

Approved: 11/3/2008

October 20, 2008
Minutes of Regular Meeting

The Union County Board of Commissioners met in a regular meeting on Monday, October 20, 2008, at 7:00 p.m. in the Commissioners' Board Room, first floor, Union County Government Center, 500 North Main Street, Monroe, North Carolina. The following were

PRESENT: Chairman Allan Baucom, Vice Chairman Kevin Pressley (joined the meeting at approximately 7:20 p.m.), Commissioner Roger Lane, Commissioner A. Parker Mills, Jr., and Commissioner Lanny Openshaw

ABSENT: None

ALSO PRESENT: Al Greene, County Manager, Matthew Delk, Assistant County Manager, Lynn G. West, Clerk to the Board of Commissioners, Jeff Crook, Senior Staff Attorney, Kai Nelson, Finance Director, H. Ligon Bundy, Attorney at Law, members of the press, and interested citizens

Opening of Meeting:

At approximately 7:00 p.m., Chairman Baucom convened the regular meeting and welcomed everyone present.

a. Invocation

Commissioner Lane offered the invocation.

b. Pledge of Allegiance

Commissioner Lane led the body in reciting the Pledge of Allegiance to the United States flag.

Informal Comments:

Dick Brainard, who resides at 304 South Washington Street, Monroe, North Carolina, addressed the Board on behalf of Turning Point of Union County. Mr. Brainard said that he was a member of the Board of Directors for Turning Point, and on behalf of his board invited the Commissioners to the annual meeting of Turning Point on Tuesday evening at the Union County Agricultural Center at 6:00 p.m.

Mr. Brainard stated that domestic violence is on the rise in the State, and thus far in 2008, there have been 81 homicides, six of which have occurred in Union County, and the only other county where a greater number of homicides have occurred was Mecklenburg County. He stated that Turning Point's shelter has been filled to capacity for the past five months, and it is straining to meet its expenses. He expressed appreciation for the County's support of Turning Point in the past.

Commissioner Lane commented that he was glad that Turning Point is active in the County and shared that a member of his family had been involved with domestic violence, and he could appreciate the work of Turning Point.

Chairman Baucom stated that this concluded the informal comments.

Additions, Deletions and/or Adoption of Agenda:

Chairman Baucom requested to add an item to the regular agenda: Consideration of Spending Curtailment Measures. He stated that there was a request from Dan Coughlin of PBH (Piedmont Behavioral Healthcare) for a deletion of Items 6a and b of the Regular Agenda for presentation of its annual report and update on a Crisis Center for Union County.

The Chairman said that there was a correction to Consent Agenda Item 4a to correct the date of the presentation of the Patriot Awards from November 10, 2008, to November 8, 2008. He stated that there is a request to delete Item 6 from the Consent Agenda – Waiver of Competitive Bidding under G.S. 143-129(g) for the Purchase of One Roll-Off Truck for Public Works. He said that there was an addition to the Consent Agenda – Item 5/12 – Report of Fire Conditions: Sandy Ridge Fire and Rescue – Appointment of Firefighters Relief Fund Trustees – Teresa McBride and Jamil Hudson.

Commissioner Openshaw requested that Consent Agenda Item 1 – Marshville and Wingate Wastewater Contract Amendments be moved from the Consent Agenda to the Regular Agenda.

With there being no further additions or deletions to the agenda, Commissioner Lane moved to adopt the agenda as modified. The motion was passed by a vote of four to zero. Chairman Baucom, Commissioner Lane, Commissioner Mills, and Commissioner Openshaw voted in favor of the motion. Vice Chairman Pressley was not present at the time of the vote.

Consent Agenda:

Commissioner Lane moved approval of the items listed on the Consent Agenda as modified. The motion was passed by a vote of four to zero. Chairman Baucom, Commissioner Lane, Commissioner Mills, and Commissioner Openshaw voted in favor of the motion. Vice Chairman Pressley was not present at the time of the vote.

Marshville and Wingate Wastewater Contract Amendments: This item was moved to the Regular Agenda at the request of Commissioner Openshaw.

Tax Administrator: Approved the Fourth Motor Vehicle Billing in the grand total amount of \$1,328,815.95

Tax Administrator: Approved the Third Motor Vehicle Release Register for the period of September 1, 2008, through September 30, 2008, in the net grand total of \$14,887.59-

Tax Administrator: Approved the Third Motor Vehicle Refund Register for the period of September 1, 2008, through September 30, 2008, in the net grand total of \$1,534.21-

Resolution Levying a Tax on Gross Receipts Derived from Retail Short-Term Lease or Rental of Heavy Equipment: Adopted the following Resolution:

RESOLUTION LEVYING A TAX ON GROSS RECEIPTS DERIVED FROM RETAIL SHORT-TERM LEASE OR RENTAL OF
HEAVY EQUIPMENT

WHEREAS, North Carolina General Statute 105-275(42a) designates Heavy Equipment on which a gross receipts tax may be imposed under 153A-156.1 and 160A-215.2 as a special class of property which is exempted from property taxation and shall not be listed, appraised, or assessed on or after January 1, 2009; and

WHEREAS, North Carolina General Statute 153A-156.1 authorizes a County by resolution to impose a tax at the rate of one and two-tenths percent (1.2%) on the gross receipts from the short term lease or rental of heavy equipment by a person whose principal business is the short-term lease or rental of heavy equipment at retail; and

WHEREAS, the tax authorized by North Carolina General Statute 153A-156.1 provides a way to replace the loss in tax revenue caused by the enactment of North Carolina General Statute 105-275(42a).

NOW THEREFORE, THE UNION COUNTY BOARD OF COMMISSIONERS DOES HEREBY RESOLVE to impose, pursuant to North Carolina General Statute 153A-156.1, a tax of one and two-tenths percent (1.2%) on the gross receipts from the short-term lease or rental of heavy equipment by a person whose principal business is the short-term lease or rental of heavy equipment at retail (hereinafter referred to as the “Gross Receipts Tax”).

The terms “gross receipts,” “short-term lease or rental,” and “heavy equipment” shall be given the same meaning as they are given in North Carolina General Statute 153A-156.1. Likewise, North Carolina General Statute 153A-156.1 shall govern who shall be considered a “person whose principal business is the short-term lease or rental of heavy equipment at retail” for the purposes of this resolution. The procedures, requirements, and authority for the collection, payment, and enforcement of the Gross Receipts Tax shall be those procedures, requirements, and authority set out in North Carolina General Statute 153A-156.1 for such purposes. References to “North Carolina General Statute 153A-156.1” appearing in this resolution shall mean North Carolina General Statute 153A-156.1 as may be from time to time amended, modified, supplemented, revised or superseded.

This resolution and the taxes thereby levied and imposed shall become effective January 1, 2009 and shall remain in effect until repealed by a resolution of the Union County Board of Commissioners.

Adopted this the 20th day of October, 2008.

Finance: Approved Motor Vehicle Tax Refund Overpayments for September 2008 in the amount of \$2,983.04

Veterans Services: Adopted Proclamations for Patriot Awards for Outstanding JROTC members to be presented on November 8, 2008, during the Veterans Day Celebration



PROCLAMATION

BY THE UNION COUNTY BOARD OF COMMISSIONERS

FOR

THE 2008 PATRIOT AWARD

THAT WHEREAS, Union County is very fortunate to have active Junior Reserve Officers' Training Corps units in several of the high schools throughout the County; and

WHEREAS, the Junior Reserve Officers' Training Corps is an exceptional national youth program that promotes leadership, scholastic achievement, and patriotism; and

WHEREAS, the ideas instilled in the young men and women who participate in the Junior Reserve Officers' Training Corps are exemplary of the principles handed down by the "citizen-soldiers" of the American Revolution; and

WHEREAS, the Union County Board of Commissioners encourages and recognizes the outstanding student citizens and supports their exceptional national youth program.

NOW, THEREFORE, THE UNION COUNTY BOARD OF COMMISSIONERS does hereby proclaim

Cadet Major Jazarai Sturdivant

being a daughter of the County of Union and member of the **Air Force Junior Reserve Officers' Training Corps** of **Monroe High School**, to have a high degree of merit with respect to patriotism, leadership, military bearing, scholarship and general excellence, and we do hereby grant to her the **Patriot Award** with the honor and privilege to be known as a Patriot among the citizens of the County of Union.

On behalf of the Union County Board of Commissioners, this Proclamation is adopted this 20th of October, 2008.

ATTEST:

Lynn G. West, Clerk to the Board of
Commissioners

Allan Baucom, Chairman
Union County Board of Commissioners



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WHEREAS, the Union County Board of Commissioners encourages and recognizes the outstanding student citizens and supports their exceptional national youth program.

NOW, THEREFORE, THE UNION COUNTY BOARD OF COMMISSIONERS does hereby proclaim

Cadet Lieutenant Colonel Jacob Gibson

being a son of the County of Union and member of the **Air Force Junior Reserve Officers' Training Corps** of **Piedmont High School**, to have a high degree of merit with respect to patriotism, leadership, military bearing, scholarship and general excellence, and we do hereby grant to him the **Patriot Award** with the honor and privilege to be known as a Patriot among the citizens of the County of Union.

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ATTEST:

Lynn G. West, Clerk to the Board of
Commissioners

Allan Baucom, Chairman
Union County Board of Commissioners



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WHEREAS, the Union County Board of Commissioners encourages and recognizes the outstanding student citizens and supports their exceptional national youth program.

NOW, THEREFORE, THE UNION COUNTY BOARD OF COMMISSIONERS does hereby proclaim

Cadet Lieutenant jg Eduardo Dario

being a son of the County of Union and member of the **Navy Junior Reserve Officers' Training Corps** of **Sun Valley High School**, to have a high degree of merit with respect to patriotism, leadership, military bearing, scholarship and general excellence, and we do hereby grant to him the **Patriot Award** with the honor and privilege to be known as a Patriot among the citizens of the County of Union.

On behalf of the Union County Board of Commissioners, this Proclamation is adopted this 20th day of October, 2008.

ATTEST:

Lynn G. West, Clerk to the Board of
Commissioners

Allan Baucom, Chairman
Union County Board of Commissioners



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WHEREAS, the ideas instilled in the young men and women who participate in the Junior Reserve Officers' Training Corps are exemplary of the principles handed down by the "citizen-soldiers" of the American Revolution; and

WHEREAS, the Union County Board of Commissioners encourages and recognizes the outstanding student citizens and supports their exceptional national youth program.

NOW, THEREFORE, THE UNION COUNTY BOARD OF COMMISSIONERS does hereby proclaim

Cadet Lieutenant Joshua Michael Bosworth

being a son of the County of Union and member of the **Navy Junior Reserve Officers' Training Corps of Forest Hills High School**, to have a high degree of merit with respect to patriotism, leadership, military bearing, scholarship and general excellence, and we do hereby grant to him the **Patriot Award** with the honor and privilege to be known as a Patriot among the citizens of the County of Union.

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ATTEST:

Lynn G. West, Clerk to the Board of
Commissioners

Allan Baucom, Chairman
Union County Board of Commissioners



PROCLAMATION

BY THE UNION COUNTY BOARD OF COMMISSIONERS

FOR

THE 2008 PATRIOT AWARD

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WHEREAS, the ideas instilled in the young men and women who participate in the Junior Reserve Officers' Training Corps are exemplary of the principles handed down by the "citizen-soldiers" of the American Revolution; and

WHEREAS, the Union County Board of Commissioners encourages and recognizes the outstanding student citizens and supports their exceptional national youth program.

NOW, THEREFORE, THE UNION COUNTY BOARD OF COMMISSIONERS does hereby proclaim

Cadet Major Ryan Newton

being a son of the County of Union and member of the **Air Force Junior Reserve Officers' Training Corps** of **Parkwood High School**, to have a high degree of merit with respect to patriotism, leadership, military bearing, scholarship and general excellence, and we do hereby grant to him the **Patriot Award** with the honor and privilege to be known as a Patriot among the citizens of the County of Union.

On behalf of the Union County Board of Commissioners, this Proclamation is adopted this 20th of October, 2008.

ATTEST:

Lynn G. West, Clerk to the Board of
Commissioners

Allan Baucom, Chairman
Union County Board of Commissioners

Reports of Fire Conditions: Volunteer Fire Departments – Appointment of Trustees to Firemen’s Relief Fund: Certify annual “Reports of Fire Conditions” which include Appointments by the Board of Commissioners of two trustees to the Firemen’s Relief Fund from each fire department as recommended by the respective departments:

1. Allens Crossroads VFD: 1) Thomas Baker and 2) Dwayne Cook
2. Bakers VFD: 1) B. Ivan Secrest and 2) William T. McCain
3. Beaver Lane VFD: 1) Baxter Jordan and 2) Shelley Maness
4. Fairview Fire and Rescue: 1) Brian C. Austin and 2) Jody Mills
5. - Griffith Road VFD: 1) Steve Brooks and 2) David Fuss
6. Hemby Bridge VFD: 1) Kevin Tice and 2) Paul Ramsey
7. Jackson Community Center & VFD: 1) Albert J. Starnes and 2) T. C. Carter

8. Lanes Creek VFD: 1) Jackie Price and 2) Shirleen Tucker
9. Mineral Springs VFD: 1) Robert Belk and 2) Tony Belk
10. New Salem VFD: 1) Larry R. Clontz and 2) Garry S. Moore
11. Providence VFD: 1) Andrew Ansley and 2) Daryl Matthews
12. Sandy Ridge Fire and Rescue: 1) Teresa McBryde and 2) Jamil Hudson
13. Stack Road VFD: 1) Tony Helms and 2) Ralph Funderburk
14. Stallings VFD: 1) Jimmy Younts and 2) James E. Hinson
15. Unionville (Town of): 1) Billy Canupp and 2) Johnny Griffin
16. Waxhaw VFD: 1) Ron McGarvey and 2) Fred DeRuiter
17. Wesley Chapel VFD: 1) James Kubach and 2) James Mullis
18. Wingate (Ames) VFD: 1) R. Braddock Sellers and 2) W. Elliott Ward

Waiver of Competitive Bidding Under G.S. 143-129(g) for the Purchase of One Roll-Off Truck for Public Works: This item was deleted from the agenda.

Identity Theft Prevention Program: Adopted Identity Theft Prevention Program as required by federal regulations

UNION COUNTY'S IDENTITY THEFT PREVENTION PROGRAM

This program shall become effective November 1, 2008.

Adopted this the 20th day of October, 2008.

I. PREFACE

The purpose of this program is to detect, prevent, and mitigate identity theft in connection with the opening of a covered account or any existing covered account with a Union County department. This policy is intended to satisfy the requirements of 16 CFR §681.2

which was adopted pursuant to the federal Fair and Accurate Credit Transactions (FACT) Act. According to 16 CFR §681.2, Union County's Identity Theft Prevention Program must include reasonable policies and procedures to: (1) Identify relevant Red Flags for the Covered Accounts that a Union County Department offers or maintains, and incorporate those Red Flags into this Program; (2) Detect Red Flags that have been incorporated into this Program; (3) Respond appropriately to any Red Flags that are detected to prevent and mitigate identity theft; and (4) Ensure this Program (including the Red Flags determined to be relevant) is updated periodically to reflect changes in risks to customers of Covered Accounts and to the safety and soundness of a Union County Department from identity theft. The guidelines found in Appendix A to 16 CFR PT. 681 and the size and complexity of the Department covered by this program and the nature and scope of Union County's activities were considered in the formulation of this Program.

