

MINUTES
CHATHAM COUNTY BOARD OF COMMISSIONERS
WORK SESSION
OCTOBER 21, 2002

The Board of Commissioners (“the Board”) of the County of Chatham, North Carolina, met in the District Courtroom, located in Pittsboro, North Carolina, at 5:00 PM on October 21, 2002.

Present: Chairman Gary Phillips; Vice Chair Margaret Pollard; Commissioners Bob Atwater and Carl Outz; County Manager, Charlie Horne; County Attorney, Robert L. Gunn; Assistant County Manager, Paul Spruill; Finance Officer, Vicki McConnell; and Clerk to the Board, Sandra B. Sublett

Absent: Commissioner Rick Givens

The Chairman called the meeting to order at 5:25 PM.

Work Session Agenda

- 1.) **Consideration of Chatham County's Portion of the Pittsboro Water Plant**
- 2.) **Consideration of Agreement with OWASA**
- 3.) **Recreation and Strowd Property**
- 4.) **Transportation Improvement Plan (Commissioner Pollard)**

The County Manager stated that Item #2, Consideration of an agreement with OWASA and Item #3, Recreation and Strowd Property, would be deferred until a later date.

Commissioner Pollard asked that a discussion of the Transportation Improvement Plan be added to the Work Session Agenda.

PITTSBORO WATER PLANT

The County Manager explained that the issue before the Board was the Pittsboro Water Plant and Chatham County's capacity allocation and by what method to convey payment.

The Public Works Director, Ron Singleton, reviewed the timeline and the County's current investment in the Town of Pittsboro Water Treatment Plant. He stated that a straight-line depreciation schedule that evenly reduces the value of the County's initial investment of \$1,241,567 over a twenty-year life of the expanded Water Treatment Plant results in an estimated value of the County's interest in the plant of \$620,784 in Fiscal Year 2003; that other methods for arriving at a value of the County's interest in the plant, should the Board have concerns with using a twenty-year straight-line schedule, are: 1) Arriving at a value based on the Town of Pittsboro's cost to replace the County's entitled 500,000 gallon per day capacity less the depreciated value of the current plant; 2) Arriving at a value based on accelerated depreciation in the early years of the new plant's operation with less depreciation in the later years.

Mr. Singleton also reviewed options for transfer of the County's capacity to the Town of Pittsboro as follows:

- 1) A simple cash exchange for the capacity based on an agreed upon depreciation schedule.
- 2) Assignment of the County's capacity to the Town without an exchange of cash based on any combination of the following items:
 - a) An arrangement that allows the County to "wheel" or transfer water through the Town's system to future County water lines for minimal or zero cost.
 - b) An arrangement that allows the County to participate to some degree in joint review of development projects above a certain size that are proposed for location in the Town's jurisdiction.
 - c) Other arrangements that either party may find necessary.

Commissioner Pollard asked what the County would receive for its joint planning review of large development projects in Pittsboro's ETJ.

The County Manager explained that the staff had talked about the two options previously discussed; that the joint review process about which they are conversing involves large developments in the ETJ areas of Pittsboro; that it will give staff some information with regard to what the fiscal impact may be, how it will affect schools, transportation, etc.; and that they were receptive to that as a possibility.

The Public Works Director explained that the only Pittsboro water the County is buying is for the old Bynum Mill Village; that it is valved off at the Bynum Bridge Road and Highway #15-501 so that just that area is served because of the lower pressure gradient; that there are a lot of two-inch galvanized lines and asbestos cement lines that might stand up to the County's pressure zone in that area, but that they likely would not.

The County Manager explained that if the Board chose to do this, the County would still have an emergency interconnect for both directions.

The Public Works Director stated that the County now has a master meter which is set up to measure from Pittsboro to the County but not back in the other direction; that long term, the County either needs to modify the existing vault or put in a different type of master meter vault that will allow water to flow in either direction; that the County does not want to dispose of any connections that they have because the more connections that are in place, the safer everyone is.

