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## Oak Island to enact new wastewater impact, tap fees

### Town manager says existing fees aren't covering costs

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The Oak Island Town Council will vote on changes to wastewater system tap and impact fees to better cover costs associated with the system at next month's regular meeting.

During a special meeting Thursday night, council members heard from Town Manager Jerry Walters that the existing fees are not directly tied to costs. He proposed changing tap fees that would cover the cost of installation, including labor, material, equipment and overhead, and impact fees to pay for "some measure of impact."

Per-parcel fees would be the same for the same type of use, such as single-family residential.

Walters' memo presented possible impact fees ranging from \$3.68 per gallon to \$11.03 per gallon. Cost for use of the current available wastewater capacity would be nearly \$55.9 million, or \$14.71 per gallon.

The impact fee would not be less than the current \$4,200 fee, meaning existing users would not be penalized.

Council members agreed with Walters' reasoning that the fees should be based on certain standards, but said they wanted some time to look at the information and to receive a firm recommendation from Walters before voting.

"I would be more comfortable with you recommending to us what the [fees] would be," said Council member Jim Medlin. "We don't have all the information you have."

The board's next regular meeting is set for 6 p.m. Tuesday, Nov. 9 at town hall.

Changes to the fees, however, will not get the town out of its financial obligations. During the meeting, Mayor Betty Wallace announced the town is seeking public revenue bonds to pay \$9.75 million in cost overruns for the town's wastewater system.

Wallace said the town's attempts to finance the overrun costs through several banks had been turned down.

"We have [already] taken on a little more than \$16 million in debt," the mayor said. "BB&T wants us to spend time paying that down before taking on anymore. I thought I had convinced them it was an enterprise fund that would pay itself, but the banks said there was no proven revenue stream."

At a recent meeting between town officials and the Local Government Commission, BB&T presented a proposal for a public bond offering, which will cost the town \$211,000. The process to begin the bond funding will take about two months,

officials said, and will involve completing an audit and receiving a rating from a rating agency.

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