II. DEFINITIONS

1. Covered Account – an account that a Department offers or maintains, primarily for personal, family, or household purposes, that involves or is designed to permit multiple payments or transactions, such as a utility account; and any other account that a Department offers or maintains for which there is a reasonably foreseeable risk to customers or to the safety and soundness of a Department from identity theft, including financial, operational, compliance, reputation, or litigation risks.
2. Department – a Union County department which is a Creditor under 16 CFR §681.2 and which maintains Covered Accounts as that term is defined under this policy or under 16 CFR §681.2.
3. Identity Theft – the illegal use of the identifying information of another person without authority.
4. Notice of Address Discrepancy – a notice sent to a Department by a consumer reporting agency pursuant to 15 U.S.C. 1681c(h)(1), that informs the Department of a substantial difference between the address for the customer that the Department provided to request a consumer report and the address(es) in the consumer reporting agency's file for the customer.
5. Personal Identifying Information – name, address, telephone number, date of birth, Social Security Number, an authenticating password established by a Department for a customer's Covered Account
6. Program – Union County's Identity Theft Prevention Program
7. Red Flag – a pattern, practice, or specific activity that indicates the possible existence of identity theft.

III. IDENTIFICATION OF RELEVANT RED FLAGS

Following each of these subheadings is a list of those patterns, practices, and activities considered to be relevant Red Flags under this Program. Some Red Flags may be more relevant to one Department than they are to another given the nature of the Covered Accounts maintained. The title of each subheading is intended only to categorize the list therein and is not intended to be, in and of itself, a Red Flag under this Program. In identifying these Red Flags, the following factors were considered: the types of covered accounts offered or maintained; the methods provided to open Covered Accounts; the methods provided to access Covered Accounts; and previous experiences with identity theft. In updating this Program, these factors should again be considered with the following additional considerations: identified instances of identity theft that reflect changes in identify theft methods/risks and applicable supervisory guidance from state or federal agencies.

A. Notifications or Warnings from a Consumer Reporting Agency *(the Red Flags under this subheading are more relevant for Public Works)*

- i. A fraud or active duty alert is included with a consumer report.
- ii. A consumer reporting agency provides a notice of credit freeze in response to a request for a consumer report.
- iii. A consumer reporting agency provides a notice of address discrepancy.
- iv. A consumer report indicates a pattern of activity that is inconsistent with the history and usual pattern of activity of an applicant for a Covered Account or a customer such as: a recent and significant increase in the volume of inquiries, an unusual number of recently established credit relationships; a material change in the use of credit, especially with respect to recently established credit relationships; or an account that was closed for cause or identified for abuse of account privileges by Union County.

B. Suspicious Documents

- i. Documents provided for identification appear to have been altered or forged.
- ii. The photograph or physical description on the identification is not consistent with the appearance of the applicant or customer presenting the identification.
- iii. Information on the documents provided for identification is not consistent with other information provided by the person opening a new Covered Account or customer presenting the identification (e.g. date of birth on a driver's license does not match date of birth given by customer/applicant for a Covered Account).

C. Suspicious Personal Identifying Information

- i. Personal identifying information provided by the customer to the Department is inconsistent with other information provided by the customer to the Department (e.g. customer provides two different Social Security Numbers or two different dates of birth or there is a lack of correlation between the Social Security Number range and the date of birth).
- ii. Personal identifying information provided by the customer is inconsistent when compared against external information sources (e.g. a credit report or other public database) used by the Department.
- iii. Personal identifying information provided is associated with known fraudulent activity as indicated by internal or third-party sources used by the Department.
- iv. Personal identifying information provided is of a type commonly associated with fraudulent activity as indicated by internal or third-party sources used by the Department. For example, the address on an application is fictitious, a mail drop, or a prison; or the phone number is invalid, or is associated with a pager or answering service.
- v. The Social Security Number provided is the same as that submitted by other persons opening a Covered Account with the Department or other customers of the Department.
- vi. The person opening the Covered Account or the customer fails to provide all required personal identifying information (with the exception of Social Security Numbers) on an application or in response to notification from the Department that the application is incomplete.
- vii. The person provides personal identifying information which is inconsistent with personal identifying information that is on file for the person with the Department.
- viii. When using challenge questions, the customer cannot provide authenticating information beyond that which generally would be available from a wallet or consumer report (e.g. cannot provide the authenticating password previously agreed to by customer and the Department in regards to the Covered Account).

D. Unusual Use of, or Suspicious Activity Related to, the Covered Account

- i. Mail sent to the customer by the Department is returned repeatedly as undeliverable although transactions continue to be conducted in connection with the customer's Covered Account with the Department.
- ii. The Department is notified that a customer is not receiving paper account statements.
- iii. A Covered Account that has been inactive for a reasonably lengthy period of time is used (taking into consideration the expected pattern of usage and other relevant factors). *This Red Flag is only relevant for Public Works.*
- iv. The Department is notified of unauthorized activity in connection with a Covered Account.

E. Notices

- i. The Department is notified by a customer, a victim of identify theft, a law enforcement authority, or any other person that it has opened a fraudulent account for a person engaged in identity theft.

IV. DETECTION OF RED FLAGS

In order to detect Red Flags identified under Section III of this Program, the Department will use the following procedure to verify, to the extent reasonable and practicable, the identity of each customer of or applicant for a Covered Account such that the Department will be able to form a reasonable belief that it knows the true identity of each customer.

A. When Opening a Covered Account for a Customer Who is an Individual

- i. The Department will obtain the following information from the customer:
 - a. Name
 - b. Date of Birth (for an individual)
 - c. Street Address
- ii. The Department will then verify the identity of the customer either before the Covered Account is opened or within a reasonable time after the Covered Account is opened through the use of an unexpired government-issued identification evidencing nationality or residence and bearing a photograph or similar safeguard (examples: a driver's license or passport). The customer must show the identification in person.
- iii. If a customer does not want to appear in person for the verification of identity, the customer may choose to provide the Department with his/her taxpayer identification number. The Department may then verify identity by comparing the information provided by the customer with information obtained from a consumer reporting agency, public database, or other source.

B. When Opening a Covered Account for a Business Customer (such as a corporation, partnership, or trust)

- i. The Department will obtain the following information from the customer:
 - a. Name

- b. Street Address
- c. Address of Principal Place of Business
- ii. The Department will then verify the identity of the customer before the Covered Account is opened or within a reasonable time after the Covered Account is opened through documents showing the existence of the entity, such as certified articles of incorporation, a government-issued business license, a partnership agreement, or trust instrument.

C. When Dealing With Existing Covered Accounts

- i. The Department will authenticate customers who request information about their Covered Account or who request a change of mailing address by asking them to provide their name, address, date of birth (if an individual), and an authenticating password (if one has been established by the Customer and the Department) and then comparing the provided information with that information on file for the Customer.
- ii. The Department will monitor transactions to detect the Red Flags listed in Section III.

V. RESPONSE TO RED FLAGS

The Department shall respond appropriately to the detection of a Red Flag identified in Section III of this Program such that the response is commensurate with the degree of risk posed. The director of the Department or his/her designee shall decide the appropriate response under the guidance of this Program.

A. Appropriate Responses

- i. Appropriate responses for the detection of a Red Flag associated with an existing Covered Account may include the following:
 - a. Monitoring a Covered Account for evidence of identity theft;
 - b. Contacting the customer;
 - c. Changing an authenticating password that may have been established for the Covered Account;
 - d. Closing an existing Covered Account;
 - e. Not attempting to collect on a Covered Account or not selling a Covered Account to a debt collector;
 - f. Notifying law enforcement;
 - g. Other appropriate action to prevent or mitigate identity theft; or

- h. Determining that no response is warranted under the particular circumstances.
- ii. Appropriate responses for the detection of a Red Flag associated with the opening of a new Covered Account may include the following:
 - a. Requesting additional identifying information from the applicant;
 - b. Not opening a new Covered Account;
 - c. Notifying law enforcement;
 - d. Other appropriate action to prevent or mitigate identity theft; or
 - e. Determining that no response is warranted under the particular circumstances.

B. Aggravating Factors

- i. In deciding the appropriate response, the Department shall consider aggravating factors that may heighten the risk of identity theft, such as:
 - a. a data security incident that results in unauthorized access to a customer's Covered Account records held by the Department, or
 - b. a customer has provided notice to the Department that he or she has been a victim of identity theft.

VI. ADMINISTERING AND UPDATING THIS PROGRAM

A. Periodic Updates

This policy will be periodically updated to reflect changes in risks to customers or to the safety and soundness of Department(s) from identity theft, based on factors such as:

- a. Experiences with identity theft
- b. Changes in methods of identity theft
- c. Changes in methods to detect, prevent, and mitigate identity theft;
- d. Changes in the types of covered accounts offered or maintained
- e. Changes in an applicable service provider arrangement

B. Oversight

The County Manager will be responsible for overseeing this Program. He will be responsible for, among other things:

- a. Assigning specific responsibility for the Program's implementation;
- b. Reviewing reports prepared by Department staff regarding Department's compliance with 16 C.F.R. §681.2.; and
- c. Approving material changes to the Program as necessary to address changing identity theft risks.

C. Reporting

The [Department Director or Internal Auditor] shall report to the County Manager at least annually on the Department's compliance with 16 C.F.R. §681.2. The report should address material matters related to the Program and evaluate issues such as: the effectiveness of this Program in addressing the risk of identity theft in connection with the opening of Covered Accounts and with respect to existing Covered Accounts; service provider arrangements; significant incidents involving identity theft and the Department's response; and recommendations for material changes to the Program.

D. Service Providers

Whenever the Department engages a service provider to perform an activity in connection with one or more covered accounts, the Department will take steps to ensure that the activity of the service provider is conducted in accordance with reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identity theft (e.g. may contractually require the service provider to have policies and procedures to detect relevant Red Flags that may arise in the performance of the service provider's activities, and either report the Red Flags to the Department, or take appropriate steps to prevent or mitigate identity theft).

Health Department/Smart Start Smiles Program: Adopted Budget Amendment #10 increasing Operating Expenses by \$54,000 and State Revenue by \$54,000 to appropriate funds for additional Smart Start Smiles Grant

Additions to County's 2008-2009 Pay and Classification Plan: Approved the addition of job classification for Processing Assistant II, Pay Grade 53 to the 2008-2009 Union County Pay and Classification Plan

Library – Picturing America Grant Applications: Authorized the County Manager to execute and submit grant application (No county match required).

Award of 2009 Union County Athletic Grants: Approved Athletic Association Grants for the 2009 Grant Cycle and authorized the County Manager to approve agreements with the Athletic Associations after legal review for: a) Indian Trail Athletic Association - \$33,026.94; b) Piedmont Recreation Association - \$15,196.91; c) Prospect Athletic and Recreation Association - \$8,462.86; d) South Union Athletic Association - \$5,823.10; and Waxhaw Athletic Association - \$7,172.34.

Award of 2009 Union County Athletic Grants – Porter Ridge Athletic Association (Amount Requested: \$41,542.64): Approved requesting a new grant application for the 2009 grant cycle and extending the grant application deadline to November 15, 2008

Award of 2009 Union County Athletic Grants – Wesley Chapel/Weddington Athletic Association: Approved 2009 Grant contingent upon WCWAA submitting a letter of cancellation for the 2007 grant, declining the funds (thereby releasing the funds back to the County’s general fund); contingent upon submitting a modification for the 2008 grant application; and contingent upon reapplication for the 2009 grant and extending the grant application deadline to November 15, 2008

Union County Public Schools – Elementary School L (formerly Cuthbertson now Poplin Road near Bonterra) – Off-Site Sewer Construction: Adopted Capital Project Ordinance (CPO) #109 which provides additional funding for off-site sewer construction for Union County Public Schools Elementary School L:

CAPITAL PROJECT ORDINANCE AMENDMENT							
BUDGET	School Bond Fund - 55			REQUESTED BY	Kai Nelson		
FISCAL YEAR	FY 2008-2009			DATE	October 20, 2008		
PROJECT SOURCES				PROJECT USES			
Source	Project	Requested	Revised	Project	Project	Requested	Revised
Description and Code	To Date	Amendment	Project	Description and	To Date	Amendment	Project

Brett Vines, Public Information Officer, provided the following report:

1. Union County Christmas Bureau will open on Monday, October 27, at 1416 Skyway Drive.
2. For information about donating to the Christmas Bureau or applying for assistance, call Gloria Haney at 704-296-4312.
3. Flu Shot Clinics are being offered on Friday, October 24, from 8:30 a.m. to 2:00 p.m. at the First Baptist Church in Monroe. The clinic is for adults only at the cost of \$25 for shots. Blue Cross/Medicare and Medicaid will be accepted. Children can receive flu shots at the Health Department, and to make an appointment, please call the Health Department at 704-296-4800.
4. One-stop voting began on Thursday, October 16 and as of Saturday, October 28, 2008, 6,302 voters had cast their ballots in Union County.
5. 44.5 percent were registered Democrats, 37 percent were registered Republicans and 18.5 percent were unaffiliated.
6. He reminded everyone of the One-Stop Voting Locations:
 - a. Griffin Room – Monroe Library:
Monday to Friday – 8:30 a.m. – 6:00 p.m.
Saturday 9:00 a.m. – 1:00 p.m.
 - b. Hemby Bridge VFD, Stallings VFD, Wesley Chapel VFD, Wingate Community Center:
Monday to Friday – 10:00 a.m. – 6:00 p.m.
Saturday 9:00 a.m. – 1:00 p.m.
7. Cane Creek Lake will be closing on November 1 or whenever the lake reaches 16 inches below normal, to make repairs on the emergency spillway
8. Mr. Vines said that if anyone is planning to go to Cane Creek, please call 704-843-3919 to find out if the lake has closed.
9. He stated that the lake will reopen once the repairs are made whenever the water levels return to normal which is dependent on rainfall and runoff.

10. The Veterans Day Event will be November 8 and 9 at Monroe Airport with gates opening at 9:00 a.m. The performers will start at noon, and the main attraction is the “Tora, Tora, Tora” event at 4:00 p.m. each day. He said that during the two-day event, there will be vintage planes, guest speakers, Tuskegee Airmen, JROTC drill competition and concessions. For questions regarding the “Tora, Tora, Tora” event, Mr. Vines said that answers could be found on the following website: www.warriorsandwarbirds.com.

Consideration of Spending Curtailment Measures:

Chairman Baucom stated that he had requested this item to be placed on the regular agenda. He said that the Manager had planned on addressing this matter during his comments tonight, but with the importance of the recent economic developments, not only in Union County but also in North Carolina and the entire world, he thought it deserved the attention of being discussed on the regular agenda. He explained that this was merely Union County being proactive for the interests of the citizens.

Al Greene, County Manager, explained that there are three areas that the staff has identified where the County is being impacted with the economic developments. The first area he discussed was the annual budget constraints. He stated that a number of the County’s key revenue sources are expected to be down for the year, and it is anticipated they will come in under budget. He said that at the same time there are a number of County departments when the economy is down, the demand is up in those departments. Mr. Greene stated that those particular departments might experience budgetary constraints from the expenditures side. He said that the County’s ability to mesh its revenues and expenditures for the current year is going to be difficult, if not impossible.

He said the second area where the County is being impacted is the dramatic increase on the interest expense on its outstanding debt. He stated that staff has been working on this issue for several weeks.

Mr. Greene said that the capital markets have turned such that the County’s ability to incur new debt to fund capital items at a reasonable cost is very questionable. He stated that the Capital Improvement Program (CIP) that the Board adopted several weeks ago called for Certificates of Participation (COP’s) to be issued this spring. He said that now those markets are not available, and county and municipal governments are rejecting bids on their long-term financing proposals at this point in time. He stated that the County’s ability to issue that debt at a reasonable cost and continue with its capital projects is very much in question.

