

Draft

BOARD OF COMMISSIONERS
REGULAR MEETING September 25, 2006

ALEXANDER COUNTY
STATE OF NORTH CAROLINA

PRESENT: Larry G. Yoder, Chairman
 W. Darrell Robertson, Vice-Chairman
 Wesley E. Bolick
 William L. Hammer
 W. Norris Keever

STAFF: Rick French, County Manager
 Jamie Starnes, Clerk to the Board

MEDIA: Micah Henry, The Taylorsville Times

The Alexander County Board of Commissioners held a regular meeting on Monday, September 25, 2006 in the Catawba Valley Community College / Alexander Center Multipurpose Room, Taylorsville, North Carolina.

CALL TO ORDER

Chairman Yoder called the meeting to order at 6:00 PM.

INVOCATION & PLEDGE OF ALLEGIANCE

Commissioner Robertson gave the invocation and also led the Pledge of Allegiance to the Flag.

*****SPECIAL ANNOUNCEMENT*****

Leeanne Whisnant, Health Director, announced that the Grand Opening Ceremony for the new dental office would be held on October 6, 2006 from 2:00 to 4:00 PM and the ribbon cutting would take place at 2:30 PM. She stated that the dental office, which had only been in operation for 2 weeks, had already served 200 children and she noted that there was one dentist, Dr. Susan Bridges, and 2 dental assistants on staff. Ms. Whisnant explained that services would be provided to children ages 0-18 and Medicaid, Health Choice, and income eligible uninsured were accepted.

COMMISSIONER'S REPORT

Commissioner Hammer pointed out that the N.C. Department of Transportation had begun working at the intersection of Highway 16 South and Macedonia Church Road to create a turning lane, install a traffic light, and widen the road to the Alexander Correctional Institution.

Commissioner Hammer also stated that approximately 18 months ago the Western Piedmont Council of Governments (WPCOG) Transportation Improvement Committee on which he served was informed that the state planned to patch and resurface portions of Interstate 40 in Iredell and Catawba Counties; however, Commissioner Hammer reported that the committee was informed last week that the state needed approximately \$100 million to repair Interstate 40 because road conditions were worse than expected. Therefore, this project will not be completed due to lack of funding.

INDUSTRIAL UPDATE – CRAFTMASTER FURNITURE CORPORATION

David Icenhour, Economic Development Director, announced that Alexander County had received a \$500,000 N.C. Rural Center grant for the sewer expansion project for Craftmaster Furniture Corporation, Mitchell Gold + Bob Williams Too, and Paladin Furniture. Mr. Icenhour thanked everyone involved in the grant process, especially Nancy Coley and Sherry Long who prepared the grant application. He also stated that the sewer line would provide for some future economic development opportunities.

Mr. Icenhour explained that that Economic Development Department's Existing Industry Recognition Program allowed for existing industries to periodically update the Board on current operations as well as plans for the future. Therefore, he introduced representatives from Craftmaster Furniture Corporation including CEO Steve Lackey, President Roy Calcagne, and COO Kevin Tolbert. Mr. Calcagne reported that Craftmaster Furniture Corporation occupied more than 400,000 square feet of manufacturing, warehouse, and office space in Hiddenite, N.C. and employed 425 individuals, making the company one of the county's top 5 employers. He also explained that in May 2006, the original owners of Craftmaster sold the business to Lacquer Craft Manufacturing Company Ltd., the 9th largest furniture manufacturer in the world and owner of Universal Furniture in High Point, N.C. and Legacy Classic in Burlington, N.C. Mr. Calcagne informed the Board that Craftmaster Furniture Corporation planned to increase their employees to 485 in the next 2 to 3 years to accommodate expansion and additional warehousing.

The Board thanked Mr. Lackey, Mr. Calcagne, and Mr. Tolbert for the presentation.

PUBLIC COMMENT PERIOD

Chairman Yoder explained that this special public comment period was being held to allow citizens the opportunity to speak regarding the Concord and Kannapolis inter-basin transfer request. He explained that all comments would be videotaped and sent to the N.C. Department of Environment and Natural Resources (NCDENR) and he was pleased to announce that the

Environmental Management Commission (EMC) had decided to postpone its decision on the transfer for 2 months.

The following comments were made by the public:

Phil Martin discussed his experience with Water Watch Lake Hickory and their work with water quality and quantity and he pointed out that the Catawba River was currently the 13th most endangered river in the United States, according to American Rivers. He also distributed copies of a presentation given at Lenoir-Rhyne College last week where George Johnson, a retired professor from New York, gave the Concord and Kannapolis inter-basin transfer model an "F" grade based on the many assumptions included in the model. Mr. Martin expressed his concern with the "under the radar" approach taken to inform the public about Concord and Kannapolis' inter-basin transfer request and he noted that such a large withdrawal of water from the Catawba River Basin would negatively affect home owners and businesses, especially during drought conditions.

