

**EXECUTIVE SUMMARY**  
**CITY/COUNTY UTILITY COMMISSION MEETING**  
**December 12, 2011**

Items Considered: 4; Items Approved: 4

**Distribution/Collection**

The Utility Commission authorized execution of an agreement with **Gateway Management Services, LTD.** for proposed water improvements to **Spring House Restaurant, Kitchen & Bar** in the estimated amount of \$6,050.00 to be borne by the developer.

**Water/Wastewater Treatment**

The Utility Commission awarded a purchase order to **Altec Industries, Inc.** for one Hydraulic Crane Truck under the bid procedure waiver of N.C.G.S. 143-129(e)(9a) for \$218,486.

**General Administration**

The Utility Commission amended the Water and Sewer Services Agreement with the **Town of Kernersville (the "Town")** to provide for making a payment from the Rate Differential Account (the "Account") for sewer service extension with the City of High Point in the amount of \$650,000 based on the following:

- In 1996, the CCUC assumed ownership and control of the utility system previously owned by the Town.
- In 2003, the Town requested the sewer rate charged to customers within the Town remain at a higher rate than was contemplated, to be deposited into the Account, to be administered by the CCUC and used to pay for the expansion of the sewer system serving the Town; the CCUC agreed.
- The Town has subsequently benefited from disbursement of funds from this account from time to time.
- The Town has recently entered into a contract with the City of High Point to provide sewer service to an area on the eastern side of the Town that drains toward the City of High Point's existing system.
- The Town has agreed to pay the City of High Point \$650,000 for this sewer service extension and has requested those funds be paid from the Account established in 2003.
- The City Attorney and staff are working on an additional agreement with the Town to clarify intended use of the funds in the Account that is beneficial to both parties.
- If additional clarification for future distribution of funds in the Account is not negotiated and approved by both the Town and the CCUC by June 30, 2012, the rates charged to the Town's citizen's will revert back to those rates described in the original 1996 agreement.