Commissioner Mills complimented Mr. Nelson on the memorandum that he had provided the Board last week regarding the financial conditions. He said that he hoped that this memorandum had been provided to the schools. Mr. Greene stated that copies were provided to the schools' representatives but the media did not receive copies.

Chairman Baucom pointed out that an item was removed from tonight's Consent Agenda (Item 6 – Waiver of Competitive Bidding Under G.S. 143-129(g) for the Purchase of One Roll-Off Truck for Public Works). He said that this item was for the purchase of a new truck for Public Works, and the purchase had been approved in the budget. He explained the reason this item had been removed was that all of the Board members and their own families and businesses have had items that they planned to purchase, but due to the economic situation that has occurred in the past couple of weeks, they have made changes. He said that this is a change that is being made in the County and the Board and staff are being proactive regarding the financial situation.

Kai Nelson, Finance Director, noted that the Capital Improvement Program (CIP) workshop was held on Monday, September 15. He said that was the weekend that Leaman Brothers imploded, and since that time, the whole credit and capital markets have been in turmoil.

Chairman Baucom moved, due to the current financial situation, that the County implement a hiring freeze on all County positions and a curtailment on spending for all capital projects unless approved by the County Manager.

Commissioner Lane said that he understood from the last part of the motion that there are certain high priority positions open such as a Public Works Director, that would be an exception to the hiring freeze. Chairman Baucom agreed and added that public safety positions and positions in Social Services, due to heavier workloads because of the current economic conditions, would be exceptions to the hiring freeze. He said that this motion would give latitude to the County Manager to approve filling those positions.

[Vice Chairman Pressley joined the meeting at approximately 7:22 p.m.]

Commissioner Mills asked if there should be a direction for a cutting the departmental budgets by a certain percentages, i.e. five percent. Mr. Greene said that the staff has spent a great deal of time on the situation regarding the County's short-term debt where significant increases in interest rates are being incurred. He stated that this is the most critical issue facing the County. He requested that the Board allow the staff to review the County's current finances and determine what might be a reasonable goal for the budgets. He said that he would hate to establish a goal that might not be realistic.

Commissioner Openshaw stated that he would like for any expenditures over \$90,000 (current approval amount for Manager) to come back to the Board. He said that some time ago, he had suggested that the County consider implementing a vehicle study.

Chairman Baucom responded that any expenditures over \$90,000 currently comes to the Board for approval. Mr. Greene also responded saying that a comprehensive vehicle study is underway which deals with the types of vehicles purchased, mileage and age at the time of replacement, and which County positions should be allowed to drive vehicles home.

Following the discussion, the motion was passed unanimously.

Marshville and Wingate Wastewater Contract Amendments (Moved from the Consent Agenda at the Request of Commissioner Openshaw):

Commissioner Openshaw referred to the last line of the action requested for this item on the agenda as follows: “to provide such other modifications during the resultant interim period as may be in the best interests of Union County Public Works.” He said that he would like for those modifications to be presented to the Board.

Jeff Crook, Senior Staff Attorney, asked to address Commissioner Openshaw’s comments. He said that he had prepared the agenda abstract for this item and had included the language regarding “such other modifications” when there had been discussions about some interim modifications to those two agreements. He said one part of the modifications involved water conservation with the Town of Wingate and the other had to do with the Town of Marshville. He stated that in speaking with the Manager, they had decided at this point to do simple extensions, so this part of the requested action is no longer necessary and suggested that part of the action requested be deleted.

Commissioner Openshaw said that in discussions with representatives of the Town of Wingate and the Town of Marshville, there were some points of discussion about which they perennially had disagreements with the County. He stated that was the reason he wanted to see how those issues were resolved. He said that he wanted to make sure those issues are resolved. He stated that there are obviously two legitimate points of view.

Al Greene, County Manager, responded that there are a number of logistical questions back and forth between the County and the Towns of Wingate and Marshville. He said that they are working on those questions at the staff level and also they are working on

the inflow situation. He said that the eastern system has a great deal of inflow, and if there is going to be any capacity in the eastern system in the next year and a half to two years, it will be through reducing the inflow.

Commissioner Mills asked Scott Huneycutt, Interim Public Works Director, to provide an update to the Board regarding the Marshville fire hydrant by the next Board meeting.

Following the discussion, Commissioner Openshaw moved to authorize the County Manager to approve amendments to the Marshville and Wingate wastewater agreements to establish a definite expiration date of October 31, 2009. The motion was passed unanimously.

Public Works Department – Water Allocation Policy:

Kevin Mosteller of HDR Engineering stated that the team began working on the Water Allocation Policy approximately six months ago. He said that probably the feeling of the team as it began its work was a little bit of a bleak picture with the water demand at that time and a whole host of new development projects as they existed. He said that tonight there is a reason for a lot of optimism with regard to the water allocation policy. Mr. Mosteller stated that a number of things have happened over the past six months, some of which include the County getting a very good handle on the projects that are outstanding that have been proposed within the service area. He said that there have been a lot of projects on the water treatment side and the capacity side that have moved forward in those six months. He further said that the Board has adopted a new rate structure that is going to promote some needed conservation, and there has been a commitment from Lancaster County on some additional capacity at least for the next year, and finally, the Board adopted a new irrigation schedule that has shown some great results in the short time that it has been in place.

Mr. Mosteller said that he comes tonight with a lot of optimism that this policy strikes a good balance between good economic growth in the County and existing customer service. He stated that the team feels that the proposed policy balances the fairness among the potentially impacted parties of what could be in the water allocation policy. He said that in reviewing the accomplishments over the five to six months of working on the policy, the team believes that the policy seizes the opportunity for the Public Works Department to advance what they do overall in the water operations particularly the collaborative progress that has been made with Anson County and Lancaster County. He stated that public education is something that is very important, and representatives from the green industry addressed the Board during the public hearing, and there is a strong desire to partner with them by way of public education moving forward. He said that the changes in the development climate cannot be predicted but probably is something that while it is negative for a lot of people might be a positive as it relates to the water allocation policy.

Mr. Mosteller said that the team has worked hard to consider a myriad of complex issues over the last six months. He stated that the message they wanted to bring forward tonight is that the team, while confident that the policy will be successful, also admits that it is surprised at how positive it believes the outcome will be. He reviewed that the comments at the public hearing on October 6 did reflect the number of concerns and issues that the team has already addressed and some that have been discussed since that time, and in particular the desires of the existing users to continue unrestricted irrigation and to balance that need for the opportunities for existing landowners to develop their property. He said that during the public hearing, there were some concerns brought up over economic growth and job protection that were very valid, opportunities to partner with the green industry on pilot projects, and public education to promote both conservation and wise water use and to balance that against the fact that residents can have landscaping and lawns that they are proud of. Further, he said there had been some concerns expressed at the public hearing about public health and safety.

Mr. Mosteller showed through the use of pie charts a representation of the consumption period of May to July. He said that he thought this was during a period when residents were restricted to one day per week irrigation use. He stated that 19 percent of the County's customer base during that time period actually resulted in nearly 51 percent of the overall water used during that period. He pointed out that one of the impacts of the high water use is if another 19 percent of the pie chart began to move into the higher range of water use, then the result is an additional two million gallons per day at peak demand, which is already exceeding the 18 million gallons of water per day capacity. He said that this would bring a lot of system issues if nothing else changes and there is no new development such as the need for more storage and the need for additional pipes in the distribution network to reduce pressure problems, which would present a lot of financial implications.

He stated that there was also a comment during the public hearing about system storage. Mr. Mosteller said that system storage does help but is not a complete solution in trying to meet peak demands for irrigation. He stated that it is really designed for pressure and fire flow. He further stated that a message that he thought they wanted to present is that some of the peak demands experienced in the County is an additional strain on water resources that come actually from downstream of Lake Wylie at least of those served in the Catawba River Treatment Plant Service area. He showed a graph of the water demand from May 2004 to current day over a number of different irrigation periods. He said that the customers could not irrigate last winter because they were not allowed to, but by being a part of the Drought Management Advisory Group in the Catawba River Basin, all outdoor irrigation was restricted in the County. He stated that below the 18 million gallons per day capacity, there is a lot of outdoor irrigation ability now. He said that what has been accomplished by putting in place the new irrigation schedule, is that it has driven down the peak demands. He stated that if the pattern of peak demands can be changed, then the outdoor irrigation can be extended for quite a bit longer. Mr.

Mosteller also noted that in addition to that, the staff has secured three million gallons per day of water from Lancaster County at least for the next year which actually goes through the next two growing seasons.

Through the use of a graph, Mr. Mosteller said if the County continues to develop at the same rate over the next five years using the one-day per week outdoor irrigation, irrigation might have to be restricted further than the one day per week. He said that the graph shows the lines crossing somewhere between 2009 and 2010. He noted that with the additional capacity coming from Lancaster County and if the additional capacity continues, then the one-day per week irrigation could be continued to be extended.

He referred to the additional capacity from the Anson County Service Area to relieve the Catawba River Service Area, which could be delivered in the 2011 to 2012 timeframe, in time to continue the outdoor irrigation. He said that they did not want to paint too rosy a picture, but the fact is their team is much more optimistic on the future of the customer base and on new development moving forward.

Mr. Mosteller said that irrigation peaks present significant capital costs to the County to build water plant infrastructure to supply the capacity. He showed a graph illustrating the County's peak demand as it relates to water demand during the May to June timeframe, and in all cases, compared to its neighbors, the County's peak demand is very high. He said that what they had tried to do in a very broad way is to illustrate that the additional peak above even the next closest neighbor would actually necessitate a \$16 million capital expenditure for the use of water only 52 days per year.

He said that jobs and economic growth were also brought up at the public hearing. Mr. Mosteller stated that the proposed water allocation policy actually places a high priority on jobs and economic growth. He further said that the continued development opportunities that exists for Priorities A and B will preserve and create jobs in the County and maintain the development interest that exists here for the long-term. He noted that non-residential projects have been given a higher priority status in the policy. He said that 100,000 gallons per day reserve capacity has been included for new non-residential projects that utilize less than 5,000 gallons per day. He stated that those projects could get approved as part of the water allocation policy. He said that the purpose of that is the creation of jobs with a fairly low water use. Mr. Mosteller said that the jobs in connection with the green industry (those that take care of lawns and landscape) as long as the County is able to irrigate will be protected as well.

He stated that the proposed policy does place a high focus on public health and safety. He said that the policy actually states that the Public Works Director and the Manager can deviate from the policy in an effort to protect public health and safety. He

pointed out that 30,000 gallons per day are reserved in the policy for self-help type projects which was based on the prior year's actual use of the self-help program.

Mr. Mosteller said that the policy could be perceived as a glass half empty. However, he stated that he believed that the team would suggest that there is a glass that is half full for the County. He said that it is a policy that allows for continued irrigation opportunities, not just for a few months but into the foreseeable future. He stated that the policy recognizes the expectations of previously identified development projects in the County. He said that the policy does restrict growth and new development until new treatment capacity is provided. He stated that the policy expands the public education program, both directly and indirectly, to promote wise water use on behalf of the customers. Further, he said that the policy provides adjustments for flexibility along the way through the next two to four year period.

He urged the Board to approve the policy tonight. He said if the policy is approved, then there would be a plan in place to measure success, monitor the results of the irrigation schedule, and the policy can be adjusted in the future.

Following the presentation, Chairman Baucom moved to amend the water allocation policy with the following:

Amend Section 6.1 as Follows:

Delete the following:

→ Submit sketch plans of the Project to UCPW for approval (sketch plans shall be sealed by a registered Professional Engineer).

Failure to obtain a building permit within 180 days of sketch plan approval shall result in a forfeiture of the water allocation for the Project. Failure to have the Project under construction within 180 days of obtaining a building permit shall also result in a forfeiture of the water allocation for the Project.

Add the following:

→ Submit a detailed written description of the Project to UCPW for approval (including type of project, average daily water demand, fire flow needs, and any other special conditions). Such written description shall include sufficient detail to enable UCPW to make a reasonable determination that it is more likely than not that the Project will proceed within the time constraints for obtaining a building permit, as outlined below.

UCPW staff may, if desired, request additional information from the Project's owner in order to make a final determination. If approved, UCPW will issue, in writing, a water allocation for the proposed Project. Failure to obtain a building permit within 270 days from written approval of the Project shall result in a forfeiture of the water allocation. Failure to have the Project under construction within 180 days of obtaining a building permit shall also result in a forfeiture of the water allocation for the Project.

Add Section 9.0 as Follows:

9.0 Directions to County Staff

County staff is hereby directed as part of this Policy to develop a plan for irrigating newly installed lawns, sod, and landscape material. This plan shall be presented to the Board of Commissioners within 45 days of the Effective Date of this Policy.

County staff is hereby directed as part of this Policy to develop a comprehensive Conservation Plan for UCPW customers including residential and commercial users, as well as the landscape/nursery and other 'green' industries. The Conservation Plan will incorporate specific goals for customers and include a public education program. This Conservation Plan shall be presented to the Board of Commissioners within 120 days of the Effective Date of this Policy.

Commissioner Lane asked the rationale of changing six months to nine months forfeiture for not obtaining a building permits as referenced in Section 6.1. Mr. Greene responded that this was one of the areas of which the staff had received comments. He said they had received a letter from a local architect saying that 180 days were not sufficient time in which to obtain a building permit. He stated that the team had reviewed the policy again. He said that it needs to be understood that until the developer/builder is notified that they get a tap on the tap only list, they are probably not going to incur the expense associated with designing their building. He stated the way the policy is worded without the amendment, they would have six months to have the building designed by an architect and obtain a building permit. Mr. Greene pointed out that these would be commercial and governmental projects.

Chairman Baucom emphasized for clarification purposes that Section 6.1 are commercial and governmental projects.

Commissioner Lane referred to the addition of Section 9.0, the last sentence of which states: "This Conservation Plan shall be presented to the Board of Commissioners within 120 days of the Effective Date of this Policy." He said that while he is supportive of water conservation, he thought it was putting the cart before the horse. He questioned why the conservation plan would not be put into effect before adopting the water allocation policy.

Mr. Greene responded that he believed ideally the conservation plan should be done, but he said that the staff has focused on the allocation policy because it seemed to be the more urgent of the two in terms of determining how the County might allocate what little capacity it has. He said that the water allocation policy has consumed about six months of the staff's time, and it would have been difficult for the same people to have been working on a conservation plan at the same time and would have delayed the allocation policy itself. He further said that at least from the staff's perspective, the allocation policy has more critical implications for the County in terms of the need to resolve those issues as quickly as possible.

Chairman Baucom said that he was probably the reason for the wording on the Conservation Plan being added to the policy. He stated that he thought in moving forward that it was important to have an educational component to the policy where not only the public but also the business understand the agronomic requirements for grasses and shrubbery, etc. He said that there was not time to get the Conservation Plan in place at this time.

Commissioner Openshaw responded that he had a conservation plan---go to two days per week watering which would take care of the landscapers and citizens. He said that he was very disturbed by what he perceived as the bias in the presentation tonight. He referred to citizens' unrestricted use versus development. He stated that he thought that everyone realizes that the days of unrestricted water use are gone. He said that he was glad to have a Conservation Plan and thought that the public needed to be

educated. Commissioner Openshaw said that a compromise for him would be, if creating it as the two extremes---development and unrestricted use, then he believed the two days per week or more would be middle ground.

He stated that he thought the five-day/seven-day per week irrigation plan was a good idea by the consultant because that should lower the peaking. However, he said that by moving out the high-end users, it creates more development and brings in more houses to use the same amount of water, and it will return at a lower price. He referred to irrigation opportunities and said that his irrigation opportunities are not defined as one day per week. He said that the County has far exceeded that.