N.C. Representative Mark Hollo expressed his opposition to the Concord and Kannapolis inter-basin transfer, pointing out that there were several flaws in the request. He addressed the comment made that those against the request were not being neighborly by stating that the Catawba River Basin was the first to offer help when a genuine need occurred; however, he stated that there were more cost effective alternatives available to Concord and Kannapolis that would be less environmentally and economically damaging than transferring the water from the Catawba River Basin. Mr. Hollo felt that although the transfer would help the cities of Concord and Kannapolis with their future growth, it would be detrimental to ours, especially after being hit with an economic downturn during the last few years from which we were only now recovering from. He also felt that this transfer could cause a severe water shortage, especially during a drought situation, which would seriously depress the local economy. Mr. Hollo requested the EMC closely examine the other alternatives available to the cities of Concord and Kannapolis that would ensure a prosperous future for everyone.

Commissioner Bolick asked Representative Hollo if the General Assembly had considered passing legislation to stop the Concord and Kannapolis inter-basin transfer. Mr. Hollo replied that several members of the N.C. House of Representatives and N.C. Senate had drafted legislation regarding this issue that would be considered in late January 2007.

Chairman Yoder stated that Pat Kearney, a resident of the Taylorsville Beach area, had contacted the County Office to state her opposition to the Concord and Kannapolis inter-basin transfer request.

Carol Martin, member of the Lake Hickory Cove Keepers and Water Watch Lake Hickory, stated that this transfer, if approved, would be a permanent withdrawal from the Catawba River Basin, meaning that no water would ever be returned no matter what future events took place. She informed the Board that Charlotte currently had 2 Catawba River inter-basin transfers in effect, one being 16 mgd of which only 14 mgd was

currently being used and another 33 mgd that could be used at anytime. She noted that those 2 transfers along with Concord and Kannapolis' request for an additional 38 mgd would total 85 mgd coming from the Catawba River from that area. She felt this would create major water supply issues for the Unifour area and for South Carolina who was at the bottom of the Catawba River. Ms. Martin explained that Concord and Kannapolis currently had an adequate supply of water obtained from 4 reservoirs as well as 2 mgd from the Charlotte Mecklenburg Utilities Department. She stated that Concord and Kannapolis had requested the transfer to provide for future economic development and population growth through the year 2035; however, she noted that Concord and Kannapolis had alternatives including transferring their needed water from the Yadkin River Basin which was closer to Concord and Kannapolis, much larger than the Catawba River Basin, and had half the population density of the Catawba River Basin. Ms. Martin stated that the N.C. Division of Water Quality had expressed concerns with the current condition of aquatic life in the Catawba River, which would be even more scarce at extremely low water levels and she pointed out that lower water levels would cause pollutants to be more concentrated, mandatory restoration and purification more expensive, and water restrictions during drought times to begin earlier and last longer. She also stated that water levels would be impacted in reservoirs from Lake James to Lake Wylie in times of drought and she briefly discussed the importance of water quality and quantity to businesses, including the Lake James area that heavily relied on tourism. She urged the EMC to delay its decision until the Federal Energy Regulatory Commission (FERC) had a chance to consider Duke Power's relicensing application and to carefully consider the devastating effects that such a transfer would have on the Catawba River Basin.

John Martin discussed the computer model being used to justify the need of 38 million gallons per day by Concord and Kannapolis and he noted that, having taught computer science for many years, he was aware that a computer would do exactly what the operator told it to do, thus the phrase "garbage in, garbage out." He also stressed the importance of waiting until FERC granted Duke Power's relicensing application before an inter-basin transfer of such magnitude be approved because more information regarding water flow and lake levels would be available. Mr. Martin pointed out that the EMC had only held public "meetings" instead of public "hearings" which had not allowed for comments of citizens. He felt that coveting and stealing a much-needed necessity was being less neighborly than simply opposing the request. Mr. Martin informed the Board that there would be 269 mgd being taken out of the Catawba River if the 38 mgd request from Concord and Kannapolis was approved. He urged the public to write the members of the EMC with their comments.

Guy Barriger, Mayor of Taylorsville, stated that Concord and Kannapolis' request of 38 mgd was 3 times more than what the Unifour area used daily. He pointed out that during times of drought, the water table decreased causing the volume of wells and springs to decrease and possibly go dry and he noted that a large withdrawal of water that would not be returned could cause droughts to be more detrimental to citizens. He felt that it would be more feasible for the cities of Concord and Kannapolis to create water resources in the Yadkin River Basin. Mr. Barriger reported that the Taylorsville Town Council had

approved a resolution in opposition to the Concord and Kannapolis inter-basin transfer request and he urged citizens to contact the NCDENR Division of Water Quality.

