

2. As to the construction cost, the Town has two estimates for constructing a new system from two different engineering companies. The overall cost from each is almost identical. Therefore, the Board believes that the final cost of construction, if a new system is to be built, will come in under the 4 million dollars approved.

3. Contrary to what you have read, there is no need to dig up your lawns or destroy any gardens or shrubs. All connections to any new system will be made on the Town's rights of way. All the pipes and connections on your property are yours, which you have already paid for, and there is no need to go on anyone's property. The Town would be constructing a water system, not a sewer system. Given the new technology, water lines can be installed without disturbing roads and driveways. In many instances, they will bore under roads and driveways.

4. As to the four (4) million dollars that was approved, this is similar to a line of credit. The Town has the authority to borrow up to 4 million dollars if need be. If the Town can obtain the current system for substantially less, then the Town will not need to borrow the full 4 million. We will only borrow the amount needed to either build or buy and only pay interest on the amount borrowed.

5. The water usage rate is anticipated to be reduced by 30% from your current rate of \$3.03 per thousand gallons. This, therefore, will save each customer 90 cents per thousand gallons of water used, e.g. if you use 5,000 gallons each month, the savings to you will be \$4.50 (5,000x.90). If you use 10,000 gallons, then you will see a savings of \$9.00 (10,000x.90) per month. In most instances, many of you will see a savings of \$5.00 or more per month, not the \$2 to \$3 per month published. Suggest you take your current bill to determine your savings.

6. The Water Committee made a cost comparison of the water rates between that charged to Pine Knoll Shores residents and the charges to our neighboring towns serviced by town owned water systems. We believe you'll find the comparisons rather interesting. Assume each resident used 5,600 gallons per month, the cost comparison by Town will result:

Pine Knoll Shores	cost for 5,600 gallons	- \$27.07(Carolina Water)
Atlantic Beach	" " " "	- \$12.20 (Town owned)
Morehead City	" " " "	- \$12.86 (Town owned)
Beaufort	" " " "	- \$14.09 (Town owned)
Emerald Isle	" " " "	- \$15.02 (Bogue Banks)

7. At the Public Hearing of June 6, 1995, and as stated in the Carteret News-Times, the Water Committee recommended that every resident in Town, whether connected to the water system or not, be charged a flat \$10.00 per month fee for fire protection. This equates to the current charge of \$10.10 by Carolina Water to each user of the system. It was anticipated that there are some 50 residents not currently hooked up to the present system. You may be interested in reviewing the Water Committee's recommendations.

Lastly, it has been suggested that the reason the Town was pursuing the purchase or building of its own water system was to give the Commissioners something to do. This is just not true. For a number of years, you, the citizens of the Town, have complained about our water situation and asked that something be done. To this end, a number of public hearings were held. At each of the hearings, those who attended indicated overwhelmingly that the Town pursue its current course. We, your Commissioners, assure you that we are not doing this for self-grandisement, but because you, the citizens, have asked us to do it, and because it is the right thing for the Town.

If any of you have areas of concern that not reviewed here, please feel free to contact any member of the Water Committee or your Board of Commissioners.

Merry Christmas and Happy New Year
from your staff at Town Hall

Deey Cas *Connie D. Shelton*

Joanne Butler

Mary Lou Kay