

WESTERN WAKE PARTNERS

April 3, 2007

Ms. Coleen Sullins, Deputy Director
North Carolina Department of Environment and Natural Resources
Division of Water Quality
512 North Salisbury Street
Raleigh, NC 27604

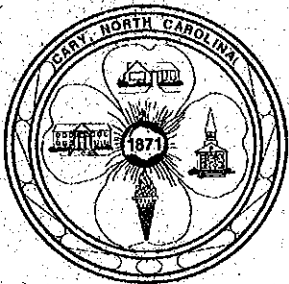
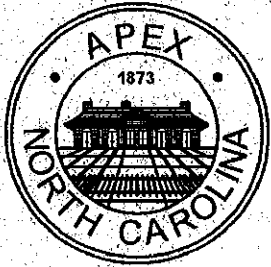
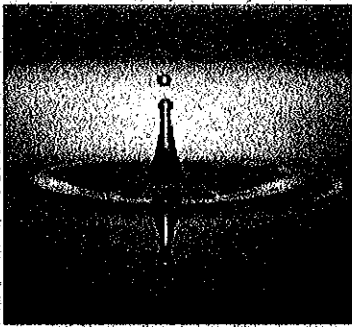
Subject: Addendum to Revised PER TM 05 (submitted February 16, 2007)
Additional Public Input and Revised Town of Apex/Site 14 Water and
Sewer Extension Policy

Dear Ms. Sullins:

On February 16, 2007, the Western Wake Partners (Partners) submitted to NC DENR a revised PER TM 05, which presents the alternatives analysis conducted for the selection of a water reclamation facility (WRF) site and the associated influent and effluent pipelines that will provide wastewater treatment service for the Towns of Apex, Cary, and Morrisville, as well as the Wake County portion of Research Triangle Park (RTP South). Based on the results of the alternatives analysis, the Partners identified Site 14 as the preferred site for construction of a new WRF.

To address environmental justice issues concerns related to Site 14, the revised TM 05 included a Public Participation Report (Appendix E) and a proposal to provide water and sewer service to the residents located adjacent to Site 14, within Census Block 534.03-1053 (affected community) (Section 5.2, pp. 46-47). Subsequently, in response to a request from representatives that live in the affected community, a meeting was held on March 17, 2007, to discuss the proposed Project and the proposed provision of water and sewer service to the affected community. Based on input received at that meeting, the Partners have revised the proposed water and sewer extension policy. A summary of the meeting including attendees is included as Attachment A to this letter and the revised proposal is included as Attachment B.

Attachment B supersedes the description that presented in the revised PER TM 05 that was submitted on February 16, 2007. Based on the results of the March 17, 2007, meeting and the subsequent letter (see Attachment C) that was issued by the meeting attendees from the affected community, we are confident that the attached description is consistent with the expectations of the residents that live in the affected community.



WESTERN WAKE PARTNERS

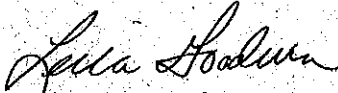
400 James Jackson Avenue • Cary, NC 27513 • PO Box 8005 • Cary, NC 27512-8005

westernwakepartners.org

April 3, 2007
Page 2 of 2

We look forward to meeting with you and your staff on Tuesday, April 9, 2007, to discuss the revised PER TM 05 and to discuss the path forward for completing the environmental documentation process and environmental permitting process for the subject Project. If you have any questions, or require additional information, please contact me at 919-xxx-xxxx.

Sincerely,



Leila R. Goodwin, P.E.
Water Resources Manager
Town of Cary - Lead Agency for Western Wake Partners

Cc: Tim Donnelly, Town of Apex
Stephanie Sudano, Town of Holly Springs
Tim Gauss, Town of Morrisville
Henry Wicker, USACE
Robin Smith, NCDENR
Mary Penny Thompson, NCDENR
Melba McGee, NCDENR
Bobby Blowe, NCDENR
Daniel Blaisdell, NC DENR
Western Wake Consultants

Meeting Summary Memorandum

To: Western Wake Project File
From: CDM
Meeting Date: March 17, 2007
Subject: Community Meeting Hosted by Sheila Morrison

On March 17, 2007 a meeting was conducted at the home of Ms. Sheila Morrison, a resident of New Hill, to review and discuss the proposed Western Wake Regional Wastewater Management Facilities Project and the Western Wake Partners' (Partners') proposal to provide water and sewer service to property owners in New Hill that live adjacent to the proposed water reclamation facility. The meeting was conducted in response to a request from Ms. Morrison to Tim Donnelly/Town of Apex. The meeting was conducted from approximately 10:00 AM to 12:00 PM. The meeting attendees included the following:

Ms. Sheila Morrison	3124 New Hill - Holleman Road, New Hill
Ms. Florence Morrison	3116 New Hill - Holleman Road, New Hill
Mr. Bobby Morrison	
Mr. James R. Harris	2944 New Hill - Holleman Road, New Hill
Mr. Bobby Horton	2912 Garris Road, New Hill
Mr. Clyde Wilson, Jr.	3029 Garris Road, New Hill
Ms. Myrtle Evans	5120 Church Road, New Hill
Mr. Glenn D. Hawkins	103 Dearhorn Lane, Cary
Mr. Louis C. Powell	3509 New Hill - Holleman Road, New Hill
Rev. James Clanton	New Hill Baptist Church
Mr. Tim Donnelly	Town of Apex
Ms. Inga Kennedy	PEQ
Mr. Tommy Esqueda	CDM
Ms. Kelly Boone	CDM

Following is a summary of the meeting discussions:

- 1) Ms. Morrison opened the meeting by welcoming everyone to her home and summarizing her objectives for requesting a meeting with Mr. Donnelly.
- 2) After Ms. Morrison's opening comments, Tim Donnelly reviewed the history of the project, the current status of the environmental documentation process, and the findings of the initial public outreach meetings conducted in December 2006.

- 3) Mr. Donnelly explained that the comments from the December 2006 public outreach efforts identified concerns for the project related to odor, traffic and groundwater contamination. In addition, the public outreach efforts identified water and sewer service as a desirable and needed service for the community.
- 4) Mr. Donnelly discussed the measures that the Partners were prepared to implement for the water reclamation facility to address odor, traffic and groundwater contamination.
- 5) Mr. Donnelly then discussed the measures the Partners were prepared to implement to provide water and sewer service to the residents of New Hill that live adjacent to the proposed water reclamation facility.
- 6) At the conclusion of Mr. Donnelly's presentation, the meeting attendees from New Hill were invited to pose additional questions related to any aspect of the project. Based on the discussions conducted during the question and answer session, the meeting attendees agreed as follows:
 - a) Water and sewer service is desirable and needed for the community.
 - b) If water and sewer service is to be provided, then the residents request that the proposed imposition of a lien be removed from the proposed policy.
 - c) The Partners will make arrangements for members of the community to tour the South Cary Water Reclamation Facility.
 - d) The meeting attendees will contact representatives from NCDENR and USACE to express the support for the project with the stipulation that water and sewer service be provided to the community as a mitigation measure.
 - e) Additional meetings with representatives from the community will be necessary in the near future to begin the planning, permitting and design of the water and sewer system.

Note: Attendees at the meeting represented 25 of 41 parcels (61%) in the affected area (0.5 mile radius) excluding Progress Energy Land.

TOWN OF APEX SITE 14 WATER AND SEWER EXTENSION POLICY

1.0 PURPOSE

The purpose of this document is to present a proposed water and sewer extension policy (policy) for the provision of water and sewer service for properties located within census block 534.03-1053 (affected community).

It is understood by all parties that the provision of water and sewer service is being offered as a mitigation measure for locating a water reclamation facility on Site 14 (formerly the Seymour property), which is within census block 534.03-1053. It is understood that if the water reclamation facility is not located on Site 14, then the proposed policy described herein will be withdrawn from further consideration.

2.0 PROPOSED POLICY

The proposed policy is intended to address issues related to the financing, planning, design, land acquisition, permitting, construction and operation of a water and sewer system to serve the affected community.

2.1 Geographic Extent of Policy

The geographic extent for the proposed policy will be defined as the affected area encompassed by census block 534.03-1053, which is generally bounded by New Hill-Holleman Road to the east, Shearon Harris Road to the west, Old US 1 to the north and new US 1 to the south.

2.2 Eligibility

This policy applies only to current property owners and structures of record as of March 27, 2007, and is available for a limited time period as described in Section 2.4.

2.3 Designated Service Provider

The affected community is located in the Long-Range Urban Service Area for the Town of Apex. Accordingly, the Town of Apex will be the water and sewer service provider for the affected community. Therefore, any decisions regarding the provision of water and sewer service to the affected community must be consistent with the water and sewer policies and ordinances enacted, and as may be amended, by the Town Council of Apex.