James Jennings, a lifelong resident of Alexander County, stated that he had lived on Lake Hickory since 1977 and was totally against the Concord and Kannapolis inter-basin transfer request. He felt that there had been no common sense involved in a request of such a large amount of water that would never be returned once taken. He explained that the Foothill Conservancy quoted the safe yield of Lake Hickory at only 17 mgd and he discussed the impact that a 38 mgd withdraw would have on Lake Hickory. Mr. Jennings stated that water levels were already decreasing and he informed the Board that his well that he had used since 1977 went dry in 2002 even though he lived only 50 feet from Lake Hickory. Mr. Jennings felt that efforts needed to be taken to raise public awareness about the Concord and Kannapolis inter-basin transfer and he suggested a committee be formed to consist of industry, government, and private citizens to write and lobby the Governor, EMC, and N.C. legislation to get the general statutes changed so that these types of harmful transfers would not be allowed.

Robert Epting stated that he had been visiting Lake Hickory since 1963 as a friend of Mr. Jennings and that he hoped to retire here. He informed the Board that he served on the EMC for 12 years and explained that any governmental agency or individual requesting a transfer of more than 2 mgd from one basin to another was required to receive an authorization certificate from the EMC. Mr. Epting explained that the general statutes required the agency or individual requesting the transfer to prepare an environmental impact statement to submit along with their application and then hold a hearing within 30 days downstream from the withdrawal site; however, he pointed out that the general statutes did not outline how the EMC was to weigh the evidence to make a decision on the request. It only states that the EMC is to approve the permit if it finds that the benefits outweigh the detriments and the detriments can be mitigated by reasonable measure. Mr. Epting stated that public hearings were not required nor held thus leaving all evidence to be one side because opponents were never given an opportunity to speak and present evidence. Therefore, he felt that the EMC could not make an informed, fair decision on the Concord and Kannapolis inter-basin transfer permit until all evidence, including information provided by opponents, could be investigated. He also felt it was extremely unfair that the EMC was now labeling this matter as quasi-judicial which prevented them from speaking with anyone further after having dealt with Cabarrus County for over 5 years on the matter. Mr. Epting discussed the water level above intake valves and pointed out that the environmental impact study conducted by Concord and Kannapolis did not include how much water was currently available above those intakes and how much would be removed after the withdrawal. He also informed the Board that there were 4 more inter-basin transfers behind this one that the EMC would have to consider and if approved, would lower water quantity even more. He felt it was extremely important for citizens to contact the Governor, Lt. Governor, and members of the General Assembly to request their help in this matter. He also pointed out that several governments had formed a legal committee and had contributed to a fund for legal representation if needed.

James Jennings once again approached the podium to speak. He pointed out that the individuals that spoke in favor of the Concord and Kannapolis inter-basin transfer at the Valdese and Charlotte meetings were large employers, tobacco companies, and large race teams. He felt that the Governor would pay attention to the comments of these larger, more politically driven organizations and the EMC would follow the direction of the Governor which could result in the transfer request being approved. Mr. Jennings felt that legal action would be necessary at that point and he requested the Board appropriate \$100,000 or \$20,000 each year for 5 years to be used for legal representation.

The following comments were made by the Board:

Commissioner Hammer stated that he had been associated with Lake Hickory his entire life and spent his summers there. He discussed the major drought that occurred in Alexander County in 2002 that caused his boat house to sit on dry land. He also discussed the overwhelming opposition expressed at the public meetings held in Valdese and Charlotte. Commissioner Hammer didn't feel it was fair that the EMC had not allowed for any opportunity to hear arguments from both sides. He also expressed his concerns that no one was able to explain exactly how much withdrawing one percent of the lake would lower lake levels as well as Duke Power not addressing this issue during their relicensing process.

Commissioner Bolick stated that the withdrawal of 38 mgd from the Catawba River Basin would affect our children and grandchildren in years to come. He stated that he was against the Concord and Kannapolis inter-basin transfer request for every reason mentioned earlier by citizens. He also discussed a time when gasoline was only 25 cents per gallon and he felt the same thing could happen to water. He felt that Concord and Kannapolis should use their alternative of taking water from the much larger Yadkin River Basin instead of the Catawba River Basin and he urged citizens to get involved.