Commissioner Openshaw stated that the policy often refers to 19.5 million gallons per day as the peak. He said that he remembered Ms. Putnam saying that the peak per day is over 22 and 23 million gallons per day. He stated that even if it takes out the two million gallons that might have been used for Anson, it means that the County is still more than three million gallons over its 18 million gallons per day allotment which is 21 million gallons per day, if it is unrestricted. He said that basically the citizens are restricted anyway, and he thought what was needed was a more neutral balance.

He referred to the water capacity that the County would be receiving from Anson County. He said that it has been said that the water from Anson County would basically replace the IBT water and push the IBT water back into the Catawba Basin, which he described as being good. He said that he would like to see a commitment to that and, simultaneously, he would like to see the County invest in its infrastructure since these two waters cannot mingle. He stated that he would like for the County to be prepared for that day so it can start to plan now which lines will be shut off and how the water will be rerouted to replace it.

Commissioner Openshaw said it was not included in the information what is Anson County's current usage. He stated that it was tough for the Board to make a valid decision when it does not know how much water is needed in Wingate and Marshville. He said if Wingate and Marshville have a need for more water, then that would be water that would not be going back into the Catawba River. He stated that maybe it goes back with the last two million gallons of the six million gallons, which he said he would be glad to propose that. He said that there are also two million gallons of water that should go to Monroe, and he thought that basically it should be determined that two million gallons of water coming out of Anson County will meet the water requirement of Monroe in 2013 or 2014 which is currently supposed to come from the Catawba.

He stated that the numbers in the policy are suspect. He noted that there are 18 million gallons of water per day coming from the Catawba River Service Area, and that amount is going to be expanded by 50 percent (9 million gallons), which is projected to take three to five years. He said that there are 37,000 customers in this system. He stated that one of the documents states that there are

18,000 approved lots to be developed in Union County which is roughly 50 percent of the current customer base. He said that it is his guess, without having the data to validate it, that most of those lots are in the Catawba Basin. Therefore, he when the projects are finished, the County would be back to where it is now, and unless the water is gotten back out of the Yadkin Pee Dee IBT and put back into the Catawba side, there would not be any more growth in the Catawba Basin. He said that realistically there is no plan about how much development can be serviced out of the Catawba Basin, which he described as an essential element.

Commissioner Mills commented that Commissioner Openshaw had convinced him that the irrigation should stay at one day per week. Commissioner Openshaw said that Commissioner Mills had proposed some time ago that rain gauges be required for new construction. He asked if this is something that the County is supposed to do and, if so, has it been implemented.

Mr. Crook responded to Commissioner Openshaw's question by stating that this requirement had been included as a part of the Water Conservation Ordinance because it applies countywide. He explained that most County ordinances do not apply within municipal limits without consent of the towns. However, he said there is an exception for water conservation. He said he did not know to what extent that provision has been enforced.

Commissioner Openshaw addressed the self-help program, and said that the proposed policy intentionally forces people to use rates because of the rate increases. He said that he thought the 30,000 gallons per day capacity included in the policy for self-help should be increased because the policy will help increase the self-help program.

He stated that the County is under a permanent shortfall in regards to water capacity. He asked if that were the case, when does it become a material fact in the purchase of a home.

Commissioner Openshaw said that the County's water fees in the worse case scenario were raised 146 percent on the biggest users. He stated that he did not see how just because someone could afford to water their lawns or because it is a priority with them, that the County should restrict them exclusively. Therefore, he said he thought there was a balancing act between fees and usage. He commented that the County was not allowed to restrict the use of wells at this point at all. He said that if the County is going to put the biggest users out of the County's system and into wells, then they are taking more water out of the ground at a higher rate than is currently happening. He said that this policy does not facilitate the needs of the existing citizens, but it facilitates the needs of the development. He said that if the policy is adopted as is, it is basically telling 40 percent of the population, that the County is going to gamble on the water supply. He stated that he had received a number of telephone calls from people concerned about their wells during the drought.

He said another issue not addressed is the amount of water projected to be used by projects that were grandfathered prior to the water and sewer allocation policies. Mr. Greene responded that Mike Garbark of the Public Works Department has reviewed the Public Works' files. He said that early on there probably were projects that had been in the ground for so long that Mr. Garbark was directed to not include those projects. He said that Mr. Garbark has updated Table 1 to reflect all projects of which the staff is aware. He stated that there are vacant lots and pieces of land that have adjacent county water lines that might decide to tap on at sometime. He said that the tap only reserve is reserved for these projects. Also, he noted that a small amount of water of approximately 200,000 gallons per day that was set aside off the top for unexpected circumstances such as projects that fell through the cracks that staff was not aware of that did not make it to Table 1. Mr. Greene said that the staff believes there is enough allowance in the reserve so that if a project comes in that might have fallen through the cracks and it properly deserves to be represented in Table 1 there is capacity to allow it.

Commissioner Openshaw asked how many of the projects included in the policy had first come/first served letters in gallons per day and particularly in Priorities A and B. Mr. Greene said that this information could take some time to put together, but the staff could do that for the Board.

Commissioner Openshaw referred to a statement on Page 13 of the policy references highest priority. He quoted from the last line of Section 6.3 as follows: "Priority C projects will be given the highest priority to receive water service behind Priority A and B projects." He said that it states the same for Priority D projects. He said that his take on this in trying to be a little bit more pragmatic is a lot of these projects may not be built and certainly not built in a timely manner. He said that holds true across the spectrum. He stated that one of the flaws now is the County is not generating revenue out of its capacity. He said that somewhere a first come, first serve basis needs to be considered of when one project is ready, and another project is not. He suggested that one way to use that capacity is irrigating two days per week instead of one day per week. He stated that he was concerned about telling people they are being given highest priority.

Also, he said that Priority A projects are essentially non-residential projects. He stated that if it is industrial, office buildings, there would be no school children, higher dollar values. However, he said that retail is a separate issue and if it is along the border of Union County, he could see prioritizing those projects of trying to capture the customers who shop in Mecklenburg County or South Carolina. He stated that he could also see giving priority to towns such as Fairview, Mineral Springs, and possibly Weddington that want to create a community center that could be mixed use. He said that he did not think that general retail projects do not yield

enough to prioritize them over the residential builders. He stated that if he had a choice between a high-end house and a basic retail center, he is not really sure that the basic retail center deserves to be a priority.

Commissioner Openshaw said that the policy states that the Public Works Department will continually update water use trend data. He stated that this was something that has not been done in the past reliably. He asked if there were systems in place now that could update this information. It was confirmed that such systems are in place. He said that he would like to have metrics included in the updates, such as based on intervals of 500,000 gallons per day, so there is constantly a fixed point that is focused on.

He said that he sees that some third priority residential projects are included on the Priority A water allocation list. He asked why these were not zero flow permits because they are not contracts. Mr. Greene deferred to Mike Garbark of the Public Works Department to answer this question. He said that if Commissioner Openshaw had specific projects in mind, it might assist Mr. Garbark in checking his files.

Commissioner Openshaw referred to Bonterra Subdivision and Crooked Creek Estates.

Mr. Garbark came forward to the podium. He said that Bonterra is a development that is in phases with some being old, some in the sewer allocation policy, and some that are yet to be built. He said that all the projects listed in Priority A have already been permitted. He explained that if the project had been permitted for 100 lots and 60 of those lots have built, then Priority A would cover the remaining lots. He said that the Bonterra projects listed in Priority C are the Bonterra projects listed as a third priority in the Sewer Allocation Policy, which cannot be built until the diversion project is completed. He said that Crooked Creek Estates are basically the same way. He said that there were some lots in Crooked Creek Estates that have existed for a long time, and then there were a few parcels left that were included in the Sewer Allocation Policy.

Commissioner Openshaw pointed out that Page 1 of Table 1 shows that 199 lots have been built and 255 lots remain to be built. He said that there are other projects included that are phased projects. He stated that some of the projects have zero flow permits that were given a higher priority than first come, first serve. Mr. Garbark said that the zero flow permits that were in the Sewer Allocation Policy have since been permitted for water and sewer. He explained that basically there are no zero flow permits, because after the Sewer Allocation Policy was adopted, everyone rushed to get their sewer and water permits, so they all in effect have become Priority A.

Chairman Baucom suggested that instead of referring to specific projects, he believed the owners and developers would be questioning those projects. Commissioner Openshaw referred to Mill Bridge Subdivision, which he said he believed was contracted but did not know to what extent, but does not have any sewer allocation on the list. Mr. Mosteller responded he did not know specifics but the reason that it does not have any sewer allocation could be no sewer in either one of the two basins.

Mr. Crook said that the contracts applied to the Sewer Policy and stated that there were no contracts given priority in the Water Allocation Policy. He stated that he thought the answer to Commissioner Openshaw's question is that those projects that were permitted for water are those that are in Priority A and until August there was no restriction by the Board as to whether or not those projects could come forward for water permits.

Commissioner Openshaw said that 253,000 plus gallons of water per day are being tied up and for what length of time. Mr. Garbark said that Mill Bridge is a total of 1,785 lots, and it has actually permitted 1,087 lots for water and sewer in Priority A. He said the remaining 698 lots for Mill Bridge did receive Priority B which means if the policy is adopted, that A and B could come forward with their water rights now.

Commissioner Openshaw stated he would like to see High School D, if it is going to be built, moved to the Priority A list. He said that the policy is only for Priority A projects and said anything beyond that is playing games. He said that the policy states it is for 1.9 million gallons per day that is estimated to be available. He stated yet Priority A and B that the staff has asked them to approve is 3.6 million gallons per day, almost double what is estimated to be available. He said that it was mentioned that the County would receive the extra capacity on an interim temporary transfer. He referred to Section 2.13 of the policy which states "Continued use of Lancaster's allocated capacity is not considered a viable alternative to increasing available water treatment capacity. Reliance on this capacity would put in jeopardy continued reliable service to Union County Water Service existing customer base." He said that this was exactly what the proposed policy does. He stated that on Page 12 of the policy, it addresses how the policy attempts to over allocate the water. He said that this policy directs Union County Public Works to provide water service to these projects.

Commissioner Openshaw read portions of a newspaper from *The Union Observer* on December 21, 2003, which stated "that for several years, the County has been issuing permits for new houses based on the assumption that it would have a new treatment plant to accommodate the growth." Chairman Baucom asked if the article were speaking of wastewater. Commissioner Openshaw said it was but stated it was the same with water.

Chairman Baucom stated that Commissioner Openshaw's comments had gotten off the subject and asked that he bring his comments to be germane to the subject. Commissioner Openshaw disagreed saying that all comments were germane to the subject and an analogy of the policy.

Chairman Baucom suggested that Commissioner Openshaw should have addressed his concerns with staff earlier so they could have been a part of the policy. Commissioner Openshaw argued that he had addressed a number of these issues and they are not in the policy. He said that it was interesting that members of the Board would listen to an architect and not listen to the citizens who had stated their concerns during the public hearing on this matter.

Commissioner Mills commented that there is a difference of opinion, and he understood a lot of Commissioner Openshaw's concerns. He said that he uses a well but he would much rather continue on a one-day per week watering allocation than to up it to a two or three-day per week plan. He said that it is realized that water is a finite resource that has been taken advantage of. He stated that he respectfully disagreed with Commissioner Openshaw's comments about irrigating. He said that Commissioner Openshaw had earlier convinced him that the irrigation plan needs to remain at one day per week.

Commissioner Openshaw said only if the County allows the problem that has now created the financial situation to continue. He said that the policy is a mistake of the past.

Commissioner Mills responded that he believed the mistake of the past was that there was no policy. He said that while the policy might not be perfect, it is a working document and something that can be modified. He stated that Commissioner Openshaw was correct in that the policy is based on Priority A projects. He said that the policy also allows for other priorities not included in Priority A to come online as more capacity becomes available.

Vice Chairman Pressley apologized for joining the meeting late tonight. He said that he had a fever and chills. He said that in the past there were no checks and balances and water and sewer had been given out. He stated that finally there is a direction with the Sewer Allocation Policy and the Water Allocation policy. He said the Board could argue about the policy and what has been in the past, but as he has said many times in the past, this Board has had the issue of dealing with the problems that were created, and it has had to put policies in place that were unchecked. He said that one of the first matters this board had discussed was the need for policies. He stated that he appreciated what the staff has done on working on this policy.

At approximately 8:29 p.m., Vice Chairman Pressley moved to call the question on the motion if Commissioner Lane had no other comments.

Commissioner Lane added that if one portion of what Commissioner Openshaw has said is correct about over allocating the capacity, then in a few years, the County would be back to square one, then he believed a closer look should be made of the allocation. He said that he was not satisfied with the policy and would like to look more to the future beyond three to four years to see if there would be adequate water for the current residents and government buildings, schools, and industrial business complexes that he would like to see developed to a greater extent than residential.

Following Commissioner Lane's comments, the Chairman called for a vote on the motion to call the question. The motion was passed by a vote of three to two. Chairman Baucom, Vice Chairman Pressley, and Commissioner Mills voted in favor of the motion. Commissioner Lane and Commissioner Openshaw voted against the motion.

Chairman Baucom then called for a vote on the previous motion regarding the amendments to the proposed Water Allocation Policy as read into the record. The motion was passed by a vote of three to two. Chairman Baucom, Vice Chairman Pressley, and Commissioner Mills voted in favor of the motion. Commissioner Lane and Commissioner Openshaw voted against the motion.

The Chairman asked if there was a motion for the adoption of the Water Allocation Policy.

Commissioner Mills moved adoption of the Water Allocation Policy as amended. The motion was passed by a vote of three to two. Chairman Baucom, Vice Chairman Pressley, and Commissioner Mills voted in favor of the motion. Commissioner Lane and Commissioner Openshaw voted against the motion.

UNION COUNTY

POLICY FOR ALLOCATING WATER TREATMENT CAPACITY

DATE: OCTOBER 20, 2008

PREFACE

In February 2008, Union County's Board of Commissioners adopted a resolution that, among other requirements, tasked the County Manager and Public Works Department, with developing a Water Supply Plan and Water Allocation Policy. This resolution acknowledged that, at times, the Union County Water System (UCWS) peak day demands have exceeded available water treatment capacity. As a result, the opportunity to provide water service to new customers is limited. The Water Supply Plan and Water Allocation Policy are intended to provide a roadmap for the County as it seeks to provide new water service for continued population and economic growth.

This Water Allocation Policy (Policy) seeks to document current water use by UCWS customers and quantify the amount of capacity that is available for system expansion. As presented herein, the short-term available capacity for new customers to the UCWS is a function of the type of water use restrictions implemented on the current customer base. In developing this Policy, the County has sought:

- to retain flexibility to make adjustments during the term of the Policy,
- to be fair and equitable in allocation of future water service; and,
- to be consistent with the County's recently adopted Sewer Allocation Policy.

The Union County Public Works (UCPW) Department is actively pursuing additional water treatment capacity, and is currently in the planning, permitting, engineering design, and/or construction phase of numerous projects that are intended to secure additional water supply and delivery capacity to current and future residents of the County. However, until several of these projects are completed, it is necessary to have this Policy in place to establish guidelines for allocating water treatment capacity.

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List of Attachments

Figure 1 - UCWS Service Area Map

Figure 2 - UCWS Daily Water Demand from the CRWTP (5/1/07 - 9/08)

Table 1 – Union County Water Allocation – Future Use Projections

1.0 DEFINITIONS

Unless otherwise specified herein, or unless clearly required by context, the words and phrases defined below shall have the meaning indicated when used in this Policy.

