

The Village of Bald Head Island

October 10, 2008

Dear Unimproved Property Owner:

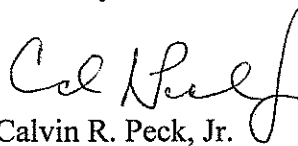
Re: Availability Fee

Pursuant to the Village Budget Ordinance for Fiscal Year 2008-2009, adopted June 13, 2008, an Availability Fee was enacted of "\$9.00 per month for water, plus \$13.50 per month for sewer (\$22.50 per month total) charged to all undeveloped, buildable lots, to assist in repaying the Utility Department debt for Sub Aqueous Water Line and Utility System Purchase". In response to citizen inquiries about the Availability Fee, the Village Attorney was asked to investigate the matter. While there are a variety of funding options available to the Village, an Availability Fee was determined not to be among them. The imposition of the Availability Fee on undeveloped lots was, therefore, improper.

Upon this determination, the Village immediately stopped collecting the Availability Fee and is refunding fees collected.

It is important to note the historical genesis of the Availability Fee. An Availability Fee was lawfully collected by the Utilities Department's predecessor, BHI Utilities, Inc., a private entity. Upon purchase by the Village of the BHI Utilities' assets in December 2005, the Village cancelled the Availability Fee for the benefit of property owners. Given funding necessities, the Availability Fee was reinstated through the 2008-2009 budget process. Given the prior existence of the Availability Fee, its legal underpinnings were not investigated and the fee was enacted by the Village in good faith. The Village apologizes to you.

Sincerely,


Calvin R. Peck, Jr.
Village Manager