

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: June 15, 2010

**Action Agenda
Item No. 4-CC**

SUBJECT: Efland Sewer New Customer Information Packet and Outreach

DEPARTMENT: Planning and Inspections

PUBLIC HEARING: (Y/N)

No

ATTACHMENT(S):

(Under Separate Cover)

1. *Sample "Community Public Sewer Program Package" for New Signer*
2. *Map of Expanded Service Area*
3. *Sewer Extension Outreach Schedule*
4. *Projected Pre-Construction Timeline*

INFORMATION CONTACT:

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PURPOSE: To review a "Community Public Sewer Program Package" and Outreach Program for property owners in the area of the Efland Sewer expansion.

BACKGROUND: County staff members (Planning, Attorney's Office and Economic Development) have been working on a packet of information regarding the upcoming Efland sewer expansion project. A similar package will be developed for North Buckhorn. The purpose of the package is to inform property owners of the upcoming overall sewer program and how it affects them individually. Agreements for sewer service from over 25 years ago need to be updated as well as begin the process of obtaining easements.

The BOCC on May 6, 2010 authorized staff to re-evaluate the rate schedule for the Efland sewer system and bring back recommendations and amendments in September.

Package Contents: The packet includes a description of the project and map of the project location. Other general information such as a description of the existing costs to connect and the cost of service are included. (Please note: These costs are under review.) In addition to this general information, each packet will be tailored to a specific parcel in the sewer expansion area. Other information to be included in the packet is:

- the location of the new sewer line with relation to a property owner's parcel,
- whether an easement will be needed,
- whether the parcel was owned by an original signer for sewer service in 1985, and
- the number of requested Equivalent Residential Connection (ERC).

Attachment 1 is a packet for a parcel that did belong to an original signer. The original agreement is included along with a new connection agreement. Since an easement is needed, the easement portion of the packet is included. The property owner also owns multiple parcels.

Attachment 2 shows the potential expanded service area and the map indexing system used to refer to the individual parcels. Every colored parcel will have a packet created. Some of these parcels are undeveloped and some are not adjacent to a sewer line. Nevertheless, staff believes it is important to begin the dialog regarding sewer service with owners of these parcels and give them an opportunity to be part of this sewer expansion program to leverage the capital project economies of scale.

Outreach: County staff is planning on meeting with the public after the packets and concepts therein have been approved in order to distribute the information packets and answer any questions customers may have. After this initial meeting, there would be follow-ups with those who attended the meeting and any packets not distributed at the meeting would be mailed out to the property owners. This series of meetings will serve as a continuation of ongoing effort by County staff to obtain the necessary easements for the sewer line extension and as an opportunity to inform the public about how sewer connection works and what would be involved to connect. (See Attachment 3)

Easements: Before construction plans are approved and the project is awarded, Orange County must accept a voluntary dedication, acquire, negotiate or condemn utility easements.

Sewer cost efficiencies and incentives: There are efficiencies to be gained by having as many new customers as possible connect to the new system once it is ready for operation. Given the current economic climate and the relatively high costs of sewer connection, staff suggests that incentives be offered to encourage potential customers to sign connection agreements before the system is operational. This will be proposed for discussion by the BOCC in September/October 2010.

Some Hillsborough fees have been waived pursuant to the County's 1988 capacity agreement with the Town of Hillsborough and there will be a discussion of further credits if the County's total reserve capacity is modified.

Old sewer connection agreement: Approximately 58 of the roughly 100 planned connections in the **expansion area** (Phase I East and Phase 2) are to parcels for which an agreement was signed in the mid-1980s to connect to sewer once sewer service is available. The "original signers" granted the County sewer easements where needed across their entire property in exchange for a waiver of not only the County's \$1,000 per acre and \$600 per ERC fees, but also Hillsborough's sewer capital facilities fee (this was paid by the County to Hillsborough in a lump sum at the time). After legal review of these documents by the County Attorney, it was determined that none of the documents had been recorded. Also, many of the individuals who signed the documents in the mid-1980s are deceased and none of the agreements were signed by the County. For these reasons, staff has determined that many of these agreements are no longer valid and new agreements would need to be drawn up, signed by the current owners of the various properties and then recorded. The present scenario is that the terms offered to the original signers would be offered to the current owners of the same

parcels. However, staff is examining a more comprehensive program at this time that will include both existing and future customers.

Monthly cost: On May 6th the BOCC and Manager suggested staff amend the fee schedule after July 1, 2010 rate increase and bring back the sewer ordinance and fee structure.

Rate structure: One important point to remember about the rates is that at the current time (and even after the rate increase in July 2010), the rate collected for monthly sewer usage from Efland sewer customers is less than the rate the system is charged by the Town of Hillsborough for treatment. As long as this continues to be the case, the addition of each new customer (and therefore, more monthly sewer usage) will likely result in an incrementally worse financial condition for the system.

Related Planning Changes Underway: This work creates strong economic development potential for the area. The Efland-Mebane Small Area Plan (EMSAP), adopted in June 2006, contains recommendations on water and sewer planning; revisions to the Water and Sewer Management, Planning, and Boundary Agreement (WASMPBA); and Land Use Plan changes. WASMPBA changes are currently being considered and have been approved by all signatory parties except for the Town of Carrboro and the BOCC (which will consider the amendments after the other signatory parties have approved them). Amendments to the Land Use Plan can move forward with the approval of the Upper Eno Critical Area amendments at the Board's June 1, 2010 meeting and after the WASMPBA amendments are approved (scheduled for August 17, 2010 if the Town of Carrboro has approved the changes).

The timing of these sequential amendments is important. Land Use Plan amendments may be presented at the November 22, 2010 Quarterly Public Hearing (QPH) or the February 2011 QPH. The exact QPH depends upon whether the related design guidelines for the proposed Efland Mixed Use area (currently being worked on by the EMSAP Implementation Focus Group) will be ready for the November QPH as the design guidelines should be considered concurrently with the Land Use Plan amendments.

FINANCIAL IMPACT: There will be a financial impact associated with amending the fee and connection schedule. Staff will provide a financial assessment of the different system rate schedules and incentive scenarios by late summer 2010.

RECOMMENDATION(S): The Manager recommends the Board:

1. Acknowledge the concept of the "Community Public Sewer Program Package" as presented for distribution to potential customers in the Efland Community;
2. Approve an Outreach Program including County staff meeting with the public to distribute the information packages, answer questions and prepare the agreements pending final incentive determinations;
3. Approve that the terms of the agreements made in 1985 (e.g. waiver of County and Hillsborough connection fees) for those parcels which belonged to "original signers," and authorize new connection agreements to be drawn up to that end for the current owners and the County to sign; and
4. Acknowledge that the County Attorney's office will be handling the legal aspects of the connection and easements agreements.