Commissioner Pollard asked which arrangement was more attractive from staff point of view.

Commissioner Outz asked if it would be in the County's best interest to wait on the project.

The County Manager explained that in the past the Board had indicated some interest in formally pursuing a grant; that depreciation was also discussed; that from staff's perspective, a grant process would make the land use strategic planning process consistent in that, granting this process, to the extent possible, would incorporate developments where already existing water and sewer systems are located in the jurisdictions of Siler City and Pittsboro; that an interest was indicated in partnering with them would help the

capacity of their systems to handle that sort of thing; that in one sense, it could be giving substance to the verbage; that this would be consistent with land use and strategic planning discussions; that the Board has partnered with Siler City on some wastewater projects to increase the size of lines and has also invested in some industrial property; that there is precedent set for doing so, if that is the Board's interest; and that straight-line depreciation has also been discussed.

Commissioner Pollard stated that it did facilitate the increase in capacity for the Town of Pittsboro to attract industry and stated that this fits into the Board's commitment to deal with the issue.

Commissioner Outz suggested that the new Board be allowed to make the decision.

Chairman Phillips expressed surprise that Commissioner Outz was willing to table the matter as he had expressed support for it in the past.

Commissioner Outz stated that he was all for it but that he wanted further study on the matter.

Chairman Phillips asked if the possibility of the County taking a portion of revenue from the sale of water for a period of time to pay out the depreciated amount. He stated that he was in favor of granting it to the Town of Pittsboro as there had been a lot of cooperative work done with the Town of Siler City.

The Public Works Director stated that the plant is now rated for two million gallons of water per day; that he is sure that they have some safe guards in place to meet the "Safe Drinking Water Act" requirements that are forthcoming.

Commissioner Pollard stated that she was ready to offer Option #2 for the Town of Pittsboro Board to discuss, as the next Board will have their own decisions to make.

Ray Greenlaw, Chairman of the Chatham County Water Advisory Board, stated that there were reciprocal arrangements to be worked out by the staff and at the Board level so that both entities benefit from the arrangements made.

The Public Works Director stated that this gives an opportunity to work with the town staff and arrive at a more favorable agreement; that the existing agreement with the Town doesn't say specifically what the charged rate will be; that it is based on their costs; that the County has been paying the same rate since 1997; that he would like to see the new revised contract include a bulk rate tied to a certain percentage of what their rate is.

The County Manager stated that he doesn't believe that the County will be in real jeopardy because of the possibility of quid per quo; that is if the County has the emergency interconnect with the Town of Pittsboro and they begin charging the County more than what the County considers a fair rate, at some point the Town will need the County's resources a lot sooner than the County will need the Towns; that he believes that this constrains this possibility; that on the other hand, if the Board is talking about a granting process and some line of equity being in the wheeling process, he feels it is more timely and a more doable issue than looking at rate structures.

Commissioner Pollard stated that she did not feel that the Board was anywhere near having a contract; but that in principal, option 2 should be offered with staff and council working to come up with a more definitive contract.

Chairman Phillips stated that he would like to endorse a process to create a reciprocal relationship that

will allow Pittsboro to take back its water capacity, that would begin with a conversation between the staff endorsed by the Board in place when it returns, that will also go through the Water Advisory Board for any comments; and that he would like to keep both options on the table as he sees a time when it will be a lot easier and a lot less expensive to use Pittsboro as a conduit to move water from one place to another rather than to have to develop parallel lines; and that he hopes that part of what the Board is buying is a long-term friendship and development based upon the Town's ability to support it and the County's interaction of it in some manner so that it can be discussed how it affects the County.

Commissioner Atwater said that he felt that it was a good idea; that he felt that the Board should give some direction with regard to what kind of reciprocals that they would like to see; that he feels that as the staff works it out, the Board needs to be involved at different intervals; that he would like for it to meet approval of the Town Board before the final decision is made to develop a nicely crafted agreement.

