

MINUTES OF THE EASTOVER SANITARY DISTRICT
April 22, 2014
Special Meeting/Budget Workshop
ESD Office Conference Room – 3876 Dunn Road, Eastover, NC

Chairman Johnson called the Special Meeting/budget workshop to order on Tuesday, April 22, 2014 at 3:30 p.m..

BOARD MEMBERS PRESENT

Chairman Morgan Johnson, Board Members- Liz Reeser, Helen Crumpler

STAFF PRESENT

District Manager Connie Spell, Bob Tucker County Finance, Jill Weatherly, Clerk to the Board Dave Strum, Michael Myers, Envirolink

HIGHLIGHTS FOR BUDGET WORKSHOP

Revenues

- The water/sewer sales & availability fee revenues are based upon the most current customer data as of April 1, 2014 – per the Pre billing report.

Customers	2012/2013	2013/2014
Total Water Customers	2958	2977
Water Customers Connected	2408	2426 - 18 increase
Total Sewer Customers	511	541
Sewer Customers Connected	411	443 - 32 increase

The revenues are based upon the average collection of revenues beginning July 1, 2013 to March 31, 2014.

Based upon this fiscal year collections – the collection rate for water/sewer sales is 97% - sewer availability fees 96% and water availability fees 92%.

- No water/sewer rate increase this year. Second budget year no increase in rates. No adjustment to rates since the transfer from PWC on 11/1/2012.
- Tap fees – because of an increase in labor, material cost and bores, an increase in the water tap fee is proposed.

The District Manager presented the following information referencing Tap Fee funding:

Current Tap Fee - \$1,750.00
Proposed Tap fee - \$2,015.00

Or

Same side of road remain the same \$1,750.00

Tap with a bore - \$1750.00 plus cost of bore or \$2,360.00 OR QUOTE

Increase in Sewer FIF

Bases upon PWC's rate -- increase \$640 to \$720 for 5/8" meter

The board recommended a proposed tap fee of \$2015.00 for all new taps.

- Fund Balance – No fund balance has been appropriated in the proposed budget.

Expenditures

- Personnel includes the Manager, Clerk to the Board – 2 Full time positions
- Includes a part-time Clerk/Receptionist to work 30 hours per week or when needed but not to exceed 60 hours in a two week period - \$10.00 per hour.
- Manager recommended COLA – 3% for full time employees
- Discussed Fringe benefits for employees
 - Longevity – 1% of annual salary
 - Simple IRA – 5% of salary
- Expenditures include the Operation & Maintenance contract with Envirolink – no increase
- Contracted Services:
 - Arista – includes the billing and printing contract. Increase in postage rates would affect the billing rate per mailing.
 - Nobles Security
 - Rural Water Impact (Website)
- Appropriations have been made to purchase 150 new meters. ESD had approximately 800 meters that were purchased from PWC that were older than 10 plus years. Manager reported that 100 meters had been replaced this current year.
- Purchasing bulk water from the City of Dunn at \$1.90 per mgal – no increase as if this date
- Bulk Sewer from PWC at \$3.1536 per mgal (effective January 1, 2014). The Manager discussed that mostly likely PWC would increase this fee again in 2015.
- Debt Service requirements were included in the budget. A Debt Service Fund has been established and funds are transferred each month from the ESD General Fund to the Debt Service Fund. Funds have been appropriated to transfer to the Debt Service Fund to meet our obligation.
- The budget includes \$10,000 for a reserve for future tank maintenance (2nd year).

The board discussed establishing a Capital Reserve Fund earmarked for future expenditures.

The Manager stated the proposed budget would be presented at the next scheduled board meeting, Tuesday, May 27, 2014 and a public hearing scheduled.

ADJOURNMENT

With no further business, the meeting was adjourned at 5:00 p.m.

Morgan Johnson, Chairman

Jill K. Weatherly
Clerk to the Board