Commissioner Robertson stated that the NCDENR computer model outlined the impact on water levels at Lake James based on 3 volumes of water being withdrawn from the Catawba River including 10 mgd, 16 mgd, and 22 mgd and he pointed out that the model showed a decrease of approximately one quarter of a foot at 10 mgd and 16 mgd; however, it showed an increase in water elevation at a withdrawal of 22 mgd. Commissioner felt that this model should not have been published until it made more sense. He also felt that these impacts could not effectively be established until it was determined how the flow down the Catawba River would be affected by Duke Power's relicensing. Commissioner Robertson agreed that the Yadkin River Basin was larger and had a smaller population than the Catawba River Basin and he felt the Yadkin River Basin should be used to serve the Yadkin River Basin area and the Catawba River Basin should only be used to serve the Catawba River Basin area. He stated that there would come a time in the future when the Catawba River Basin would be taxed on current cities and counties withdrawing from it; therefore, he felt it would be more appropriate for the cities of Concord and Kannapolis to seek their need within their own basin. Commissioner Robertson felt that it would be extremely foolish to mortgage our future for a need that did not even exist at the current time.

Commissioner Keever stated that there was a major problem with sediment in the Catawba River and he questioned whether the amount of sediment affecting the depth and volume of water had been taken into account. He pointed out that all dams had sediment built up to the tops of them and he noted that shallow water caused by sediment in Lake Hickory had caused a type of plant to grow that affected the quality of the water. Commissioner Keever stated that the basis on which the computer model was produced was fraudulent if the sediment issue had not been taken into account. He felt that the Catawba River Basin shouldn't be forced to mortgage its economic growth and job opportunities to help the cities of Concord and Kannapolis whose tax bases already far exceed what this area would ever experience.

Chairman Yoder stated that he was very disappointed that the environmental impact study submitted had been so false and that the EMC had not allowed the evidence from both sides to be presented regarding something that would tremendously impact so many. He felt that a public hearing needed to be held so that arguments from both sides could be heard and the evidence could be weighed out before a decision was made. Chairman Yoder discussed the volume of the Catawba River pertaining to Duke Power's portion and the public consumption portion and he noted that Duke Power's portion would not be available for public consumption if a drought occurred and there was a water shortage. He was concerned that no one was able to explain how withdrawing one percent would affect the water level in the Catawba River Basin. Chairman Yoder stated that the Alexander County Board of Commissioners along with other county and city commission boards in the Unifour and along the Catawba River Basin was against this transfer and would fight to protect the future of our citizens and our economic development.

The Board thanked everyone present for their comments.

RESOLUTION TO OPPOSE THE CONCORD & KANNAPOLIS INTER-BASIN TRANSFER REQUEST

Chairman Yoder presented a Resolution to Oppose the Concord & Kannapolis Inter-Basin Transfer Request which requested that the N.C. Environmental Management Commission deny the request from the cities of Concord and Kannapolis to transfer up to 38 million gallons per day from the Catawba River Basin to the Rocky River Basin.

Commissioner Keever made a motion to approve the Resolution to Oppose the Concord & Kannapolis Inter-Basin Transfer Request. Commissioner Bolick seconded the motion. The Board voted unanimously in favor of the motion.

LETTER OPPOSING THE CONCORD & KANNAPOLIS INTER-BASIN TRANSFER REQUEST

Chairman Yoder presented a letter addressed to Phil Fragapane, NCDENR Division of Water Resources, which requested the EMC to further study the impacts of the Concord and Kannapolis inter-basin transfer request and to conduct a more detailed, reliable environmental impact statement.

Commissioner Bolick made a motion to approve the letter as presented. Commissioner Hammer seconded the motion. The Board voted unanimously in favor of the motion.

DESIGNATION OF FUNDING RESERVE FOR LEGAL REPRESENTATION OPPOSING THE CONCORD & KANNAPOLIS INTER-BASIN TRANSFER

Commissioner Kever made a motion to set aside a fund of \$10,000 based on Alexander County's size in relation to other counties to be used in the legal defense upon approval of the Concord and Kannapolis inter-basin transfer by the state. Commissioner Robertson seconded the motion. The Board voted unanimously in favor of the motion.

Commissioner Kever stated that this issue could be revisited at a later date if needed.

CLARIFICATION OF CONDITIONAL USE PERMIT 06-2

Sylvia Turnmire, Director of Planning & Development, presented a letter addressed to William and Deborah Tomashek regarding Conditional Use Permit 06-2 to reflect the decision made by the Board at the September 11, 2006 Commissioners' Meeting.

Commissioner Robertson made a motion to approve the letter as presented. Commissioner Bolick seconded the motion. The Board voted unanimously in favor of the motion.

