



# Minutes

## Board of Commissioners Work Session

Joint meeting with Water and Sewer Advisory Committee

7 p.m. Aug. 28, 2023

Board Meeting Room, Town Hall Annex, 105 E. Corbin St.

### Present

Town board: Mayor Jenn Weaver and commissioners Mark Bell, Robb English, Kathleen Ferguson, Matt Hughes, and Evelyn Lloyd

Advisory board: Chair Jenn Sykes, Vice Chair Saru Salvi and members Grace Beeler, Mo Rasheed, Daniel Rawlins and Steed Robinson

Absent: Water and Sewer Advisory Committee Member Barry Weston

Staff: Assistant Town Manager and Community Services Director Matt Efird, Civil Engineering Technician Tyler Freeman, Environmental Engineering Supervisor Bryant Green, Town Attorney Lydia Lavelle, Utilities Infrastructure Protection Supervisor Troy Miller, Town Clerk and Human Resources Technician Sarah Kimrey, Town Manager Eric Peterson, Utilities Director Marie Strandwitz and Communications Manager Catherine Wright

### 1. Opening of the work session

Mayor Jenn Weaver called the meeting to order at 7 p.m.

### 2. Public charge

Weaver did not read the public charge.

### 3. Agenda changes and approval

Commissioner Mark Bell asked to add discussion of the 2024 Assembly of Governments meeting.

Motion: Commissioner Kathleen Ferguson moved to approve the agenda as amended. Commissioner Matt Hughes seconded.

Vote: 5-0.

### 4. Items for decision - consent agenda

A. Miscellaneous budget amendments and transfers

B. Special Event Permit: Historic Hillsborough Half Marathon and 5K

Motion: Ferguson moved to approve all items on the consent agenda. Hughes seconded.

Vote: 5-0. Nays: 0.

### 5. Board of Commissioners and Water and Sewer Advisory Committee joint meeting

A. System Development Fee Analysis Presentation

Raftelis Financial Consultants virtually presented a study and proposal for Hillsborough's system development fees —one-time charges to new development to pay for water and sewer facilities needed to support growth or to recoup costs for existing utilities facilities.

Raftelis Senior Consultant Vanessa Waller said no written public comments had been received thus far. A public hearing and vote on the revised fees will take place at the board's regular meeting in September.

Waller reported that the capacity buy-in method was used to calculate the town's proposed fees because Hillsborough's existing water and sewer facilities potentially have enough capacity to serve new customers for the next several years. The state requires a new study at least every five years.

The buy-in cost per gallon for Hillsborough's existing facilities was found to be \$9.09 for water and \$9.72 for sewer. The consultant based the proposed fees for residential and nonresidential structures on the average number of gallons used per day for each type of structure in North Carolina.

B. Water and Sewer Advisory Committee recommendations

1. Utility rate structure

Alan Pennington, director of plant operations at UNC Hospitals Hillsborough Campus, spoke about the facility's use of water, its regulations and what it does to minimize water use, including the installation of landscaping that does not require irrigation. He noted higher rates would be passed onto customers.

Water and Sewer Advisory Committee Chair Jenn Sykes reviewed the committee's work to keep the utilities system solvent but to also provide financial relief to customers. She said the committee is requesting the board allow a consultant to evaluate how the institutional class of water and sewer customers would be affected by changing the utilities rate structure to an increasing block structure with higher rates for higher usage. She said the committee wants to determine if the change could bring financial relief to residential and small business customers.

There was discussion among commissioners about a wariness to place additional charges on schools. It was clarified that the institutional class is typically government agencies, university systems, public and community schools, and churches. Utilities Director Marie Strandwitz noted the town has partnered with schools in the past to waive facility fees or make other financial contributions for infrastructure.

Committee members and staff noted an increasing block structure could incentivize water conservation and the pursuit of grants to make schools greener. Conservation also could help boost the town's raw water supply during the hottest months when schools typically irrigate and UNC Hospitals uses water to regulate its cooling system.

Ferguson noted a desire to explore the option. Others on the board noted that increased conservation in the institutional class could lead to no change in revenue and that \$9,000 could be spent to learn what is already known.

It was clarified that the potential increasing block structure would apply to all customers but would affect the institutional class of customers the most. There was discussion that low-income customers with large families might end up paying more under such a structure.

The mayor called for a vote.

Motion: Ferguson moved to authorize a utility rate structure study. There was not a second.

The motion failed. The mayor thanked the committee for its work.

2. Cross connection code changes

Utility customers George Prebula, Kevin Cheshire and Saru Salvi spoke about the proposed changes to the code regarding residential in-ground pools and backflow prevention. Prebula and Cheshire noted discomfort with proposed site visits to check for other hazards. Salvi noted loss of money to install a reduced pressure

zone assembly to prevent backflow due to her in-ground pool and well. The vice chair for the Water and Sewer Advisory Committee had recused herself from this portion of the meeting.

The town board and committee discussed proposed changes to the Hillsborough Code of Ordinances related to cross-connection requirements for owners of existing residential in-ground swimming pools to prevent water from flowing backward into the water supply with potential contaminants.

During discussion of proposed site visits from staff to check for hazards, Customer Eric Lindblom spoke about his experience, noting the visit was brief, taking about 10 minutes. He added that he believes the code changes are not needed based on the data about risks.

Sykes left the meeting at 8:44 p.m.

The Board of Commissioners directed staff to revise the proposed changes to keep requirements simple and manageable for staff and customers, provide clear boundaries for site inspections, and clearly define the hazards that would require a reduced pressure zone assembly to prevent backflow. Additional information was requested to determine whether the backflow prevention device should be required for all new residential pools or only those directly piped to the town's water system for autofilling.

- C. Discussion of the Assembly of Governments meeting (added item)  
Commissioner Mark Bell asked commissioners about Jan. 23 as the proposed date for the meeting with Orange County and other town governments in the county. He asked commissioners to send him potential topics for discussion. One noted topic was discussion of services and which government entity provides the services.

**6. Committee updates and reports**

Board members gave updates on the committees and boards on which they serve.

**7. Adjournment**

Weaver adjourned the meeting at 9:32 p.m.

Respectfully submitted,



Sarah Kimrey  
Town Clerk  
Staff support to the Board of Commissioners

FY 2023-2024

TOWN OF HILLSBOROUGH  
BUDGET CHANGES REPORT

DATES: 08/28/2023 TO 08/28/2023

	<u>REFERENCE</u>	<u>CHANGE NUMBER</u>	<u>DATE</u>	<u>USER</u>	<u>ORIGINAL BUDGET</u>	<u>BUDGET CHANGE</u>	<u>AMENDED BUDGET</u>
GF	10-00-9990-5300-000 CONTINGENCY						
	Contingency For design graphic on new garbage truck.	41141	08/28/2023	JFernandez	450,000.00	-1,275.00	263,081.00
Solid Waste	10-30-5800-5300-330 SUPPLIES - DEPARTMENTAL						
	For design graphic on new garbage truck.	41140	08/28/2023	JFernandez	2,500.00	1,275.00	3,775.00
Storm-water	35-30-5900-5300-570 MISCELLANEOUS						
	To cover tractor and trailer attachment.	41143	08/28/2023	JFernandez	26,374.00	-1,000.00	25,374.00
Storm-water	35-30-5900-5700-741 CAPITAL - EQUIPMENT						
	To cover tractor and trailer attachment.	41142	08/28/2023	JFernandez	75,000.00	1,000.00	76,000.00
						0.00	

APPROVED: 5/0

DATE: 8/28/23

VERIFIED: \_\_\_\_\_