2.4 Closing Date for Acceptance

The property owners of record as of March 27, 2007, have until January 1, 2010, to submit a request to the Town of Apex for water and sewer service in accordance with the terms and

DRAFT

Town Of Apex
Site 14 Water And Sewer Extension Policy
March 28, 2007
Page 2 of 4

conditions described herein. Property owners within the affected community that request water and sewer service after the closing date may apply for service in accordance with the standard water and sewer policies and ordinances enacted, and as may be amended, by the Town Council of Apex.

2.5 Service Offerings

Property owners in the affected community may request both water and sewer service, or water service only. This policy does not allow for provision of sewer service without water service.

2.6 Annexation Requirements

Under current Town of Apex policies and ordinances, prior to receiving water and sewer service a property must be annexed into the municipal corporate limits of the Town of Apex. Under this proposed policy, the Town Council of Apex will not require annexation as a condition for providing water and sewer service. However, as a condition of accepting water and sewer service under the proposed policy, the property owners in the affected community agree as follows:

- 1) At some unspecified date in the future, but no earlier than January 1, 2020, the Town may initiate annexation proceedings for all, or a portion of, the properties located in the affected community.
- 2) Upon initiating annexation procedures, the property owners that have received water and sewer service in accordance with the terms and conditions of this policy will not protest or contest the annexation proceedings brought forth by the Town of Apex.

For properties located within the affected community that accept water and sewer service as offered through this policy, compliance with the above listed provisions will allow for continued and uninterrupted service.

2.7 General Description of Water and Sewer Facilities

As the designated water and sewer service provider, the Town of Apex shall have responsibility for the planning, design, land acquisition, permitting, construction and operation of the water and sewer system for the affected area. It is understood that no costs for the planning, design, land acquisition, permitting, construction and installation of the water and sewer system shall be assessed against the property owners in the affected community.

DRAFT

Town Of Apex
Site 14 Water And Sewer Extension Policy
March 28, 2007
Page 3 of 4

Water System

It is expected that the water system will consist of a water distribution pipeline that will loop through the affected area starting and terminating at New Hill-Holleman Road. The capital costs for the new water distribution system will include all required land acquisition, pipelines, valves, remote-read automatic meters, pressure-reducing devices, disconnection of onsite wells, surveying, engineering and inspection services and final connection of each dwelling unit on each property to the new water distribution system.

Sewer System

It is expected that the sewer system will consist of a gravity sewer system that will discharge to a wastewater pumping station owned and operated by the Town of Apex. The new wastewater collection system will include all required land acquisition, pipelines, manholes, surveying, engineering and inspection services, disconnection and decommissioning of existing septic tanks and final connection of each dwelling unit on each property to the new wastewater collection system.

2.8 Easement Acquisition Considerations

The construction, installation, operation and maintenance of the new water and sewer system will require the acquisition of easements from property owners located in the affected community. Property owners agree to allow Apex to acquire easements as may be required for the proper construction, installation, operation and maintenance of the water and sewer facilities. Apex agrees that to the greatest extent practicable, all easements shall be located in a manner so as to minimize impacts to existing structures and to not unreasonably impact the property owner's current and future uses of the property.

The Town of Apex agrees to pay fair compensation to property owners for easements.

2.9 User Fees

The Town Council for Apex has the sole responsibility and authority to establish and set rates, fees, charges and penalties necessary for the operation, maintenance, management, administration, upgrade, rehabilitation, improvement and expansion of the water and sewer utility system.

Water and Sewer Connection Fees

Under current Town of Apex policies and ordinances, property owners are required to pay acreage fees and capacity fees prior to connecting to the water and sewer system. The cost of acreage fees and capacity fees vary based on the type of development (residential, commercial, industrial, etc.) being connected to the water and sewer system. Under the proposed policy, payment of the acreage fees and capacity fees shall be deferred by the

DRAFT

Town Of Apex
Site 14 Water And Sewer Extension Policy
March 28, 2007
Page 4 of 4

Town of Apex for properties located within the affected community. Deferment of acreage fees and capacity fees will remain in effect until conditions of the property change as described in Section 2.10.

Monthly Water and Sewer Bills

Under current Town of Apex policies and ordinances, water and sewer customers are required to pay a monthly water and sewer bill based on monthly water meter readings. Under the proposed policy, property owners in the affected community agree to pay a monthly water and sewer bill proportional to the level of service received as determined by monthly water meter readings. For properties located within the affected community, the Town of Apex will charge for water and sewer service based on in-Town water and sewer rates.