Commissioner Outz asked if this issue had been discussed by the Pittsboro Town Board.

The County Manager stated that he was sure that it had been discussed on an individual basis, but did not think it had been discussed as a formal process.

Commissioner Pollard stated that Option A and B should be discussed.

The County Manager stated that those options had been discussed between staffs.

By consensus, the Board agreed to allow staff to continue discussions, that the conversations return to the Board on an intermediate level, and that the Board supports the two strategies for developing reciprocal relationships.

Commissioner Atwater stated that he hopes that they will be communicating at various intervals with their board, as well, so that everyone will know what is transpiring.

WATER SHED ORDINANCE

The County Manager explained that the public hearing held on the Watershed Ordinance several months earlier was designed to get feedback from citizens regarding stream buffering; that there is 100 feet on all streams now going into Jordan Lake for the Clean Water Management Trust; that the public hearing was about doing something similar or more in other areas including the Rocky and Haw Rivers.

Chairman Phillips stated that it was his recollection that this would be for someone bringing in a development project to the County and that they would be required to include, on any plat, a 100 foot stream buffer.

Commissioner Outz stated that he does not believe that 100 feet on either side of a stream is needed; that that would be almost one acre of land; and that it would be taking land away from the citizens without just compensation.

Commissioner Atwater stated that it was his understanding that there is no comparable evidence that the Board would achieve what it is asking for that far away from the lake itself.

Chairman Phillips stated that this is not what the Clean Water Management Trust Fund nor the Conservation Trust of North Carolina had to say; that the reason buffers became the major focus of the Clean Water Management Trust Fund was that it was determined by science that they were the best possible way to

protect the watershed; that their only two purposes of the Clean Water Management Trust Fund, in which millions of dollars are placed each year, is to upgrade water systems for local communities and to place buffers which they suggest to be in the neighborhood of 150 feet.

Commissioner Atwater asked if that related to all distances from the lake, stating that he would not be in favor of it unless there was evidence that it would do that.

Chairman Phillips stated that he feels that there is good evidence that stream buffers make a tremendous amount of difference over whether there is good water at the end of the system; that there are two things that happen with stream buffers i.e. sedimentation and heavy metals; that in North Carolina a scientific review was commissioned to decide how water systems could best be served; that the two decisions made were 1) as large a buffer system as possible on all basins that end up in people's drinking water; and 2) renovation, rebuilding, restoration, and upgrading community town water systems; that is the reason Cary extended its buffers and why Chatham County was asked to extend its buffers; that there is good background for it and a lot of ways to look at it; that a joining jurisdiction in Orange County chose a 150 foot absolute buffer and no limitations on development outside the buffer where major watersheds are going through; that was at the suggestion of the Water Authority who felt that there was a scientific basis for it; and that he would hate to see an unprotected Jordan Lake in ten years in which a tremendous amount of money would have to be spent to reclaim the water to a level that would be drinkable.

Commissioner Atwater stated that he would like to ask staff to look into an independent opinion on the issue as he is not yet comfortable with it.

Commissioner Pollard stated that a map could be prepared that would designate and graphically depict what they are talking about; that it would be easier to see exactly how much land about which they are talking and how it relates to the lake for the County's primary water source; and that it would be important to know the relationship of all of the streams to the lake so that the buffers could be made in proportion to their importance to the lake.

Charlie Horne, County Manager asked for clarification with regard to relative distance and buffering.