- **Accessibility Letter** – refers to a letter issued by UCPW that describes the proximity of a proposed Development Project to existing UCWS water infrastructure and the requirements for obtaining water service.
- **Anson County Water Treatment Plant (ACWTP)** – refers to Anson County’s water treatment facility. The ACWTP has a rated capacity of 16 MGD. Union County has a contracted capacity for 4 MGD from the ACWTP. However, current hydraulic system limitations restrict the available water capacity to 2 MGD from the ACWTP. Union County Public Works has several ongoing projects to eliminate these hydraulic restrictions and make fully available the 4 MGD contract capacity.
- **Average Daily Flow** – refers to the annual average daily water demand (estimated or actual) placed on a single connection, portion, or all of the UCWS.
- **Catawba River Water Treatment Plant (CRWTP)** – refers to the water treatment facility that is jointly owned by Union County and Lancaster. The CRWTP has a rated capacity of 36 million gallons per day (MGD). Union County has ownership rights to 50% of this capacity, or a total of 18 MGD.
- **County** – refers to Union County.
- **Development Project, or Project** – refers to an undertaking involving real property improvement, One Tap Projects, and Self Help Projects for which a new or expanded connection to the UCWS is requested.

- **Effective Date** – refers to the date this Policy is adopted by the Union County Board of Commissioners.
- **Government Facilities** – refers to facilities owned or operated by Union County, Union County Public Schools, or a municipality located within Union County, and facilities funded in whole or in part by Union County.
- **Lancaster** – refers to the Lancaster County Water and Sewer District.
- **Maximum Day (Max. Day or Peak Day) Capacity** – refers to the highest daily water demand placed on a single connection, portion, or all of the UCWS. For the purposes of this Policy, the total Max. Day capacity available is 18 MGD. This value represents Union County’s contracted supply from the CRWTP.
- **MGD** – is million gallons per day.
- **New Development Projects** – refers to all future Development Projects that are brought forward to Union County Public Works for review on or after August 12, 2008.
- **Nonresidential Development Projects** – refers to all Development Projects other than Residential Development Projects and Government Facilities Projects.
- **Notice Period** – refers to the public notification period during which UCPW requested owners of any Development Projects, or others, who had received documentation from the County regarding the availability of water service to a potential site or parcel to show evidence of the same. This correspondence may, but need not, be referred to as an Accessibility Letter. This notification period occurred between February 26, 2008 and March 27, 2008.
- **One Tap Projects** – refers to a Project where the owner of an existing parcel (as of the Effective Date) requests a single residential tap by a service line from the UCWS. One Tap Projects shall not include existing residences served by well.
- **Policy** – refers to this Water Allocation Policy document.

- **Project** – has the same meaning as Development Project.
- **Residential Development Project** – refers to Development Projects for residences such as attached and detached single-family dwellings, apartment complexes, condominiums, townhouses, cottages, etc., and their associated outbuildings including garages, storage buildings, gazebos, etc., and customary home occupations. For purposes of this Policy, a Retirement Community shall not be deemed a Residential Development Project.
- **Retirement Community** – refers to a housing development that is designed for and restricted to occupancy by households having at least one member who is fifty – five (55) years of age or older, and in which children under eighteen (18) years of age shall not reside for more than ninety (90) days per calendar year.
- **Self Help Project** – refers to a Project that is derived from the County’s Self Help Program. The Self Help Program targets residents who face an existing or imminent threat to public health or to the environment due to poor water quality or insufficient water supply.
- **Sewer Allocation Policy** – refers to the County’s Policy for Allocating Wastewater Capacity (dated September 17, 2007) and all current amendments.
- **UCPW** – refers to the Union County Public Works Department.
- **UCWS** – refers to the potable water system owned by Union County and operated and maintained by UCPW.
- **Water Permit** – refers to the permit secured for a Development Project from the North Carolina – Department of Environment and Natural Resources (NC-DENR). After approval by UCPW staff, Development Projects are typically submitted to NC-DENR for water permitting by the County.

2.0 RECITALS

- 2.1.The UCWS is operated by UCPW and is supplied with potable water by the CRWTP and the ACWTP. Union County has ownership rights in the CRWTP that includes a Maximum Day capacity of 18 MGD. Considering current hydraulic restrictions, the UCWS has a Maximum Day capacity of 2 MGD available from the ACWTP. While the current total Maximum Day capacity available in the UCWS is 20 MGD, water from each of these sources is isolated to distinct service areas of the UCWS. That is, water supply from the CRWTP cannot easily be utilized in the UCWS served by the ACWTP, and vice-versa. These service area boundaries are generally outlined as shown on attached Figure 1.
- 2.2.Given the location of population growth, proposed Development Projects, and increasing water demands within the County, this Policy applies to the allocation of available water treatment plant capacity from the CRWTP and the UCWS served by this water supply source. A review of historical water use data indicates that the peak demands in the CRWTP service area have been exceeded due to high peak demands associated primarily with outdoor irrigation.
- 2.3.The UCWS has interconnections with Charlotte-Mecklenburg Utilities and the City of Monroe. These interconnections are utilized for emergency purposes only and do not offer an increase in short-term available water treatment capacity to the County's water system.
- 2.4.Due to varying topography throughout the County, the UCWS operates on four distinct pressure gradients, or pressure zones. While these pressure zones are interconnected, universal movement of water throughout the UCWS is not possible.
- 2.5.For a number of years, high population growth, coupled with other commercial, industrial, and institutional growth has placed increasing water demands on the UCWS, particularly in the western part of the County. These demands have stressed the limits of available water treatment capacity and the hydraulics of moving this water through the piping distribution network to the County's customers.

- 2.6. The UCWS has also observed significant peak demands in water use associated with a hot, dry climate and numerous drought years since 1998. These peak demands are indicative of water systems with a heavy residential component and predominantly larger residential lot sizes with high outdoor water use, particularly for irrigation.
- 2.7. Union County recently participated in Duke Energy's Federal Energy Regulatory Commission (FERC) relicensing process for the Catawba River. Union County was one of many regional governments who became a signatory stakeholder for Duke Energy's Comprehensive Relicensing Agreement (CRA). This CRA establishes rules and guidelines for how the Catawba River system will be operated for the next 50 years, ending in year 2058. One major element of the CRA is the implementation of a Low Inflow Protocol (LIP) that establishes a policy for how Duke Energy and other stakeholders will operate during periods of drought. This LIP requires regional water users to move through a series of staged water use restrictions during worsening drought conditions. While the CRA is not expected to be in place until 2009, Union County, like many other regional water utilities, is currently participating in the LIP. It should be noted that the LIP establishes minimum requirements for water use restrictions. Each water utility has the flexibility to impose greater restrictions, if desired. Regional cooperation between Duke Energy and large water users along the Catawba River has helped preserve and protect available water supply during the extreme drought of 2007 and 2008.
- 2.8. While UCWS customers were under no water restrictions and had unlimited water use available, the Union County Water System experienced eight days in May of 2007 where water demand exceeded the Max. Day Capacity of 18 MGD from the CRWTP. The highest daily usage measured was 19.5 MGD. To supply adequate water to meet these demands, UCPW had to utilize, on a temporary basis, water capacity from the CRWTP that is designated to Lancaster.
- 2.9. In June of 2007, UCPW instituted Stage 2 water restrictions, which required its customers to limit outdoor water use (including irrigation) to two days per week. While under these water use restrictions, the UCWS experienced two days where water demand exceeded the Max. Day Capacity of 18 MGD from the CRWTP,

again reaching 19.5 MGD. To supply adequate water to meet these demands, UCPW again had to utilize water capacity from the CRWTP that is designated to Lancaster.

- 2.10. During the latter part of 2007 and through the first quarter of 2008, as the regional drought continued to worsen, UCPW instituted stricter Stage 3 water use restrictions including the elimination of outdoor irrigation. These restrictions showed a measurable reduction in water use by the County's customers.
- 2.11. In April of 2008, UCPW continued Stage 3 water restrictions, and modified provisions to require its customers to limit outdoor water use (including irrigation) to one day per week. Even under these water use restrictions, the UCWS has experienced numerous days where water demand exceeded the Max. Day Capacity of 18 MGD from the CRWTP, with the highest daily demand reaching 19.5 MGD. To supply adequate water to meet these demands, UCPW has continued to utilize water capacity from the CRWTP that is designated to Lancaster.
- 2.12. The information presented in Articles 2.8 – 2.11 is illustrated in the attached Figure 2.
- 2.13. Continued use of Lancaster's allocated capacity is not considered a viable alternative to increasing available water treatment plant capacity. Reliance on this capacity would put in jeopardy continued reliable service to the UCWS existing customer base.
- 2.14. Without strict water use restrictions, there would be no (0 MGD) additional water treatment capacity to allocate to new customers.
- 2.15. Prior efforts by UCPW to limit outdoor water use to one day per week, have typically included weekend watering on Saturday or Sunday based on odd/even addresses. A review of water use data indicates that while this approach reduces overall total water use, it increases the peaking factor between Maximum Day conditions and average conditions. Analysis of water use data indicates that spreading this one day per week 'irrigation' demand over more than two days will decrease the peaking factor. If Maximum Day

usage can be lowered below 18 MGD, additional water treatment capacity can be allocated to new customers.

- 2.16.** With outdoor water use restrictions set at a mandatory 1-day per week requirement – but spread over a five-day period - it is estimated that 1.9 MGD (Average Daily Flow) of additional capacity is available for allocation to new customers. As such, the Union County Manager has set as a precedent to this Policy, water use restrictions to all customers at 1-day per week for outdoor water use; provided, however, that the County Manager may vary the schedule for outdoor water use in accordance with the Union County Water Conservation Ordinance, depending on local conditions, including but not limited to those factors set out in Section 2.20.
- 2.17.** As a contingency, and to protect water quantity and quality for its customers, the County may increase water use restrictions to no outdoor water use (irrigation) while this Policy is in effect. In addition, the County will continue to cooperate with Duke Energy and other regional water utilities to implement and comply with the LIP as required.
- 2.18.** The Policy set forth herein is intended to provide guidelines for allocating, in a fair, rational, and lawful manner among competing interests the available water treatment capacity. Subject to approval of the County Manager, the UCPW Director may authorize a departure from these guidelines when strict adherence would frustrate the purpose of these guidelines or endanger the health, safety or welfare of the citizens of Union County. The County Manager shall report any such departure to the Board of County Commissioners no later than the Board’s next regular meeting.
- 2.19.** This Policy creates no legal right to receive, nor any legal duty on the part of Union County or UCPW to provide any amount of existing or future water treatment capacity from the CRWTP, or other sources.
- 2.20.** Many factors can affect the amount of available water treatment capacity and the UCWS during the term of this Policy. These factors include, but are not limited to:

- The impact on water demand of moving to a one-day per week outdoor irrigation schedule, distributed over five days.
- Climate change/weather patterns and departures from drought conditions that have been prevalent in North Carolina over most of the past 10 years.
- The impact of recently adopted Water Conservation Rate Structures on water system demand.
- The pace to completion of Development Projects active or permitted within the County.
- The potential to secure some short-term peak demand capacity allocation from Lancaster.

As such, this Policy has been purposefully developed for flexibility to make adjustments and amendments as additional data is available or significant changes in water treatment capacity or demand occur.

3.0 SCOPE

This Policy applies to the allocation of approximately 1.9 MGD (Average Daily Flow) that is estimated to be available through the UCWS under the revised water use restrictions and schedule. Except as otherwise stated herein, this Policy applies to all Development Projects located in the CRWTP service areas served by the UCWS for which the owner or developer requests a new or expanded connection thereto but for which the authorization necessary to do so has not yet been obtained.

4.0 PURPOSE

This Policy is intended to establish guidelines for allocating the limited water treatment capacity in a fair, rational, and lawful manner, taking into consideration, among other things:

- The need to fulfill outstanding legal obligations Union County has, if any, to provide water system service;
- The need to reserve capacity to serve public school facilities, County projects, and other Governmental Facilities;

- The desire to treat alike all Development Projects that are similarly situated as to: (i) type of Project; and (ii) stage of progress in the procedures required for obtaining a permit or otherwise connecting to the Union County Water System.
- The desire to promote Nonresidential Development Projects in Union County in order to increase the County's employment and property tax base while imposing fewer demands (than those imposed by Residential Development Projects) on the County's already overburdened schools;
- The desire to coordinate this Policy with the Sewer Allocation Policy and provide water service to those receiving wastewater capacity;
- The desire to incorporate flexibility into the Policy to allow adjustments as deemed necessary by changes in water demand or water treatment capacity available; and,
- The need to protect the public health, safety, and welfare.

5.0 EFFECTIVE DATE

This Policy shall become effective upon adoption by the Union County Board of Commissioners and may be repealed or modified at any time, without notice.

A public hearing was held on October 6, 2008 regarding this Water Allocation Policy.

6.0 WATER ALLOCATIONS

The attached Table 1 provides a summary of the Projects identified during development of this Water Allocation Policy. These Projects are categorized into Priorities A, B, C, and D as described in the sub-sections below.

Table 1 also outlines the estimated Average Daily Flow and Priority level assignment for each Project. Residential flow allocation is based on a calculated average use for the UCWS of 250 gallons per day (gpd) per unit. Non-Residential and Government Facilities were assigned flow either from actual flow estimated by the Development Project as determined during the Sewer Allocation Policy, or from the calculated average use for current UCWS Non-Residential customers of 1,500 gpd per connection.

The following sub-sections provide a more detailed explanation of each Priority level assignment.

6.1 Priority A Projects

Priority A Projects include:

- Development Projects where water permits have been secured, or where water permits have been applied for by the County on behalf of the owner.
- A reserve allocation for residential One Tap Projects.
- A reserve allocation for Self Help projects.
- A reserve allocation for Non-Residential/Government Facilities Projects not otherwise listed in Table 1. This allocation will be utilized for Projects that are estimated to use 5,000 gallons/day or less. This allocation shall be assigned to new Non-Residential/Government Facilities Projects on a first come, first serve basis. To qualify for consideration, the owners or developers of these Projects shall:
 - Confirm that existing water lines are contiguous to the Project site directly or through an existing right of way.
 - Confirm zoning compliance from the proper jurisdiction.
 - Submit a detailed written description of the Project to UCPW for approval (including type of project, average daily water demand, fire flow needs, and any other special conditions). Such written description shall include sufficient detail to enable UCPW to make a reasonable determination that it is

more likely than not that the Project will proceed within the time constraints for obtaining a building permit, as outlined below.

UCPW staff may, if desired, request additional information from the Project's owner in order to make a final determination. If approved, UCPW will issue, in writing, a water allocation for the proposed Project. Failure to obtain a building permit within 270 days from written approval of the Project shall result in a forfeiture of the water allocation. Failure to have the Project under construction within 180 days of obtaining a building permit shall also result in a forfeiture of the water allocation for the Project.

These Priority A Projects account for an estimated total of 2.5 MGD of water capacity. While Priority A Projects exceed the estimated available capacity of 1.9 MGD, this Policy directs UCPW to provide water service to these Projects. Given the actual timing for completion of these Projects and other impacts to overall UCWS demand and available capacity, mandatory water use restrictions that permit no outdoor irrigation may need to be imposed to allow for this continued development.