2.10 Deferment of Annexation and Collection of Connection Fees

For those property owners of record as of March 27, 2007, that request water and sewer service from the Town of Apex prior to January 1, 2010, the deferment of annexation and the deferment of acreage fees and capacity fees will remain in effect until conditions change for their subject property. Changed conditions for a property will be defined as (a) a change in use of the property, or (b) the property is developed or redeveloped requiring a site plan or subdivision plan. At the time when a changed condition is complete for a property located within the affected community, then the property owner of record agrees to the following:

- 1) Acreage fees and capacity fees in effect at the time of the changed conditions shall become due and payable to the Town of Apex by the property owner of record; and
- 2) The Town of Apex may initiate annexation proceedings for the property and the property owner of record will not protest or contest the annexation.

For properties located within the affected community that accept water and sewer service as offered through this policy, compliance with the above listed provisions will allow for continued and uninterrupted service.

The deferment of annexation and the deferment of acreage fees and capacity fees apply only to those property owners of record as of March 27, 2007, that request water and sewer service from the Town of Apex prior to January 1, 2010. Property owners within the affected area that request water and sewer service after January 1, 2010 may apply for service in accordance with the standard water and sewer policies and ordinances enacted, and as may be amended, by the Town Council of Apex.

ATTACHMENT C

TO: Timothy Donnelly, Kelly Boone, Thomas Esqueda, and Inga Kennedy
FROM: Sheila Morrison, Myrtle Evans, James Harris, Bobby Horton, Glenn Hawkins,
Florence Morrison, Bobby Morrison, and Clyde Wilson, Jr
RE: Proposed New Hill WRF, Environmental Justice,
DATE: March 20, 2007

First of all thank you very much for accepting the invitation to meet at my home on March 17, 2007, with myself and residents from the New Hill community that live and own property in the area located adjacent to the proposed water reclamation facility. Mr. Donnelly, your presentation that reviewed the history of the project and the current status of the environmental documentation process was both helpful and informative.

As we pointed out, the attendees and the families represented live in this area and are second and third generation residents with a strong sense of family and community. Meeting participants included representatives from the following families: Morrison, Horton, Wilson, Evans, Harris and Hawkins. We represent a majority of the parcels and the land in the New Hill area located adjacent to the proposed water reclamation facility.

While it was clear from your presentation that the Partners will implement measures to address our concerns related to odor and traffic, I trust it was equally clear that our support for the project is directly related to the Partner's implementation of the proposed mitigation plan to provide water and sewer facilities at no cost to residents of New Hill located adjacent to the proposed WRF site.

With regard to the next steps, based on our understanding of the March 17th meeting discussions, we expect the following:

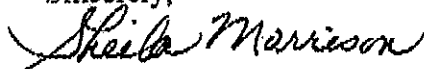
- (1) Tim Donnelly will confer with the other Partners and discuss the need to eliminate the property lien requirement from the proposed mitigation plan. Upon receiving confirmation from the Partners that is acceptable, we expect that Mr. Donnelly will contact us regarding the elimination of that condition.
- (2) Arrangements will be made for us to tour a reclamation facility. Transportation for the tour will be provided with pick up at my home. (April 21st at 10:00 has been tentatively scheduled for the tour).
- (3) By copy of this letter to Ms. Colleen Sullins at NC DWQ and Mr. Henry Wicker at the US Army Corps. Of Engineers, we request that the appropriate state and federal agencies initiate efforts to complete the environmental documentation process on the proposed New Hill site for the facility.

- (4) Pending approval of the proposed New Hill site, the appropriate entity will work with the residents of New Hill located adjacent to the facility site to evaluate and recommend locations for the new water and sewer pipelines to serve the area.

In closing, I would like to thank you very much for taking the time to meet with us to discuss our stance related to the proposed project. We look forward to working with you in the near future and eagerly anticipate planning for and introduction of water and sewer services in our wonderful community. We truly believe that the provision of these services will allow us to remain a strong family-based community will into the future.

I trust that you will communicate with the appropriate federal and state agencies that the residents of New Hill adjacent to the proposed facility site are prepared to see the project move forward as soon as possible. In addition, if meeting with state/federal agencies would facilitate and expedite the provision of these services we would welcome the opportunity to express our support for the project and the proposed mitigation plan (without the property lien requirement). Please feel free to share my phone number and e-mail (smorriso@bellsouth.net) with those you feel appropriate, and certainly if you have questions, or if I can be of further assistance, do not hesitate to contact me.

Sincerely,



Sheila Morrison,
Lifelong New Hill Resident

Cc:

Coleen Sullins, Deputy Director, NC DWQ
Henry Wicker, Special Projects Manager, USACE