

**MINUTES  
CHATHAM COUNTY BOARD OF COMMISSIONERS  
WORK SESSION  
SEPTEMBER 20, 2010**

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The Board of Commissioners (“the Board”) of the County of Chatham, North Carolina met in the Central Carolina Community College, Multi-Purpose Room, located in Pittsboro, North Carolina, at 2:30 PM on September 20, 2010.

Present: Sally Kost, Chair; George Lucier, Vice Chair; Commissioners Mike Cross, Carl Thompson, and Tom Vanderbeck

Staff Members Present: Charlie Horne, County Manager; Jep Rose, County Attorney; Renee Paschal, Assistant County Manager; Vicki McConnell, Finance Officer; and Elizabeth Plata, Deputy Clerk to the Board

*Work Session*

1. **Resolution in Support of North Carolina’s Current Public Alcoholic Beverage Control System:** The Chatham ABC Board has asked the Board of Commissioners to consider the adoption of a resolution in support of North Carolina’s current public alcoholic beverage control system. Members of the ABC Board will be present to discuss the proposed resolution and provide the Commissioners with an update on current issues of the ABC Board.
2. **Western Wake Wastewater Discussion:** Follow up discussion on the public comments and information received during the Western Wake Partners meeting held on September 8, 2010 to establish priorities for further information needs
3. **Closed Session to discuss matters of attorney/client privilege**

**CALL TO ORDER**

The Chair called the Work Session to order at 2:34 PM. She said that after the two items, the Board will go into Closed Session and adjourn. The goal is to go into Closed Session at 4:00 PM.

**RESOLUTION IN SUPPORT OF NORTH CAROLINA’S CURRENT PUBLIC ALCOHOLIC BEVERAGE CONTROL SYSTEM**

Charlie Horne, County Manager, said that the Alcoholic Beverage Control Board is asking the County Commissioners to consider adopting this resolution that supports the current system. The second part of this is a general update on the capital project.

Walter Harris, member of the Chatham County ABC Board, made the presentation. He introduced Deborah Oldham, another member of the ABC Board and the Assistant Finance Director for Lee County. He said that he currently serves as the President of the State Association of ABC Boards and had the opportunity to serve on the Joint Legislative Committee, which ultimately created House Bill 1717. The focus of this legislation was to make sure that local boards work more closely with their appointed authorities. It is mandated through this legislation that the ABC Board give more reports, which will be forwarded to the State Commission. He said that the main concern is that North Carolina is a

controlled State and there is always the question of privatization. The best argument that he can give for maintaining the system as it is, is that North Carolina ranks about 6<sup>th</sup> in terms of revenue and 48<sup>th</sup> in terms of consumption. In the Legislative Committee, there were two and a half days of public comment, and the only person who spoke in favor of privatization was the lobbyist for the State Retailer's Association. If there is privatization, there may be a little more revenue, but any retail business could sell liquor. Also, the excise tax was recently raised from 25% to 30%, so revenue is dropping even though bottle sales are increasing. He said that the resolution has been approved by about 16 counties across the State so far and about 18 municipal boards.

Commissioner Lucier asked if any county has considered this resolution and not adopted it and Mr. Harris said that he is not aware of any.

Commissioner Lucier said that his inclination is to vote for this. He asked Mr. Harris if there were any issues with approving this. Mr. Harris said that if nothing is done, then the decision is being left with someone else. He thinks that this will go forward as a positive influence to the members of the legislature.

Chair Kost said that she has had citizens talk to her and urge for privatization. She thinks that there are solutions within privatization to address the issues. She said that she has heard that because Chatham County has the ABC stores, the County is paying the rent and salary. If it is privatized, all of those expenses go away and it could be turned into profit. The second argument she has heard is the hours of operation and convenience.

Mr. Harris made reference to the rent and said that people do not realize that the County and the Town do not pay anything in terms of taxes for this property. There is also more control of underage drinking without privatization.

