount borrowed. Mr. Walters replied the amount "borrowed" was \$5197. Alderman Jones suggested the Village waive interest from the end of the amortization schedule forward, because the Village didn't contact Mr. Walters in a timely manner. Mayor Bundren noted the amount remaining. Alderman Tichy pointed out that Mr. Walters might actually have a receipt that says paid in full, if an interest adjustment was done due to Mr. Walters paying ahead of schedule. This would have reduced the total amount owed. Mayor Bundren said she didn't think there was any

interest adjusted. Attorney Bateman said if Mr. Walters was willing to pay the principal, the Board could consider waiving the interest. Mayor Pro Tem Sharpe made a motion that Mr. Walters pay the principal of \$461.26 and that this be considered paid in full. Alderman Crouse seconded. The motion passed unanimously.

Alderman Clemmons said the Board needed to decide what to do about the other assessments. Mayor Bundren said that some have not paid anything. Clerk York said he didn't want anyone to be confused, and provided sheets for the Board's information. The first two sheets related to Mr. Walters and the second two sheets related to Mr. and Mrs. Welch. Mrs. Welch was present at the Board meeting. The first sheet listed everyone; the second sheet listed original footage and assessment amount for Mr. Walters and Mr. Welch. This provided information for the Board of how the amounts were originally calculated.

Mayor Bundren reviewed other assessments. Mr. Crawley was not required to pay until he taps on. Clerk York affirmed this was correct. The Mayor asked if this was also true for Mr. Patterson. Clerk York said that it was. Clerk York said there are now 3 assessments: Saunders, Pendergraft/Bright, and Welch. Bowman and Edwards were written off.

Dawn Welch addressed the Board. She said she hooked on to water and sewer in 2001, when her house was completed. It was supposed to be well water, based on the rooms of the house. However, they hooked onto city water. She said she received a letter saying she owed \$2,281.30. Her husband went to the Town Hall and spoke with Tammy in the old building. He contacted her at least three times to determine the balance owed. He received hand written receipts. She does not have records of those.

Ms. Welch says she and her husband asked for documentation of what they owed. They were told it would be worked on, but this was never received by them. Ms. Welch said she had nothing to show what was paid or what the balance was. She said they probably did have a five year agreement, but they just forgot about it. Due to medical bills for her husband, they went through a debt consolidation. This put them further in the hole and they had to file Chapter 7. She said she told Clerk York they filed Chapter 7 in 2005. Then they received the letter mentioned previously in February. Ms. Welch said she contacted her lawyer and was told because it wasn't filed in Chapter 7, it was still owed. The question she has is does she still have to pay the interest, when they didn't have knowledge of how much they owed, or information about the payments. Ms. Welch raised the question of a three year statute of limitations, but didn't know if this applied to water/sewer lines.

Mayor Bundren asked Attorney Bateman about the statute of limitations. Attorney Bateman said that the amount was still owed. The Mayor asked Ms. Welch if she was prepared to pay any portion of the assessment. Ms. Welch said she had spoken with Clerk York about setting up payments, or subtracting the interest. Clerk York had told Ms. Welch she would need to bring this to the Board of Aldermen. Mayor Bundren asked if Ms. Welch had the 5 year amortization schedule that everyone else had. Clerk York asked Ms. Welch when she connected on to the water/sewer system. Ms. Welch replied the house was finished in June and they moved in, in July 2001.

Alderman Clemmons proposed that the interest be taken off from the date of when the amortization was due to end. He suggested a new payment schedule be started as aggressively as possible, to get this paid off, in fairness to the rest of the people in the Village. Mayor Bundren asked if the interest would start now. Alderman Clemmons replied affirmatively, with interest going forward. He suggested that Mr. and Mrs. Welch would sign a new agreement, affirming

that they do owe the assessment. Ms. Welch asked if she would receive this in the mail or would need to go to the Town Hall. Alderman Clemmons suggested she talk with Clerk York regarding the payments. He suggested two years be considered. Alderman Jones raised the question of the lien. Attorney Bateman responded the Village still had the lien. Ms. Welch said she could pay \$100.00 per month. Mayor Bundren asked about 8% interest, as in the case of everyone else would be an appropriate amount of interest to pay. Alderman Clemmons said this was more than reasonable. The Mayor asked Clerk York to do an amortization schedule for Mr. and Mrs. Welch. Alderman Clemmons made the motion to proceed as discussed and Mayor Pro Tem Sharpe seconded. The motion passed unanimously. The Mayor summarized that an amortization schedule for 24 months would be worked out, at 8% interest. She stated, for the record, that the interest was being reduced back to the \$1466 to start over.

Clerk York spoke about the Jordan Lake Rules. The Mayor of the City of Greensboro is seeking to delay the implementation of the Jordan Lake Rules. The Alamance County Manager is hoping that the Alamance County Board of Commissioners will take up a resolution joining that effort. Alamance County is working on a joint resolution that they would hope the rest of the municipalities would also support. A draft will go out tomorrow for comments. The Board of County Commissioners will take this up at their next meeting. After that, if the Village wants to join the resolution, this could be discussed on March 28, 2011. The hope is to delay the Jordan Lake Rules by 10 years, up to 2020.

Alderman Crouse asked Clerk York if he had been contacted by the other two individuals in arrears with assessments. Clerk York responded that Bright and Saunders have not contacted him. Mayor Bundren asked Attorney Bateman what could be done at this point. He replied that a collection effort had not been discussed. Clerk York stated that the letter he sent to those with assessments allowed thirty days to respond. Friday March 4, 2011 is the deadline to respond to his original letter.

Mayor Bundren asked Clerk York about the speaker for the City/County Meeting. Clerk York said the speaker will be Karl Knapp, Director of Research and Policy Analysis, North Carolina League of Municipalities. He will speak about the State Budget and how that will impact municipalities. Clerk York mentioned an article in today's Times-News regarding the state budget and funds that may be withheld from the County. The City/County Meeting will be March 24, 2011 at 6:30pm. Mayor Pro Tem Sharpe noted that all Aldermen should make an effort to attend since the Village of Alamance is hosting the meeting.

Mayor Bundren offered condolences to Fred Hoy, on behalf of the Village of Alamance, on the passing of his mother.

Alderman Crouse moved to adjourn. Mayor Pro Tem Sharpe seconded. The motion to adjourn passed unanimously.

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Cathera R. Bundren, Mayor

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Ben York, Village Clerk