The Chairman stated that the City of Asheville and Orange Water and Sewer Authority (OWASA), at approximately the same time, invested a fair amount of money in water quality study for their watersheds; that at that time, the City of Asheville was contemplating developing a large portion of its watershed and received a very significant offer on a large piece of land that it owned in the watershed; that at the same time, OWASA had just created the Cain Creek Reservoir who was trying to decide how to approach both the extra lands that they had purchased and the continued protection of that resource; that both utilities within the same year decided that it was far cheaper for them to either purchase or protect land buffers on streams, specifically within their watershed than it would be for them to allow it to be developed even if they took the money and then had to reclaim the water quality back at their process; that the City of Asheville decided to do was to place 8,000 acres in the conservation easement that precludes any further development at all; that they did it on economic and scientific basis; that OWASA decided to petition the Clean Water Management Trust Fund for 2½ million dollars and add 2½ million dollars of their own money to purchase conservation easements determining that that investment made more sense; and that this was in addition to Orange County choosing to place a 150 foot buffer on every stream in the watershed and to mitigate development of large tract sections.

After further discussion, the County Manager stated that staff would follow up with other data collections for the Board's review.

Stormwater Management:

Commissioner Pollard stated that another watershed issue, Stormwater Management, will be forthcoming now that Chatham's population has reached 50,000. She stated that when the Board talks about watershed protection, it will need to include Stormwater Management and what it will mean for the County.

The County Manager stated that the Planning Director recently attended a conference on Stormwater Management and its implications and will be reporting to the Board regarding this issue.

TRANSPORTATION IMPROVEMENT PROGRAM

Commissioner Pollard stated that she wanted to bring the Transportation Improvement Plan (TIP) matter to the attention of the Board; that there will be a public hearing on the TIP on Tuesday, November 19, 2002, Randolph County Office Building, Commissioners' Meeting Room, 725 McDowell Road, Asheboro from 2:00-4:00 PM; and that the Board may have comments that they would like to make at that meeting.

Chairman Phillips stated that he would like to have a work session in which the TIP is discussed and it affects the County.

WATER ALLOCATION/WATER SUPPLY COMMITTEE

Commissioner Atwater moved to form an ad hoc committee to look at water allocations/water supply issues stating that he has the utmost confidence in staff's actions and judgment in that area but that he would like to delve into any politics that might be present in the process and proposed a committee to include: Ray Greenlaw, Chairman of the Chatham County Water Advisory Board; Ron Singleton, Chatham County Public Works Director, ex officio; and Dick Richardson, former Provost at the University of North Carolina, Chapel Hill, and charge them to study the matter intensively and give their recommendations and confirm that the County is on the right course; that to make certain that the County is properly represented in all forums; and that a critical study of how the formula is developed and works and how it works for and/or against the County; and that this request is more of a matter of uneasiness on his part which is driving this desire to put the committee together. Chairman Phillips seconded the motion.

Commissioner Atwater stated that he wanted the water committee to research the Division of Water Quality Management, the group who makes the management decisions on water allocations from Jordan Lake; that they have a complex formula that they use for all of the requests that come in from all the different areas and make certain that the County is not at any disadvantage that it might otherwise remedy; and that he wants to know that the County is doing everything to protect its interest in future water allocations.

Commissioner Outz asked if this would include the Army Corps of Engineers.

The motion carried four (4) to zero (0).

MANAGER'S REPORTS

The County Manager asked to take vacation the remainder of the week.

By consensus, the request was granted.

- **Nature Trail**
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The Public Works Director briefed the Board on a telephone call he had received on Saturday from a resident at Nature Trail regarding his high school age son who had come down with "giardiosis", an intestinal disorder. He stated that they went out and retrieved a sample from the home which tested positive for chloroform bacteria; that the standard procedure was to return to the home to take another sample, which they did, and also took upstream and down stream samples; that the sample from the home again returned positive; that the system samples all returned negative which was an indication that there was no problem in the distribution system.

RECESS

Commissioner Atwater moved, seconded by Commissioner Pollard, that the meeting be recessed to the regularly scheduled Board of Commissioners' meeting. The motion carried four (4) to zero (0), and the meeting was recessed at 6:21 PM.

Gary Phillips, Chairman

ATTEST:

Sandra B. Sublett, Clerk to the Board
Chatham County Board of Commissioners