Discussion ensued about the pros and cons of privatization.

Chair Kost said that the State would like to have only one ABC store per county as opposed to several. She asked, if this were to change, whether the revenues for the towns could be protected.

Mr. Harris said that they have talked with the towns about merging the systems and it has never come to fruition. The other two municipalities are not interested in merging.

Commissioner Lucier said that he does not think that privatization would decrease the cost of the product because whoever is selling it has to pay the same costs. He thinks that the net effect would be an increase in costs because of the store's need for profit. It would also be more volatile and uncertain. He believes that the current system is the best option for Chatham County.

Mr. Harris said that the strongest argument is that the State works 6<sup>th</sup> in terms of revenue and 48<sup>th</sup> in consumption. He has heard that North Carolina operates one of the best systems because there is a central warehouse where the distillers place the product, all the orders go into the central warehouse, and they are distributed from that to the local stores.

Commissioner Lucier moved, seconded by Commissioner Cross, to adopt **Resolution #2010-50 in Support of North Carolina's Current Public Alcohol Beverage Control System**, attached hereto and by reference made a part hereof. The motion carried five (5) to zero (0).

Chair Kost said that the ABC Board has been keeping all of the profits. She asked about the plans for the new store on 15/501. She also asked about the liquor-by-the-drink aspect and the requirement for where the spirits are purchased.

Mr. Harris said that under the current law, if the establishment is going to have mixed beverages, then they can choose where they wish to purchase it. Restaurants in Pittsboro can purchase it from the Town of Pittsboro ABC system. Once that decision is made, they are locked in for one year. They also have an option of purchasing it from the County. They have to purchase it within Chatham County. It is essentially a contract.

Regarding the new store, Mr. Harris said that they have operated Store #1 since 1984. This is at Cedar Square. He gave the history of the other two stores. Recognizing the growth that has taken place in terms of population in Chatham County, they have recognized that they need to add a different location for Store #1. They are now renting space from the Town of Pittsboro and this has worked very well. It was recommended by the State Auditor for the Commission that they not rent and look for a piece of property. They have been making contributions to the County to save up to buy some property. They would like to be on the "going home" side of 15/501 in Chatham County. They have negotiated with three different landowners and there has been no resolution yet for a good business opportunity.

Chair Kost asked how much money was saved up for this and Mr. Harris did not have the figures. He said that he would bring them when he came back with the audit report.

A discussion ensued about the possible location for Store #1.

Mr. Harris said that there was not room for expansion at this location.

**WESTERN WAKE FOLLOW UP DISCUSSION (WATER RECLAMATION FACILITY EFFLUENT OUTFALL PIPELINE)**

Chair Kost said that the intent of this item is to identify any information needs that the Board has regarding the request from the Western Wake Partners. She made reference to the copies of a response received from the Western Wake Partners.

Chair Kost made reference to the discussion of the impact on property owners and said that she would like to know if they could require the Western Wake Partners to provide the legal expenses in any appraisals up to a certain amount so that the landowners do not incur any legal or related expenses.

Commissioner Vanderbeck asked if there was certainty that the responsibility for the eminent domain procedures lie with Cary and not Chatham County. County Attorney Jep Rose said that this was correct.

Commissioner Lucier asked how many of the 430,000 people would be, in Cary's estimation, Chatham County residents. He asked where Cary came up with this number. This would give some specification as to the magnitude of what Cary would like to annex in Chatham County.

Chair Kost made reference to page 2, clause #7, and she read, "The partners have not been asked to pay the tax revenue difference." She said that Chatham County will lose tax dollars because the values will be decreased. She asked if there was some type of payment to Chatham County for lost property tax that would be incurred.

Commissioner Vanderbeck said that the day after the meeting in Moncure, a lawsuit was filed by the New Hill group regarding some of their concerns about the emergency plans not being sufficient. There are also lingering questions about the access to their property and that there could be problems with access in the future. He would like to get these questions answered.

