

TOWN OF BLACK CREEK  
TOWN BOARD MEETING

Date: July 10, 2007

Time: 7:30 P.M.

Place: Black Creek Town Hall Meeting Room

Present: Mayor Howard Moore, Commissioners Seltzer, Smith, Godwin, Lucas, Franks

Absent: None

Minutes Taped: Yes/Deputy Clerk Candy Minshew took minutes

**Mayor Howard Moore presiding at meeting**

**QUORUM PRESENT: YES**

**Mayor Moore:** Meeting for July 10<sup>th</sup> 2007 is now in session. First thing is consideration and review to pay the bills. Motion made to pay the bills by Commissioner Lucas, seconded by Commissioner Seltzer, all in favor say I, all opposed. Motion carried unanimously. Next thing is to review the draft and approve the minutes for June. Motion to approve by Commissioner Seltzer, seconded by Commissioner Godwin, all in favor say I, all opposed. Motion carried unanimously. First item on the agenda is to reappoint the Deputy Clerk, and the Town Administrator, and the Finance Officer. Motion made by Commissioner Lucas to reappoint Candy Minshew as Deputy Clerk, and Barbara Aycock as Town Administrator, and Finance Officer, second by Commissioner Seltzer, all in favor say I, all opposed, motion carried unanimously. I think we've already taken care of this next item here. It's about purchasing chair holders for the community Bldg. We're going to table that. Next item is Kevin O'Donnell from Nova Energy.

**Kevin O'Donnell:** I've got some material I'm going to pass out to you. If you'll take one and pass it down. I've got a couple of items to talk with you about. I guess both of them could be termed in practical details. When we get to the power supply project, that one is definitely confidential. The first topic is the sewer analysis. I think when I was here a couple of months ago, we talked a little bit about my concern in regards to the forecasted O&M cost that they had. I felt like those cost may be a little bit low so what I did was try to get a list of comparable cost. What I found was there aren't many sewer land application plants in NC. I did my best to find all that I could and I found only 4. Two were in Brunswick County. In the Earth Tech analysis they used an estimate of two hundred and seven thousand dollars for a .65 mgd plant. In Brunswick County they have a .2 mgd plant with a cost of two hundred thirteen thousand dollars. And a .3 mgd plant that had an O&M cost of seven hundred and eighty three thousand. I could not get Faison, and Pink Hill to give me O&M cost for their plants. What I started doing was I took the model that Earth Tech had built and I started running some numbers and what I

found was if the O&M cost that are in the Earth Tech analysis are low, then the break even point goes up significantly. You are talking about a 20/20 break even point if the O&M cost are about 50% lower. We're talking about raising the cost up about roughly three hundred thousand dollars. Based upon numbers I've seen from other plants, that sounds reasonable. Another factor to consider is what happens if Wilson's rates go up another 3%. That's in the Earth Tech analysis too, they went 5% and the break even point went to 20/14. In essence what I was left with was, because there were not many comparable plants that we could base the O&M cost against. I feel like there is a risk in moving forward with the plant assuming that the break even point is 20/13. It could even be higher than that, somewhere between 20/15, and 20/25. Most likely 20/18 or so is the break even point. And obviously the break even point is important because we're going to be paying higher rates between then and now, and after that point we pay lower rates. To me everything kind of focuses around what that break even point would be. I just felt like there was a risk in some of the O&M cost and quite frankly it got me a little bit nervous. As a financial analyst, I feel like I have to iron things down the best I can. I can tell you when I testified before the utilities commissioner in both North and South Carolina every number that I have when I go up onto that witness stand are sourced. I always have a source for it, and I know exactly how I got it and where I got it and so forth and so on. I always use comparables in everything that I talk about, so I can say, based on a sample of 10 other companies this is the result. With only 4 other plants and I couldn't get O&M cost for two of them, and that got me a little bit concerned. There's really nothing else I could do about it. What I'm here tonight to do is to raise this concern to you that I feel like the O&M cost used in the analysis may be a little bit low. There is a risk of moving forward with this land application plant. There just aren't enough samples out there. We also have the legal issue that we've talked about before. Wilson has said they are not going to stop us if we decide to move forward with the sewer plant, but will they? I don't know, that remains to be seen. Right now we've got a contract and that presents another problem by itself. I don't want to leave here with ya'll thinking that I'm negative on the sewer plant, I'm not. I'm just saying that there isn't risk. On the flip side of everything, if Wilson's sewer rates go to 5% a year the break even point goes to 20/14. There are so many things riding on the future that we just can't iron down. The easiest thing to do in any type of analysis right now is for someone to come in and say this is the cost of the steel and this is the cost of the concrete. Because if you have a design and you know how much the concrete and steel is, that part is easy. The forecast of what your future expenses will be is the hard part. The bottom line is there is a risk going forward. That's all I was going to talk about in the land sewer application plant, if ya'll have any questions I'll do my best to answer them. The other item I was going to talk to you about was the power supply project.