6.2 Priority B Projects

Priority B Projects include:

- Non-Residential and Residential Projects designated as First Priority in the County's recently adopted Sewer Allocation Policy that did not have a water permit (or a permit applied for) on August 12, 2008.
- Government Facilities that did not have a water permit (or a permit applied for) on August 12, 2008.
- Third Priority Non-Residential Projects designated in the County's recently adopted Sewer Allocation Policy that did not have a water permit (or a permit applied for) on August 12, 2008.
- Third Priority Residential Projects designated in the County's recently adopted Sewer Allocation Policy that did not have a water permit (or a permit applied for) on August 12, 2008, and that fall within the following categories:
 - Projects in the 6 Mile Creek service areas.

- Projects that are within the 12 Mile Creek or Crooked Creek service areas to the extent allocated wastewater capacity pursuant to Section 8.3 of the Sewer Allocation Policy.
- Projects in the 6 Mile Creek, 12 Mile Creek, or Crooked Creek service areas that have approved permits (or a permit applied for) on August 12, 2008 for alternative wastewater disposal (e.g. septic tanks). This exception is not intended to apply to properties served by existing wells.

These Projects account for an estimated total of 1.1 MGD of capacity. While estimated water demand of Priority A and Priority B Projects (3.6 MGD) exceeds the estimated available capacity of 1.9 MGD, this Policy directs UCPW to provide water service to these Projects. Given the actual timing for completion of these Projects and other impacts to overall UCWS demand and available capacity, mandatory water use restrictions that permit no outdoor irrigation may need to be imposed to allow for this continued development.

6.3 Priority C Projects

Priority C Projects include:

- Third Priority Residential Projects, or portions thereof, designated in the County's recently adopted Sewer Allocation Policy that did not have a water permit (or a permit applied for) on August 12, 2008, and that are not included as a Priority B Project.

These Projects account for an estimated total of 1.0 MGD of capacity. There is no current additional water treatment capacity to allocate to Priority C Projects. As new capacity is identified, Priority C Projects will be given the highest priority to receive water service behind Priority A and B Projects.

6.4 Priority D Projects

Priority D Projects include:

- All remaining Projects that were documented during the County's Notice Period.

There is no current additional water treatment capacity to allocate to Priority D Projects. As new capacity is identified, Priority D Projects will be given the highest priority to receive water service behind Priorities A, B, and C Projects.

6.5 Adjustment of Water Allocations

During the term of this Policy, UCPW will continually update water use trend data and other variables to determine the effectiveness of the Policy. Should sufficient data become available to support revisions to the water allocations as outlined herein, the County Manager shall make amendment recommendations to the Board of Commissioners for approval.

7.0 ACCEPTANCE OF NEW ENGINEERING PLANS AND WATER PERMIT APPLICATION PROCESS

UCPW shall continue to accept new engineering plans and make application for water permits for Projects requiring connection to the Union County Water System in the Anson County Service Area.

Except as noted below, effective August 12, 2008 UCPW shall not accept any new engineering plans or make any application for water permits for Projects other than Priority A and B Projects listed in Table 1. For Projects where engineering plans have been received, but application for a water permit has not been made, UCPW staff shall provide comments on the proposed Project, but shall not apply for a water permit.

Exception - UCPW will review engineering plans and make application for a water permit for:

- One Tap Projects
- Self Help Projects
- Projects approved from the Priority A reserve allocation for Non-Residential/Government Facilities
- Residential Projects that are in the review process that were initiated prior to August 12, 2008 for which the number of residential units was 5 or less.

8.0 NOTIFICATION PERIOD FOR OMISSIONS/CORRECTIONS

The owner or developer of any Project not appearing in Table 1 but for which UCPW has issued correspondence regarding water availability prior to August 11th, 2008, may within 30 days of the Effective Date submit written documentation of the same to the UCPW Director. The Director may ask for additional corroborative evidence in support of the request, and may consider such additional evidence in making his or her determination regarding water availability and priority status. If the Director denies the request, or fails to respond within thirty (30) days of receipt of the request, the owner or developer may seek review by the County Manager, whose decision shall be final.

The owner or developer of any Project listed in Table 1 that contends that the information listed to be in error, may within 30 days of the Effective Date submit written documentation of the proposed correction to the UCPW Director. The Director may ask for additional information if deemed necessary, and may consider such additional evidence in making his or her determination regarding water availability and priority status. If the owner or developer objects to the Director's decision, or Director fails to respond within thirty (30) days of receipt of the request, the owner or developer may seek review by the County Manager, whose decision shall be final.

9.0 DIRECTIONS TO COUNTY STAFF

County staff is hereby directed as part of this Policy to develop a plan for irrigating newly installed lawns, sod, and landscape material. This plan shall be presented to the Board of Commissioners within 45 days of the Effective Date of this Policy.

County staff is hereby directed as part of this Policy to develop a comprehensive Conservation Plan for UCPW customers including residential and commercial users, as well as the landscape/nursery and other 'green' industries. The Conservation Plan will incorporate specific goals for customers and include a public education program. This Conservation Plan shall be presented to the Board of Commissioners within 120 days of the Effective Date of this Policy.

Table 1 - Union County Water Allocation - Future Use Projections (Last Revised 10/9/08)

Sub. ID	Project/Development	Estimated Number of Units (Build-Out)	Estimated Remaining Units to be Completed	Priority A Water Allocation (gpd)	Priority B Water Allocation (gpd)	Priority C Water Allocation (gpd)	Priority D Water Allocation (gpd)	Total Water Allocation (gpd)	Sewer Allocation Decision	Sewer Allocation (gpd)	Number of Units per Sewer Allocation Policy
				0	(@ 250 gpd/unit)	(@ 250 gpd/unit)	(@ 250 gpd/unit)				
Summary Totals				2,519,404	1,074,245	1,015,550	14,250	4,623,449		2,993,461	
Water Permits Received (& Applied For)											
Government Facilities											
218	ES "J" Stallings	--	--	9,600	0	0	0		Public Schools	9,600	--
219	ES "K" Rogers Road	--	--	9,600	0	0	0		Public Schools	9,600	--
220	ES "L" Cuthbertson	--	--	9,600	0	0	0		Public Schools	9,600	--
462	MS/HS "C" Cuthbertson Road	--	--	38,400	0	0	0		Public Schools	38,400	--
248	Fire Station 18 (Waxhaw)	--	--	600	0	0	0		Government Facilities	600	--
Non-Residential											
28	Austin Village	--	--	32,496	0	0	0		3rd Priority Non Residential	32,496	--
30	Auto Bell Newtown Rd.	--	--	2,300	0	0	0		Denied Applications	2,300	--
95	Cahill Office Park	--	--	5,280	0	0	0		3rd Priority Non Residential	5,280	--
113	Carrington Square Office Park (Lowe's @ Waxhaw)	--	--	7,600	0	0	0		3rd Priority Non Residential	7,600	--
140	CHS Cureton-Waxhaw	--	--	37,000	0	0	0		Denied Applications	37,000	4@9,250gpd
236	Fairhaven Pool	--	--	3,500	0	0	0		3rd Priority Non Residential	3,500	--
245	Fieldstone Farms Amenity	--	--	700	0	0	0		Contracted Capacity	700	--
324	Holly Park Commercial (Phase 3B) (phase 3-A ?)	--	--	10,000	0	0	0		3rd Priority Non Residential	10,000	--
	Jackson Station	--	--	23,180	0	0	0		--	--	--
366	Lake Park Sewer Extension 07066006A,B,G	--	--	9,175	0	0	0		3rd Priority Non Residential	9,175	--
367	Lake Park Sewer Extension 07066006C	--	--	3,000	0	0	0		3rd Priority Non Residential	3,000	--
385	Lawson - 2 (Pool)	--	--	4,000	0	0	0		3rd Priority Non Residential	4,000	--
404	Longview Executive Center	--	--	6,250	0	0	0		Active Projects - Non Resid	6,250	--
407	Sun Valley Market Place (Lowe's of Indian Trail)	--	--	50,000	0	0	0		3rd Priority Non Residential	50,000	--
408	Lowe's of Waxhaw	--	--	46,415	0	0	0		Denied Applications	46,415	9@5,157gpd
473	Newtown Gardens	--	--	20,320	0	0	0		3rd Priority Non Residential	20,320	--
474	Newtown Market	--	--	2,076	0	0	0		3rd Priority Non Residential	2,076	--
491	Old Hickory Industrial Park	65	21	6,688	0	0	0		--	--	--
527	Potter Road Amenity Center	--	--	2,500	0	0	0		3rd Priority Non Residential	2,500	--
558	Providence Road Retail	0	--	1,500	0	0	0		--	--	--
	Rea Road Development	--	--	14,699	0	0	0		--	--	--
	Rea Road Retail Ph II	--	--	23,040	0	0	0		--	--	--
606	Scott Vickery - Veterinarian	--	--	2,400	0	0	0		--	--	--
624	Sheridan Subdivision Outparcel A & B	--	--	17,500	0	0	0		3rd Priority Non Residential	2,400	--
625	Sheridan Subdivision Pool	--	--	2,000	0	0	0		3rd Priority Non Residential	17,500	--
629	Shoppes @ Wesley Chapel 2	--	--	7,191	0	0	0		3rd Priority Non Residential	2,000	--
659	Stonebridge Amenity Center	--	--	2,500	0	0	0		3rd Priority Non Residential	7,191	--
678	Sun Valley Business Park	4	2	1,800	0	0	0		3rd Priority Non Residential	2,500	--
679	Sun Valley Commons Ph II	11	4	19,467	0	0	0		--	--	--
681	Sun Valley Retail Center	4	0	1,500	0	0	0		--	--	--
	The Grove	--	--	29,360	0	0	0		--	--	--
717	Tom Short / Rea Road Mixed Use Development	6	4	1,500	0	0	0		--	--	--
718	Tom Short / Rea Road Mixed Use Phase 2 (0619)	--	--	23,040	0	0	0		--	--	--
729	Tuscany Amenity Center	--	--	1,080	0	0	0		3rd Priority Non Residential	1,080	--
734	Union West Business Park	25	1	1,500	0	0	0		--	--	--
751	Village Commons @ Wesley Chapel 2	--	--	13,993	0	0	0		Denied Applications	13,993	3@4,664gpd
752	Village Commons @ Wesley Chapel IV	--	--	40,664	0	0	0		3rd Priority Non Residential	40,664	--
	Waxhaw Commons	--	--	3,250	0	0	0		--	--	--
773	Waxhaw Medical Center	--	--	3,100	0	0	0		Denied Applications	3,100	--
774	Waxhaw Park Shopping Center	--	--	1,500	0	0	0		--	--	--

Table 1 - Union County Water Allocation - Future Use Projections (Last Revised 10/9/08)

Sub. ID	Project/Development	Estimated Number of Units (Build-Out)	Estimated Remaining Units to be Completed	Priority A Water Allocation (gpd)	Priority B Water Allocation (gpd)	Priority C Water Allocation (gpd)	Priority D Water Allocation (gpd)	Total Water Allocation (gpd)	Sewer Allocation Decision	Sewer Allocation (gpd)	Number of Units per Sewer Allocation Policy
				0	(@ 250 gpd/unit)	(@ 250 gpd/unit)	(@ 250 gpd/unit)				
Residential											
10	Anklin Forrest	179	103	25,750	0	0	0	--	--	--	--
11	Annandale	181	48	12,000	0	0	0	--	--	--	--
12	Anniston Grove	86	53	13,250	0	0	0	--	--	--	--
	Ashcroft		8	2,000	0	0	0	--	--	--	--
36	Bard Property	06-123-123, 07-084-315	16	4,000	0	0	0	--	--	--	--
37	Barrington Ridge		153	11	2,750	0	0	--	--	--	--
44	Belshire		57	57	14,250	0	0	Zero Flow Permits	16,245	57@285gpd	--
51	Bicket Ridge		81	18	4,500	0	0	--	--	--	--
56	Blanchard Estates - WO		6	6	1,500	0	0	--	--	--	--
60	Bonner Oaks Estates - WO		10	10	2,500	0	0	--	--	--	--
61	Bonterra (All Phases)		454	255	63,750	0	0	3rd Priority Residential	187,815	659@285gpd	--
68	Brandon Oaks		949	104	26,000	0	0	--	--	--	--
73	Briarcrest North Phase 1		82	56	14,000	0	0	Zero Flow Permits	5,700	20@285gpd	--
74	Briarcrest North Phase 2		70	68	17,000	0	0	Zero Flow Permits	19,950	70@285gpd	--
84	Bromley		121	118	29,500	0	0	--	--	--	--
96	Callowood		157	66	16,500	0	0	--	--	--	--
	Chatelaine			18	4,500	0	0	--	--	--	--
128	Chatsworth		37	12	3,000	0	0	--	--	--	--
134	Chestnut Place		45	31	7,750	0	0	Zero Flow Permits	3,705	13@285gpd	--
165	Crane Valley		108	26	6,500	0	0	--	--	--	--
172	Crismark - WO		986	386	96,500	0	0	--	--	--	--
173	Crooked Creek Estates		89	3	750	0	0	3rd Priority Residential	14,250	50@285gpd	--
176	Crossbridge - WO		26	1	250	0	0	--	--	--	--
178	Crown Estates at Lochaven - WO		19	19	4,750	0	0	--	--	--	--
183A	Cureton (total for all phases)		724	240	60,000	0	0	Contracted Capacity	--	--	--
195	Deerstyne Commons (Garmons Crossing)		60	59	14,750	0	0	Zero Flow Permits	11,400	40@285gpd;	--
197	Demere		117	13	3,250	0	0	--	--	--	--
229	Ezzell Hill		55	55	23,040	0	0	--	--	--	--
230	Ezzell Valley		103	103	25,750	0	0	Active Projects - Resid	19,570	103@190gpd	--
230A	Fincher Valley		91	4	1,000	0	0	--	--	--	--
234	Fairhaven Phase 1		368	81	20,250	0	0	Zero Flow Permits	52,440	184@285gpd	--
238	Falcon Place		37	37	9,250	0	0	Zero Flow Permits	4,845	17@285gpd	--
244	Fieldstone Farm Subdivision		501	318	79,500	0	0	Contracted Capacity	138,510	486@285gpd	--
	Gardens on Providence			8	2,000	0	0	--	--	--	--
	Grayson Park Subdivision			71	17,750	0	0	--	--	--	--
	Hadley Meadows			19	4,750	0	0	--	--	--	--
298	Harrison Park			7	1,750	0	0	--	--	--	--
318	Highgate		295	57	14,250	0	0	--	--	--	--
	Hunters Pointe			2	500	0	0	--	--	--	--
	Innesbrook			2	500	0	0	--	--	--	--
	Jackson Ridge S/D			1	250	0	0	--	--	--	--
	Jacobs Pointe			1	250	0	0	--	--	--	--
355	Kings Grant		19	8	2,000	0	0	--	--	--	--
	Kingston on Providence			4	1,000	0	0	--	--	--	--
383	Lake Forest Preserve		211	108	27,000	0	0	--	--	--	--
	Lake Park Phases			10	2,500	0	0	--	--	--	--
368	Lake Park Town Center, Phase 3		120	38	9,500	0	0	--	--	--	--
	Laurel Creek			24	6,000	0	0	--	--	--	--
386A	Lawson (total for all phases)		589	281	70,250	0	0	--	--	--	--
403	Longview (all phases)		340	174	43,500	0	0	--	--	--	--
420A	Marvin Creek (all phases)		360	12	3,000	0	0	--	--	--	--
427	McGee Valley		99	40	10,000	0	0	--	--	--	--

Table 1 - Union County Water Allocation - Future Use Projections (Last Revised 10/9/08)