COMPREHENSIVE PLAN CONTRACT

Sylvia Turnmire, Director of Planning & Development, stated that funds had been included in the 2006-2007 budget to complete a new comprehensive plan to cover issues such as demographics, current land use, future land use, growth management techniques, housing, public utilities, transportation, open space and recreation, and economic development.

Ms. Turnmire informed the Board that staff issued request for proposals in June 2006 and received 6 responses, all from companies or organizations within N.C, ranging in cost from \$34,700 to \$94,910. She stated that a selection committee consisting of herself, the County Manager, and the Planning & Zoning Commission Chairman interviewed the top 3 candidates. Ms. Turnmire requested approval of a contract with the WPCOG, based on the experience of the staff, knowledge of the county, and close proximity to the area, for \$40,000 to be allocated over 2 fiscal years.

Commissioner Robertson made a motion to approve the contract with the WPCOG for the comprehensive plan. Commissioner Bolick seconded the motion. The Board voted unanimously in favor of the motion.

BUDGET ORDINANCE AMENDMENTS #11 - #14

Rick French, County Manager, discussed the purpose of Budget Amendment #11 - #14, which included the following information:

Budget Amendment #11 – To increase the Economic Development budget for a monthly contribution to the Chamber of Commerce. To increase the Resource Center budget for 2006-2007 group insurance for the director – not included in the original budget. To budget for a refund to the N.C. Department of Juvenile Justice for 2005-2006 JCPC leftover balances. To increase a transfer to the Capital Improvements Fund for computer and technology purchases.

Budget Amendment #12 – To increase a transfer from the General Fund for computer and technology purchases.

Budget Amendment #13 – To amend the 2006-2007 budget for the first of 3 annual payments for the new loader.

Budget Amendment #14 – To amend the project ordinance for the Alexander Reload Rail Project due to additional local industry contribution.

Commissioner Keever made a motion to approve Budget Amendments #11 - #14. Commissioner Robertson seconded the motion. The Board voted unanimously in favor of the motion.

BOARD APPOINTMENT

Commissioner Hammer requested that Jeff Davis be appointed to the Bethlehem Fire Relief Fund Board to replaced Joe Carson.

Commissioner Hammer made a motion to approve the appointment to the Bethlehem Fire Relief Fund Board. Commissioner Bolick seconded the motion. The Board voted unanimously in favor of the motion.

OTHER BUSINESS

Rick French, County Manager, discussed the following issues during Other Business:

- A. Several representatives of the Jail Committee will be visiting the Brunswick County Jail facility on Friday, September 29, 2006.
- B. A recognition ceremony will be held for the 505th Engineer Battalion on October 8, 2006 at the National Guard Armory at 12:00 Noon.
- C. A meeting will be held with County and Town staff on October 3, 2006 at 2:00 PM in the Administration Building Conference Room to review the new Catawba River Basin flood maps in conjunction with a new flood mapping initiative that began after Hurricane Floyd.
- D. The next "free day" at the landfill and convenience sites is scheduled for Saturday, October 28, 2006.
- E. Construction continues on several projects. The Elections Office should be completed by October 1, 2006; however, Elections staff will not be moving until early December. Progress continues on the Bethlehem Branch Library and staff hopes to schedule a ribbon cutting very soon. Bids for the Aquatics Center could be opened as early as February 2007.

Commissioner Keever made a motion to approve the County Manager's Report. Commissioner Hammer seconded the motion. The Board voted unanimously in favor of the motion.

CONSENT AGENDA

- A. Minutes from the September 11, 2006 Regular Commissioners' Meeting.
- B. EMS Bill.

Commissioner Bolick made a motion to approve the Consent Agenda. Commissioner Hammer seconded the motion. The Board voted unanimously in favor of the motion.

CLOSED SESSION – N.C.G.S. 143-318.11(a)(1, 4, 5, & 6) TO PREVENT DISCLOSURE OF CONFIDENTIAL INFORMATION, ECONOMIC DEVELOPMENT, CONTRACTUAL, & PERSONNEL

Chairman Yoder made a motion to enter into Closed Session at 8:20 PM to prevent the disclosure of confidential information and to discuss economic development, contractual matters, and personnel issues pursuant to N.C.G.S. 143-318.11(a)(1, 4, 5, & 6). Commissioner Keever seconded the motion. The Board voted unanimously in favor of the motion.

ADJOURNMENT

There being no further business, Commissioner Hammer made a motion to adjourn at 9:10 PM. Commissioner Robertson seconded the motion. The Board voted unanimously in favor of the motion.

Larry G. Yoder, Chairman

Jamie M. Starnes, Clerk to the Board