**Mayor Moore:** I think you said it would be better to go into closed session to discuss power. Do I hear a motion to go into closed session?

**Commissioner Seltzer:** We can't do that. The last I heard you could only go into closed session for personnel matters. I'm not really sure. Have you done it before?

**Kevin O'Donnell:** For contract matters, yes for other town.

**Mayor Moore:** Do I hear a motion we go into closed session for contract matters. Motion made by Commissioner Godwin. I guess the motion dies for lack of a second. I guess we need to find out for sure if we can go into closed session, instead of just taking a chance.

**Kevin O'Donnell:** I'd be willing to come back, because I'd rather be safe than sorry. When I come back next month I'll probably have an answer to what we've examined.

**Mayor Moore:** We're going to find out about this anyway because it might come up again sometime. The next item is to approve Barbara Aycock to attend a retirement meeting in Goldsboro. It's a meeting about a new process on state retirement. Its three hours at Wayne Community College. Motion made for her to attend by Commissioner Lucas, second by Commissioner Franks, all in favor say I, all opposed, motion carried unanimously. Next item is Commissioner Business. Commissioner Lucas do you have anything?

**Commissioner Lucas:** Since it's a new fiscal year, don't we also appoint the CPA and attorney? I make a motion that we go with same as are: Attorney George Weaver and the CPA firm of Petway, Mills, Pearson.

**Mayor Moore:** Motion made by Commissioner Lucas second by Commissioner Seltzer, all in favor say I, all opposed, motion carried unanimously.

**Commissioner Lucas:** On the pre-paid gas. Do we want the town to participate in that? If so I will work up something.

**Mayor Moore:** Commissioner Franks do you have anything? Pass by Commissioner Franks. Commissioner Godwin do you have anything?

**Commissioner Godwin:** Greg, when are we going to do the electrical and water line on Mercer Street?

**Superintendent Gates:** The electrical line is started. When we get through with that we'll do the water lines, all the supplies are in. We got the poles where we wanted them.

**Commissioner Godwin:** I know this is not my department. Are the petitions up in the bathrooms over there?

**Mayor Moore:** Yes if everything goes right the only thing we lack is getting up a sign and the sensors for the lights to go on and off. The electrician is supposed to come tomorrow to fix that. The bathrooms look real good on the inside they did a good job. Commissioner Smith, do you have anything? Commissioner Seltzer.

**Commissioner Seltzer:** I know you don't want to hear this but there is several hundred dollars of shrubbery down the side of the parking lot by Mickey's that have been moved.

They have been mowed over and that whole line is gone. To say that I'm a little bit upset would be an understatement. Just caution the town workers to be careful over there and give some room. They may sprout back I don't know. I've talked to Jimmy about it. Some of the azaleas in the park have been destroyed by mowing and weed eating. Just tell them to be careful, that's a whole lot of money in plants. We're trying to beautify things and we're going backwards. I understand they have a lot to do but during a drought everything needs watering unless you're going to use plastic. We could do away with the whole plant bed in front of the community building if that's what everyone wants to do. Commissioner Godwin states that he is appalled when he sees people watering their grass because they are wasting water. Watering keeps the grass green and grass helps purify the air and helps you breathe. If we don't do that and we kill everything around us someday we're not going to be here. So somewhere you have to have a happy medium.

**Mayor Moore:** I think we've pretty much covered Greg's business. The signs are up in the parking lot and on the bathrooms. Candy do you have anything? Joe do you have anything? Does anybody in the audience have anything? I guess that's it. Chief Fortson has ordered the police car; I think delivery is planned for September. For all of you who may have forgotten the end of the filing date is July 20<sup>th</sup> at noon. Do I hear a motion to adjourn? Motion made by Commissioner Lucas, second by Commissioner Seltzer, all in favor say I, all opposed, motion carried unanimously. Meeting adjourned.

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Barbara Aycock  
Secretary to Board

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Mayor Howard Moore