Sub. ID	Project/Development	Estimated Number of Units (Build-Out)	Estimated Remaining Units to be Completed	Priority A Water Allocation (gpd)	Priority B Water Allocation (gpd)	Priority C Water Allocation (gpd)	Priority D Water Allocation (gpd)	Total Water Allocation (gpd)	Sewer Allocation Decision	Sewer Allocation (gpd)	Number of Units per Sewer Allocation Policy
				0	(@ 250 gpd/unit)	(@ 250 gpd/unit)	(@ 250 gpd/unit)				
434	Meadows MHP	115	21	5,250	0	0	0		--	--	--
443	Millbridge	1087	1013	253,250	0	0	0		--	--	--
	Oak Brook	47	47	11,750	0	0	0		--	--	--
501	Park Grove Meadows, Sayebrook II	15	15	3,750	0	0	0		--	--	--
520	Ponds @ Brandywine - WO	40	40	10,000	0	0	0		--	--	--
	Poplar Glen	5	5	1,250	0	0	0		--	--	--
531	Potters Creek Estate	22	22	5,500	0	0	0		--	--	--
	Prescot Residential	104	104	26,000	0	0	0		--	--	--
539	Prestwick	101	14	3,500	0	0	0		--	--	--
544	Providence Downs	327	16	4,000	0	0	0		--	--	--
545	Providence Downs South	62	20	5,000	0	0	0		--	--	--
550	Providence Grove	145	20	5,000	0	0	0		--	--	--
566	Quintessa	89	43	10,750	0	0	0		--	--	--
	Ridgefield Ph. II	10	10	2,500	0	0	0		--	--	--
587	Rosehill	47	8	2,000	0	0	0		--	--	--
597	Sarsfield - WO	225	202	50,500	0	0	0		--	--	--
598	Satterfield	36	2	500	0	0	0		--	--	--
615	Shadow Lake, Spring Creek	48	48	12,000	0	0	0	Active Projects - Resid	9,120	48@190	
619	Shannon Vista	182	104	26,000	0	0	0	Denied Applications	2,720	--	
622	Sheridan Phase I	159	159	39,750	0	0	0	Zero Flow Permits	22,515	79@285	
623	Sheridan Phase II	86	61	15,250	0	0	0	Zero Flow Permits	12,255	43@285	
	Skyecroft	137	137	34,250	0	0	0	--	--	--	--
636	Smith Field Subdivision	68	25	6,250	0	0	0	--	--	--	--
650	St. John's Forest	93	93	23,250	0	0	0	Zero Flow Permits, Denied Applications	--	--	--
	Stonebridge Parcel 4	65	22	5,500	0	0	0	--	--	--	--
664	Stonebridge Parcel 5	46	46	11,500	0	0	0	Zero Flow Permits	6,555	23@285	
	Stonebridge Parcel 6	57	57	14,250	0	0	0	--	--	--	--
665	Stonebridge Parcel 7 & 9	125	125	31,250	0	0	0	Denied Applications	35,825	125@285	
	Stonebridge Parcel 8	42	19	4,750	0	0	0	--	--	--	--
671	Stratford Hall	34	16	4,000	0	0	0	--	--	--	--
675	Sugar Magnolia Estates - WO	12	12	3,000	0	0	0	--	--	--	--
685	Taylor Glen	511	45	11,250	0	0	0	--	--	--	--
688	The Chimneys of Marvin	283	136	34,000	0	0	0	--	--	--	--
695	The Grove	15	15	3,750	0	0	0	--	--	--	--
699	The Oaks at Camden - WO	5	5	1,250	0	0	0	--	--	--	--
	The Retreat	9	9	2,250	0	0	0	--	--	--	--
710	The Woods	200	200	50,000	0	0	0	Active Projects - Resid	38,000	200@190	
725	Tuscanny Phase 1A	74	74	18,500	0	0	0	Zero Flow Permits	21,090	74@285	
728	Tuscanny Phase 2A	62	48	12,000	0	0	0	Zero Flow Permits	8,835	31@285	
731	Twelve Oaks	24	23	5,750	0	0	0	Zero Flow Permits	1,140	4@285	
	Victoria Lake	10	10	2,500	0	0	0	--	--	--	--
757	Wadsworth	13	10	2,500	0	0	0	--	--	--	--
758	Wadsworth Phase 2	13	10	2,500	0	0	0	Zero Flow Permits	2,280	8@285	
778	Waybridge (Eaglechase) - WO	45	14	3,500	0	0	0	--	--	--	--
	Weddington Forest	1	1	250	0	0	0	--	--	--	--
	Weddington Heights	15	15	3,750	0	0	0	--	--	--	--
792	Weddington Trace Subdivision	238	152	38,000	0	0	0	--	--	--	--
802	Wesley Chase (Laney Subdivision)	30	30	7,500	0	0	0	Zero Flow Permits	2,850	10@285	
	Wilkerson Farms	2	2	500	0	0	0	--	--	--	--
823	Williamsburg	63	43	10,750	0	0	0	--	--	--	--
	Willow Creek	1	1	250	0	0	0	--	--	--	--
843	Woodcliff	10	10	2,500	0	0	0	--	--	--	--
851	Worthington - WO	13	8	2,000	0	0	0	--	--	--	--

Table 1 - Union County Water Allocation - Future Use Projections (Last Revised 10/9/08)

Sub. ID	Project/Development	Estimated Number of Units (Build-Out)	Estimated Remaining Units to be Completed	Priority A Water Allocation (gpd)	Priority B Water Allocation (gpd)	Priority C Water Allocation (gpd)	Priority D Water Allocation (gpd)	Total Water Allocation (gpd)	Sewer Allocation Decision	Sewer Allocation (gpd)	Number of Units per Sewer Allocation Policy
854	Wyndham Hall Plantation	77	12	3,000	0	0	0		--	--	--
Subtotal - Water Permits Received (& Applied For)				2,229,404	0	0	0			1,040,055	
Residential Reserve - Taps¹			640	160,000							
Self Help Taps²			120	30,000							
Non-Residential/Government Facility Allocation³				100,000							

1 Annual Average Increase in accounts from 2005 through 2007 was 3,367.
 95% of accounts added are residential, thus there are approximately 3,200 residential accounts added per year.
 Assume 5% are tap-only, thus 160 residential accounts added per year as tap only
 Allocation is estimated for 4 years, thus approximately 640 residential tap-only accounts added during this period.

2 Assume approximately 30 self help taps per year (for 4 years) based on prior years.

3 Allocation for these user groups limit ≤ 5,000 gpd per project.

Table 1 - Union County Water Allocation - Future Use Projections (Last Revised 10/9/08)

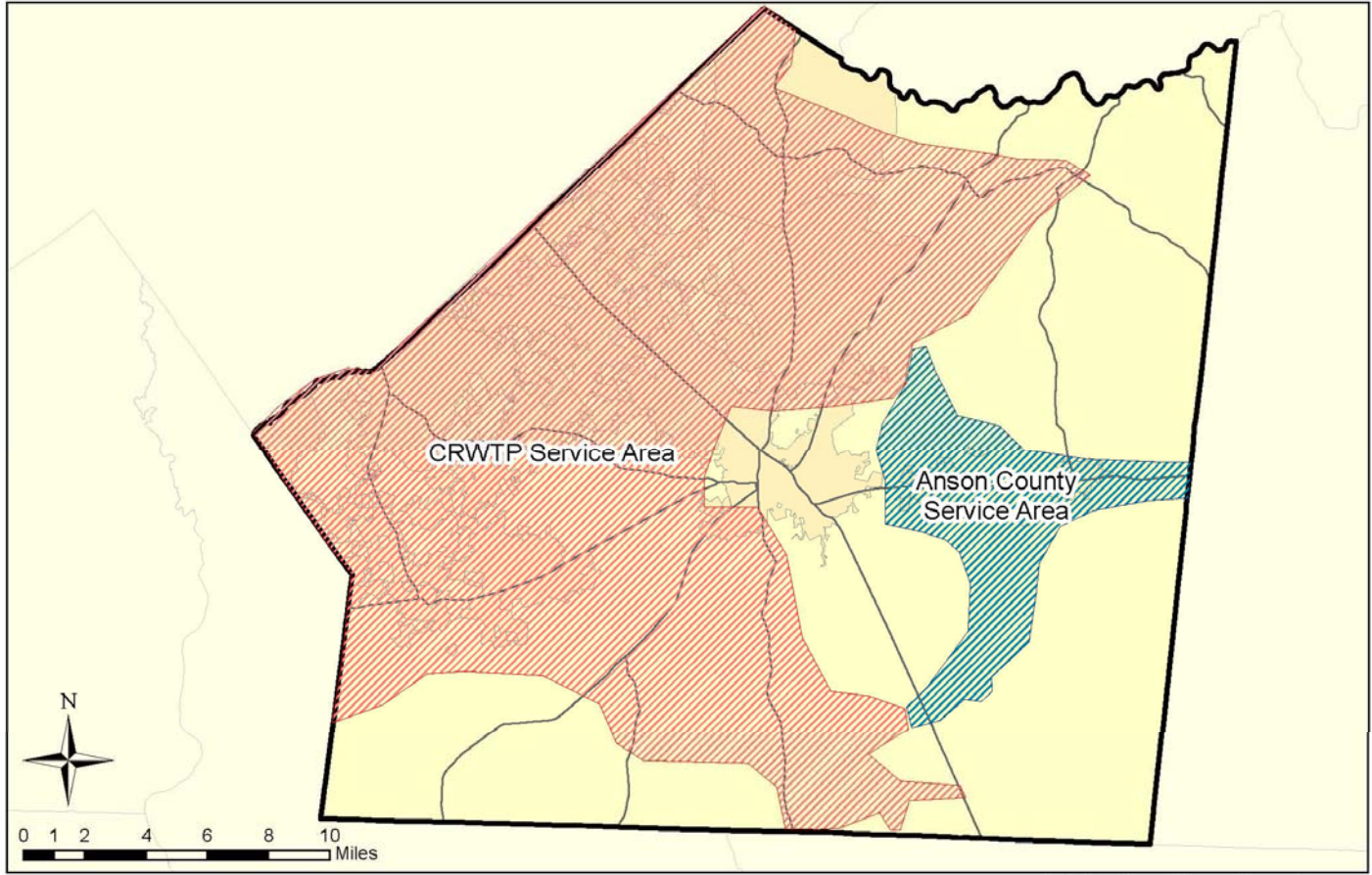
Sub. ID	Project/Development	Estimated Number of Units (Build-Out)	Estimated Remaining Units to be Completed	Priority A Water Allocation (gpd) (@ 250 gpd/unit)	Priority B Water Allocation (gpd) (@ 250 gpd/unit)	Priority C Water Allocation (gpd) (@ 250 gpd/unit)	Priority D Water Allocation (gpd) (@ 250 gpd/unit)	Total Water Allocation (gpd)	Sewer Allocation Decision	Sewer Allocation (gpd)	Number of Units per Sewer Allocation Policy
Summary Totals			0	2,519,404	1,074,245	1,015,550	14,250	4,623,449		2,993,461	
Sewer Policy Designation - Contract Capacity											
Non-Residential											
181	Cureleon Retail Phase 1	--	--	0	46,940	0	0		Contracted Capacity	62,751	--
339	Industrial Ventures	--	--	0	29,760	0	0		Contracted Capacity	29,760	--
Residential											
443	Millbridge	698	698	0	174,500	0	0		Contracted Capacity	198,550	1045@190gpd
Subtotal - Sewer Policy Designation - Contract Capacity				0	251,200	0	0			291,061	
Government Facilities											
463	MSHS 'D' Hemby Bridge	--	--	0	38,400	0	0		Public Schools	38,400	--
464	MSHS 'E' Sanford Road	--	--	0	38,400	0	0		Public Schools	38,400	--
775	Waxhaw Regional Library	--	--	0	5,000	0	0		Government Facilities	5,000	--
216	EOC/E911	--	--	0	5,000	0	0		Government Facilities	5,000	--
561	Public Works Operations Center	--	--	0	5,000	0	0		Government Facilities	5,000	--
	Bus Depot - UCPS Transportation Facility	--	--	0	4,400	0	0		Government Facilities		--
Subtotal - Government Facilities				0	96,200	0	0			91,800	

Table 1 - Union County Water Allocation - Future Use Projections (Last Revised 10/9/08)

Sub. ID	Project/Development	Estimated Number of Units (Build-Out)	Estimated Remaining Units to be Completed	Priority A Water Allocation (gpd) (@ 250 gpd/unit)	Priority B Water Allocation (gpd) (@ 250 gpd/unit)	Priority C Water Allocation (gpd) (@ 250 gpd/unit)	Priority D Water Allocation (gpd) (@ 250 gpd/unit)	Total Water Allocation (gpd)	Sewer Allocation Decision	Sewer Allocation (gpd)	Number of Units per Sewer Allocation Policy
Sewer Policy Designation - 3rd Priority Non-Residential											
Six Mile Creek											
13	Antioch Church/Wedd-Math Road	--	--	0	40,740	0	0		Active Projects - Non Resid	40,740	--
405	Longview South Business Park	--	--	0	6,790	0	0		Active Projects - Non Resid	6,790	--
554	Providence Rd Commercial	--	--	0	70,855	0	0		Active Projects - Non Resid	70,855	--
573	Rea Road/Tom Short Development	--	--	0	3,139	0	0		Active Projects - Non Resid	3,139	--
12 Mile Creek and Crooked Creek											
32	Autumn Homes Nursing Home	--	--	0	15,000	0	0		3rd Priority Non Residential	15,000	--
52	Bileman Subdivision/Alma Blvd & Red Oaks	--	--	0	27,500	0	0		3rd Priority Non Residential	27,500	--
120	Century Contractors (Sewer Ext)	--	--	0	4,675	0	0		3rd Priority Non Residential	4,675	--
195	Deerstyne Commons (Garmons Crossing)	--	--	0	30,000	0	0		3rd Priority Non Residential	30,000	--
265	Gateway 07-102-012, 012B, 012C	--	--	0	120,000	0	0		3rd Priority Non Residential	120,000	--
338	Indian Trail Town Center	--	--	0	30,268	0	0		3rd Priority Non Residential	30,268	--
536	Prescott Village	--	--	0	60,000	0	0		3rd Priority Non Residential	60,000	--
555	Providence Road Comm 06156006N	--	--	0	2,000	0	0		3rd Priority Non Residential	2,000	--
651	Stallings Professional Center	--	--	0	2,400	0	0		3rd Priority Non Residential	2,400	--
656	Stinson Crossing Development	--	--	0	19,300	0	0		3rd Priority Non Residential	19,300	--
750	Village at Sage Croft (Commercial)	--	--	0	83,508	0	0		3rd Priority Non Residential	83,508	--
Subtotal - Sewer Policy Designation - 3rd Priority Non-Residential				0	516,175	0	0			516,175	
Sewer Policy Designation - 3rd Priority - Residential											
6 Mile Creek											
13	Antioch Church/Wedd-Math Road	80	80	0	20,000	0	0		Active Projects - Resid	15,200	80@190gpd
153	Copper Run - WO	42	42	0	10,500	0	0		--	--	--
164	Cow Branch	78	78	0	19,500	0	0		Active Projects - Resid	14,820	78@190gpd
	Providence Down South III	20	20	0	5,000	0	0		3rd Priority Residential	18	18
711	The Woods, Amenities	1	1	0	2,720	0	0		Active Projects - Resid	2,720	--
716	Toll Brothers - Withrow Property	175	175	0	43,750	0	0		Active Projects - Resid	33,250	175@190gpd
New Projects - Priority B											
207	Edenshire	4	4	0	1,000	0	0				
546	Providence Estates	43	43	0	10,750	0	0				
	Annecy	49	49	0	12,250	0	0				
8% of 12 Mile Creek and Crooked Creek			305	0	85,200	0	0			79,070	
Subtotal - Sewer Policy Designation - 3rd Priority - Residential				0	210,670	0	0			145,060	

