

September 19, 2005, MB#50
Special Session
Minutes
Catawba County Board of Commissioners
Special Session
Monday, September 19, 2005, 4:00 P.M.

City Councils

Special Meeting with Hickory, Long View and Brookford Councils

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The Catawba County Board of Commissioners met in Special Session on Monday, September 19, 2005, at 4:00 p.m. in the Hickory City Council Chambers, Hickory City Hall, Hickory. The purpose of the special meeting was a joint meeting with the City Councils of Hickory, Longview and Brookford.

Present were Chair Katherine W. Barnes, Vice-Chairman Dan A. Hunsucker, Commissioner Glenn E. Barger and Commissioner Barbara G. Beatty.

Absent: Commissioner Lynn Lail was out of town on business.

A quorum was present.

Also present were County Manager J. Thomas Lundy, Assistant County Manager Joellen J. Daley, Assistant County Manager Lee Worsley, County Attorney Robert O. Eades, Attorney Debra Bechtel and County Clerk Barbara E. Morris.

Hickory Mayor Rudy Wright welcomed all the commissioners and council members present and turned the meeting over to Chair Katherine Barnes. Chair Barnes said the Board of Commissioners had been trying to meet with all the municipalities within Catawba County and talk about regional issues and thought since Hickory supplied water to the County, water quality would be a good issue to discuss. She introduced Mike Struve, Water Quality Administrator, Western Piedmont Council of Governments and Chuck Hansen, Director of Public Services, City of Hickory to talk about water quality and Scott Millar, President, Economic Development Corporation to talk about the multi-jurisdictional park concept which grew out of the FORESIGHT Study. She then asked Mayor Wright to give an update on the League of Municipalities Convention which was coming up shortly.

Mayor Wright said they had been working very hard with their colleagues at the various municipalities and had a regional effort that had gone very well for the convention planning. He stressed the regional component of this effort and expected the convention to huge success. Mayor Wright said the convention center was ready and it came in on time and under budget. The convention will take place October 16, 17 and 18th. Mayor Wright said they would love to have the County participate in anyway and Chair Barnes said they would attend as many events as they could. The Youth Summit would be a first time event and all present were encouraged to promote this summit.

Mayor Wright pointed out that several items had been added to the agenda of the Convention as a result of current events and these subject were Emergency Preparedness and Escalating Costs after Budget Adoption (i.e. fuel costs).

a. Mike Struve then came forward to talk about water quality. He said he would update those present on several water related issues and then Chuck Hansen would address relicensing. Mr. Struve said he would be giving an update on water quality status locally, primarily in Catawba County; parrotfeather management; the interbasin transfer issue that is proposed and hydropower relicensing.

The Division of Water Quality monitors the surface water throughout the state and has four categories to evaluate streams and lakes in NC: supporting, not rated, impaired and no data category. 76% of the stream miles in the Catawba River Basin are not monitored.

The supporting category means the water quality conditions are generally being met and those waters are supporting their designated uses. The impaired category represents waters where one or more state water quality standards are frequently or regularly being violated. The not rated category represents systems where the State has monitored those lakes or streams but either there is not enough information to make a good determination of what is going on or the information is somewhat contradictory. Lake Hickory has recently received a not rated designation.

Clark Creek, Henry River, Horseford Creek and Maiden Creek, or segments thereof, have been designated impaired.

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Categories for lakes in the area are:

Lake James – supporting
Lake Rhodhiss – impaired
Lake Lookout – supporting
Lake Norman – supporting
Lake Hickory – not rated –

The state looks at a variety of things to come up with these ratings. There some hard numeric categories but in other area there are more ambiguous standards. Lake Rhodhiss is rated impaired and it is linked with Lake Hickory so that is not good news for Lake Hickory. Some areas of concern are sedimentation, taste and odor and aquatic plants. The state will impose more stringent limits to improve the conditions on these lakes.

The state is currently spraying for parrot feather, primrose and Elodea. A winter draw down is also being looked at as an effective way to treat for Elodea.

Mr. Struve then addressed the issue of interbasin transfer. There has been a request by Concord and Kannapolis by petition to the State to remove a maximum of 48 millions gallons per day from two rivers – the bulk from the Catawba River (up to 38 million gallons per day) and these cities would be removing water from the Catawba River, using it in their local jurisdictions and returning it to entirely different river basin. The public comment period regarding this request closed last month and there was a reasonable amount of opposition. The State is processing those comments and the applicant will have to address those concerns in a revised environmental impact statement and there will be additional public comment but there will be no more public hearings scheduled. This could be ruled on as early as January.

Mr. Struve then moved onto the hydropower relicensing issue. Duke Power is in the process of convening several different groups to provide them with the terms and conditions of their new license that they will be filing with the Federal Energy Regulatory Commission. All thirteen of Duke's hydroelectric stations are grouped under a single license so this is a huge national project. Stakeholders in North and South Carolina have been meeting monthly for about two years to hash out the details of the terms of this new license. These terms are spelled out in a draft document called an agreement in principle (AIP). The initial schedule called for the stakeholder to sign the AIP this Fall but for several reasons – the most important is that the stakeholders are still waiting on information in some key areas – that schedule has been adjusted and it is now anticipated that stakeholders will be asked to sign the AIP sometime in the Spring of 2006. Duke will file for its license application in 2006 and the new license, if awarded, is anticipated to be awarded in August 2008. There has been some interest regarding the notion of charging for water withdrawal but the AIP addresses a lot of water resource issues.