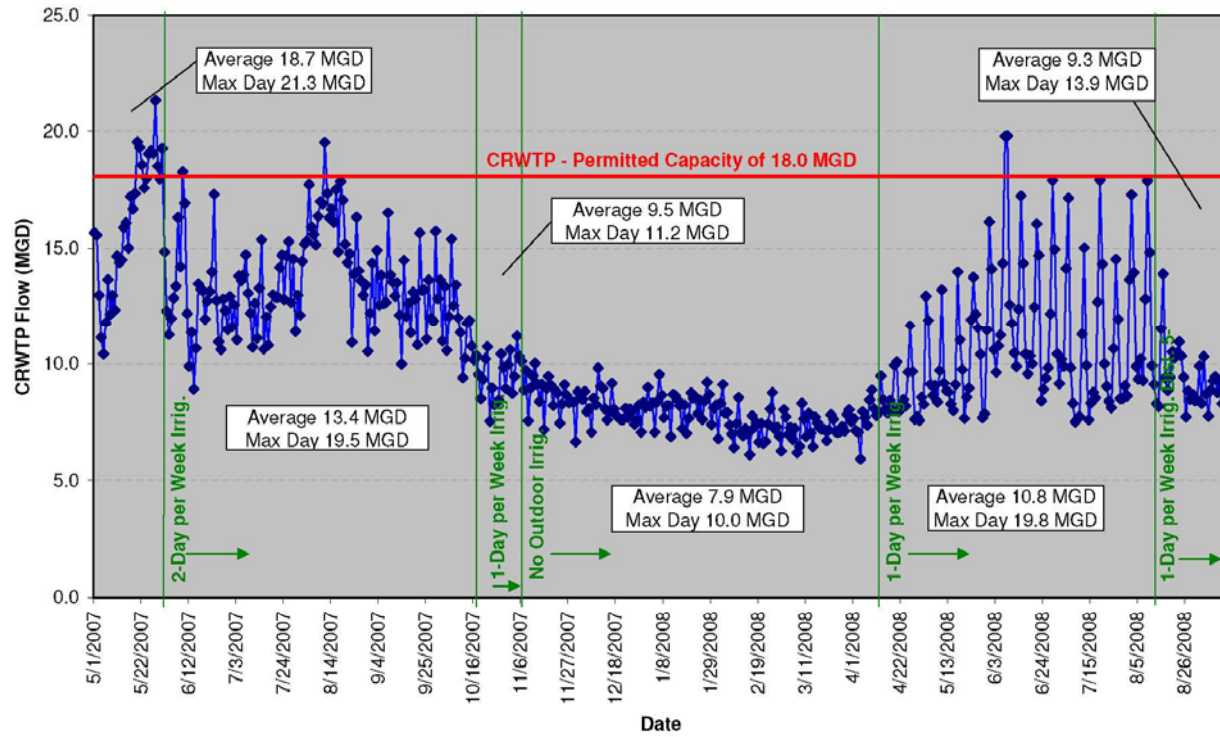
Table 1 - Union County Water Allocation - Future Use Projections (Last Revised 10/9/08)

Sub. ID	Project/Development	Estimated Number of Units (Build-Out)	Estimated Remaining Units to be Completed	Priority A Water Allocation (gpd) (@ 250 gpd/unit)	Priority B Water Allocation (gpd) (@ 250 gpd/unit)	Priority C Water Allocation (gpd) (@ 250 gpd/unit)	Priority D Water Allocation (gpd) (@ 250 gpd/unit)	Total Water Allocation (gpd)	Sewer Allocation Decision	Sewer Allocation (gpd)	Number per Sewer Allocation Policy
Summary Totals			0	2,519,404	1,074,245	1,015,550	14,250	4,623,449		2,993,461	
Sewer Policy Designation - 3rd Priority Residential											
338	Indian Trail Town Center	552	552	0	0	138,000	0		3rd Priority Residential	157,320	--
527	Potter Road	206	206	0	0	51,500	0		3rd Priority Residential	58,710	206@285
137	Chris Azar - Orr Road & Bridgeway Dr	80	80	0	0	20,000	0		3rd Priority Residential	22,800	80@285gpd
	Chestnut Place II	54	54	0	0	13,500	0		3rd Priority Residential		54
173	Crooked Creek Estates	50	50	0	0	12,500	0		3rd Priority Residential	14,250	50@285gpd
235	Fairhaven Phase 2	176	176	0	0	44,000	0		3rd Priority Residential	50,160	176@285gpd
280	Green Meadows 2nd Avenue	5	5	0	0	1,250	0		3rd Priority Residential	1,425	5@285gpd
232	Grover Moore Place	50	50	0	0	12,500	0		3rd Priority Residential	14,250	50@285gpd
327	Hudson Church Road Development	40	40	0	0	10,000	0		3rd Priority Residential	11,400	40@285gpd
346	Jackson Station	154	154	0	0	38,500	0		3rd Priority Residential	43,890	154
388A	Lawson Phase 2A	100	100	0	0	25,000	0				
388A	Lawson Phase 3	145	145	0	0	36,250	0				
388A	Lawson Phase 4	304	304	0	0	76,000	0				
402	Longford Village	41	41	0	0	10,250	0		3rd Priority Residential	11,685	41@285
535	Prescot Future	80	80	0	0	20,000	0		3rd Priority Residential	22,800	80@285
567	Quintessa II (phase IV)	115	115	0	0	28,750	0		3rd Priority Residential	32,775	115@285
568	Quintessa West	246	246	0	0	61,500	0		3rd Priority Residential	70,110	246@285
607	Secrest	915	915	0	0	228,750	0		3rd Priority Residential	260,775	915@285
650A	St. John's Forest (Total for all phases)	143	143	0	0	35,750	0		3rd Priority Residential	--	--
660	Stonebridge Parcel 1	68	68	0	0	17,000	0		3rd Priority Residential	19,380	68@285
661	Stonebridge Parcel 10	112	112	0	0	28,000	0		3rd Priority Residential	31,920	112@285
662	Stonebridge Parcel 2	14	14	0	0	3,500	0		3rd Priority Residential	3,990	14@285
663	Stonebridge Parcel 3	44	44	0	0	11,000	0		3rd Priority Residential	12,540	44@285
	Tuscany	109	109	0	0	27,250	0		Denied Applications		
	Tuscany 2B	98	98	0	0	24,500	0		Denied Applications		
749	Village @ Sage Croft	474	474	0	0	118,500	0		3rd Priority Residential	135,090	474@285
88	Brookhaven Phase 4	23	23	0	0	5,750	0		3rd Priority Residential	6,555	23@285gpd
88	Brookhaven	512	5	0	0	1,250	0		3rd Priority Residential	6,555	23@285gpd
Subtotal - Sewer Policy Designation - 3rd Priority (including 8% allocated in Priority B)				0	0	1,100,750	0			988,380	
Less St. John's Forest (8% already permitted in A)				0	0	(35,750)	0				
Subtotal				0	0	1,065,000	0				
Less 8%				0	0	(85,200)	0				
Subtotal - Sewer Policy Designation - 3rd Priority - Priority C				0	0	1,015,550	0			909,310	
New Projects - Priority D											
190	Dare Steel Village of Historic Waxhaw	10	10	0	0	0	2,500				
207	Edenshire	26	26	0	0	0	6,500				
800	Wesley Acres (Outhbertson/Mickey Miller)	21	21	0	0	0	5,250				
Subtotal - New Projects - Priority D				0	0	0	14,250				



Existing Service Areas
Figure 1

Figure 2 - Union County Water System - Daily Water Demand from the Catawba River WTP



At approximately 8:30 p.m., Vice Chairman Pressley asked to be excused from the meeting, which was agreed to by the Chairman.

Funding for Legal Review and Valuation Assistance in Connection with the Proposed Hospital Lease:

Al Greene, County Manager, stated that during the September 15, 2008, meeting the Board authorized the engagement of an attorney with expertise in hospital law and a consultant with hospital valuation experience to value the hospital assets and lease. He shared that the staff has engaged an attorney at an hourly rate with the provision of contracted total fees and disbursements not to exceed \$90,000 without the County's written consent. He said that the staff did not believe the fees would be close to that amount, but it is in the agreement. He stated that the valuation consultant has been engaged at a fixed fee of \$25,000 with disbursements not to exceed \$5,000 for reimbursable expenses. He said a budget amendment is included in the package that would provide \$120,000 from the contingency fund to cover these expenses, and staff recommends approval of that budget amendment.

Following the explanation, Commissioner Mills moved adoption of Budget Amendment #11 increasing Operating Expenses in the Board of Commissioners' budget by \$120,000 and decreasing Contingency by \$120,000 to appropriate contingency funds for hospital lease legal review and valuation.

Commissioner Openshaw stated that this request at this time of financial turmoil and shortage allows the attorney to be paid \$90,000 for his work product. He said that at \$400 per hour would be 225 hours of work, and there is another \$30,000 included in the budget amendment for a valuation of the hospital. He stated that this was for a contract with 12 years remaining for a non-competitive bid. He said that he did not think now was the time to deal with this issue, and they had their shot and blew it, and he thought it was time to move on, and he would be voting against the motion.

Chairman Baucom asked Commissioner Openshaw for clarification of who was the "they" to whom he was referring. Commissioner Openshaw responded that it was the hospital on the existing lease. He said that he did not think that the County should spend the \$120,000 and should not amend the lease at this time. He stated that a great time to negotiate a lease would be when there could be a competitive situation.

Chairman Baucom said that he had no problem with saving the \$120,000, other than it seems to be what some people wanted. He stated that the Community Trustee Council had spent a goodly amount of time in developing the proposal, but as it has turned out, he thought it was the right thing to do. He clarified that the \$90,000 was a not to exceed amount and was not an amount that would necessarily be spent.

With there being no further discussion, the motion failed by a vote of two to two. Chairman Baucom and Commissioner Mills voted in favor of the motion. Commissioner Lane and Commissioner Openshaw voted against the motion. Vice Chairman Pressley left the meeting after having been excused.

The Manager said that he had been authorized by the Board to enter into those agreements and they have been entered into, and the budget amendment was simply a budget transfer to have funds placed in the appropriate line item. He stated that with the failure of this motion, the staff would have to make transfers that it was authorized to make at staff level to cover expenses. He acknowledged that he was authorized to make such transfers.

Announcements of Vacancies on Boards and Committees:

At the request of the Chairman, Mrs. West, Clerk to the Board read into the record the following announcements of vacancies on Boards and Committees:

1. Juvenile Crime Prevention Council (JCPC) – one district attorney or designee; a substance abuse professional, two persons under the age of 18; and a juvenile defense attorney.
2. Adult Care Home Community Advisory Committee
3. Nursing Home Advisory Committee
4. Board of Health (vacancy as of January 2008 for a licensed optometrist)
5. Union County Home and Community Care Block Grant Advisory Committee

Appointments to Boards and Committees:

- a. *Agricultural Advisory Board (one vacancy for an unexpired term)*

Chairman Baucom nominated James Howie to serve on the Agricultural Advisory Board to fill the unexpired term.

With there being no further nominations, the Chairman called for a vote on the nomination. The motion was passed unanimously.

Manager's Comments:

Al Greene, County Manager, stated that he was going to report on the financial situation, but that information had been discussed earlier in the meeting. Therefore, he had no further comments.

Commissioners' Comments:

Commissioner Openshaw said that a number of the surrounding areas are loosening their water restrictions such as Concord, Harrisburg, Kannapolis and others. He stated that this is the time of year for planting. He suggested that the County allow for a two-day week irrigation.

He said that he wanted everyone to understand that the water allocation policy adopted tonight could lead to no outdoor irrigation in the future. He stated that this would allow for "continued development." He shared that his perspective is that the County should be providing for the citizens first. He said that he did not want to beat this issue to death, but it was a key delineation between the Board members. He stated that the policy describes the public as competing interests with the development industry. He said that somehow he did not think when the residents purchased their homes from the development industry, they considered themselves a competing interest at the time.

Commissioner Openshaw said that the policy is essentially equitable because it is an equal opportunity offender with those residents with wells and those with irrigation systems.

He suggested that everyone take advantage of the early voting sites. He said that the turnout has been heavy already.

Commissioner Lane said that he was glad to see the cost of oil per barrel decreasing and the price of gasoline following. He urged everyone to continue with their gas conservation policies. He said that in his household, his gasoline bill has decreased some 40 percent per week because of combining trips as much as possible.

Commissioner Mills commented on the Veterans Day Celebration to be held on November 8 and 9. He said that both the City of Monroe and County have worked on this event together. He stated that the admission would be free for Veterans, and the adults' admission would be \$5.00. He invited all of the Veterans to attend the event. He said that the attendance is expected to be in excess of 20,000 people per day.

He mentioned that through the Waxhaw/Weddington Rotary Club there is an honor flight. He explained that any World War II Veterans who would like to take a trip to Washington, DC, the trip would be paid for and an escort would accompany the Veteran. He said it would be a one-day trip to Washington and return. He asked anyone interested in taking this trip, to contact him, Matthew Delk, Assistant County Manager, or Mrs. West, Clerk to the Board, to take advantage of this opportunity.

Commissioner Mills expressed appreciation to the members of the Wesley Chapel Volunteer Fire Department. He said that he had attended an event a couple of weeks ago for Senator Dole where there was a medical emergency, and the Wesley Chapel Volunteer Fire Department had responded quickly and handled the situation.

He said that he had called representatives of the Wesley Chapel Volunteer Fire Department and asked them to bring a fire truck to Grace Baptist Church of South Charlotte. He stated that the church had held a festival, and the children had enjoyed the fire truck. He suggested that if any of the other fire departments were holding these type of events and wanted to have a fire truck present, that they should contact the fire departments to help. He said it was a good educational process.

Commissioner Mills said that each year as winter approaches, that there is a coat drive. He stated that there were numerous drop-off sites throughout the County. He said that the coats were cleaned and donated to the Christmas Bureau.

Chairman Baucom stated that the Board had passed a resolution recently requesting the Department of Transportation to name a portion of Highway 74 around Marshville in honor of Carroll Edwards. He said that the Department of Transportation has responded that it has a policy wherein it does not name bridges or highways until a person has been deceased at least a year. He asked that the staff put this matter on the calendar and submit it again to the Department of Transportation next September.

He encouraged everyone to take advantage of early voting.

Chairman Baucom expressed appreciation to Lancaster County for its cooperative spirit in working with the County on the additional water supply and its cooperative spirit in general. He said there is an additional allocation for a year, and he said that unless the economic conditions change dramatically, it would probably be for a longer period of time.

He also expressed appreciation to Anson County and its entire Board of Commissioners. He said that the two Boards had met in Wadesboro last week and voted on a joint resolution to move forward with a contract extension and potential additional water supplies from Anson County. He thanked them for being a “good neighbor.” He said that the County is not sitting in an isolated sphere but it is a part of a region. He stated that the County does not have water supplies and has to depend on its neighbors.

He shared an article from *The New York Times* entitled “Wearing a Different Hat When Saturday Comes.” He explained that the article was written about Dr. Jerry McGee, President of Wingate University. He said the article discusses Dr. McGee being an ACC referee in football. He stated that Dr. McGee has been a referee for 36 years and this Saturday will referee his 400th game. He said that Wingate has also had an outstanding season. He stated that he wanted to recognize Dr. McGee for what he means to the area and to the entire readership of *The New York Times*.

With there being no further matters for discussion, at approximately 8:46 p.m., the Chairman adjourned the regular meeting.