Chuck Hansen then came forward and introduced Kevin Greer, Assistant Public Service Director over water and sewer in Hickory. Mr. Hansen said over the next several months the media would be talking about the AIP – agreement in principle – a non-binding agreement that Duke is looking for essential all the water suppliers and stakeholder to sign off on – and it will then go to a final agreement which is a binding document. He said this is just the beginning and the public will start hearing more about this. Within the AIP, the LIP (low inflow protocol) will be addressed. He said issues are being worked through and they are getting closer and closer to the negotiation process. In early discussions regarding charging for water withdrawals, Duke Power had said they had the authority to charge for withdrawals, then they said they may charge for withdrawals and later in the process they presented what they could charge for withdrawals and in August, they presented a proposal on what they will charge for water withdrawal. This is calculated by the amount taken out of the system, minus what is put back into the system. There is also credit for how well the area does in conservation. Duke sees the water in the reservoirs as not their water but the reservoirs are theirs and when the water is removed, it is not producing power for Duke.

Commissioner Beatty asked if the charge for water would only be with new contracts and Mr. Hansen said Duke is evaluating everyone's contracts and in most cases those contracts include the charge for withdrawal already so this would end up with very few exemptions.

Chair Barnes asked about the lowering of water intakes. Mr. Hansen said the difference in the level of the intakes and the bottom of the lake is considered unuseable water because the intakes cannot be exposed. So Duke was suggesting lower the intakes to utilize more of the water but Mr. Hansen said this is easily said but very expensive to solve since everyone's intakes is gravity fed – so the lower intake would require a new feed system – thus expensive. Another piece of this puzzle is the sedimentation issue and lowering the intakes would involve sedimentation problems.

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Mr. Hansen said if Duke did start charging for water withdrawal, it would begin around 2011. Stakeholders are pushing if fees are charged, that this money needs to go toward protecting the resource. Duke is proposing a management advisory group made up of stakeholders including local governments which would oversee how the money is spent.

Commissioner Beatty asked Mike Struve if carp had been put out in Lake Hickory and Mr. Struve said this was done in Lake Norman and Lake Lookout but there is an ongoing study and they wanted two years of data prior to any wide use of carp to control parrot feather.

Commissioner Beatty pointed out that there were very few restrictions in the first 50 year license and she complimented everyone who had worked on this relicensing issue and this had been a great effort to address restrictions such as lake levels.

b. Scott Millar, President of the Economic Development Corporation, came forward to present the concept of multi-jurisdictional/multi-partner business park opportunities. He said this community must work together to achieve economic development. He said for quite some time there had been an effort to explore opportunities to develop products and to get companies into the county, not to compete with what the county already has, but to provide opportunities for things not already here. The goal is to make investments for companies easier – there is a need to assess what is needed to be competitive and to make sure it will work for the next project out there. He said companies are looking for the whole package – not just parts.

Mr. Millar explained that there are several things to answer before undertaking this type of park – it should not compete with business already in the county; there isn't the opportunity for a mega site; how do you get employees there; what type of park should be looked at – mixed use or targeted –distribution centers or manufacturing; does it need to be opened up to any local government to buy in if they are interested and also answer the question whether the private section will have the opportunity to buy in – the multi-partner concept.

Mr. Millar pointed out the business park in Lincoln County on HWY 321 as an example of this concept – 450 acres. – This is a well-planned park and has a diverse tenants which will not get ravished by one down cycle in one specific industry. This shows the demand for the well-structured, well-planned park. Lincoln County is putting in the infrastructure and the roads and is providing incentive packages and the development company is building speculative buildings. The underlying concept is that the percentage an entity or municipality puts into the development of the park determines the percentage return that entity gets from the park.

Mr. Millar said all the costs of development for the park needs to be determined – acquisition of the land of sufficient size, water and sewer and other infrastructure, rail access, clearing and grading – and all these need to be looked at when thinking of developing a park. Significant monies would be needed to achieve this.

Scott said some ideal, but not necessarily mandatory, components would be engineering, planning, above-average appearance, spec buildings that are ready to go, well-developed marketing plan and take advantage of available funding programs.

Mr. Millar said the next step are to be decided by the Boards – how to proceed, if they proceed and if it is decided to proceed, how to best go about it, who should be involved and what professional assistance is needed. He said there are a lot of questions to be answered and all he was doing was planting a seed regarding this type of project and urged the Board and Councils to think about this opportunity.

Scott addressed things that drive economic development in an area – and its been proven that prepared communities win projects and shared costs of a business park is recommended.

Chair Barnes started discussions with noting that the Board had met with all the other municipalities regarding this concept and the conversations following those meetings have been favorable as to sitting down and figuring out how to make something like this happen. Scott was asked if Mecklenburg had something like this and Scott did not know

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of anything. Scott was asked the downside of this type of thing – he said the first thing is locating this large a site – and working together to do this – concerns of money being tied up, control of the land etc. The issue of spec building was addressed with the potential of an outcry when there are so many empty buildings out there. Scott said the number vacant buildings has decreased significantly and there are only two very large buildings available suitable for what is being considered.

Chair Barnes asked if there had been research done on how the Lake Norman project was developed in regard to government involvement and Scott said he had some information that they could use in planning.

Chair Barnes talked about the next step – Scott said he envisioned the managers getting together to move forward with all their input. Chair Barnes was asked if the other municipalities supported this and she said she felt the Board had received positive response from the other municipalities. Mayor Wright said he would not be opposed to getting more information regarding the concept. Brookford and Long View said they would go back to their councils regarding this issue.

Chair Barnes asked for any other items and none were raised.

The meeting recessed at 5:54 p.m. and dinner followed.

Katherine W. Barnes, Chair
Board of Commissioners

Barbara E. Morris, County Clerk