Paul Barth, President of the New Hill Community Association, said that they came up with some things that they thought the County should consider. One of the things is that Chatham County should not accept the pipelines from a facility that would not benefit any of the Chatham County residents. He does not believe that people from Chatham County are included in the 430,000. The facility will support Cary, Holly Springs, Apex, and Morrisville. There is nothing that specifies Chatham County. He said that the affected property owners will be required to give easements, which means they will have a loss of their property use, but they will still have to pay taxes on it. They feel that it is bad enough that the source of the pipelines are coming from a sewage plant that will be severely impacting New Hill and the pipelines are extending into Chatham County and will be affecting it also. They also had questions about the restrictions that easement holders will have in terms of property use. They also had questions about utilities. There are also

cumulative issues regarding the Cape Fear River and Harris Lake and the issue of having another nuclear reactor at Shearon Harris.

Chair Kost made reference to Harris Lake and said that one of the questions that was raised was about the option that was originally considered, which was to run the discharge line into Harris Lake. She thought the answer that was on the sheet provided was not adequate.

Commissioner Lucier said that he was part of those meetings and this is not adequate. There are a number of environmental issues involved with the Harris Lake option.

Mr. Barth explained the cooling of the fuel rods at the nuclear reactor.

Chair Kost read from the Western Wake response: "A Harris Lake discharge also does not meet the Partners' purpose and need for the project as it would require an inner-basin transfer certificate, a process that could delay the project three years."

Mr. Barth said that they feel that there is a very good way of discharging to the Cape Fear River and that is to pipe in to Harris Lake and avoid all the problems with piping through Chatham to send it to the Cape Fear River, and then the potential of more pipes coming from the Cape Fear River back to Harris Lake.

Commissioner Lucier said that the only problem is that the partners are under pressure to establish a timeframe. Mr. Barth said that they will not meet the official date of January 2011.

Mr. Barth said that if Chatham County does not approve the pipes coming through Chatham County, it would be helping New Hill Community get the sewage plant out of the center of the community and move it closer to the Harris Lake. One of the oldest outstanding issues is that Cary has never documented a rural cleanup plan if a pipe breaks and sewage spills.

Commissioner Lucier said that he has questions of staff regarding the number of Chatham residents, out of the 430,000, that will be served and currently live in the partner area. He asked how many of these people are expected to live in Chatham. He also wants to know if the 430,000 reflects the 30 million gallons a day or 18 million gallons a day. If the 430,000 number reflects 18 million gallons a day, then what are the corresponding numbers with 30 million gallons per day and how many of these people will be in Chatham County, by the their projections.

Chair Kost said that it should be made clear that it is not 48 million gallons per day as was said at the Moncure meeting. There has been information back from DWQ that it is actually 30 million gallons a day.

Commissioner Lucier asked David Hughes, Public Works Director, about the cost of tying into the line. The figures that were given were an underestimate of what the real cost would be.

Commissioner Lucier asked if there were estimates of what it would cost for Chatham to run its own line down to the Upper Cape Fear down below Buckhorn Dam because the speculative limits letter of 18 million gallons a day for Chatham has the same discharge point as what Cary has.

Mr. Hughes said that he did not have the figures at this time, but it is cheaper for Chatham County to do its own.

Commissioner Lucier said that even though the request to run the line is a separate issue from the Joint Land Use Plan, the two are intertwined because that is the line that will serve any area that was annexed by Cary into Chatham County. Even though Cary might like to disassociate those two things, he does not think that is possible. He thinks it is critical that Cary agree that the zoning decisions would be consistent with the amended Joint Land Use Plan and the amendments would require approval by both jurisdictions. The other part is

that the agreement would be transmitted in advance of the finalization of the Joint Land Use Plan to the legislators involved in Chatham County and Cary.

Chair Kost said that she watched the recording of Cary's meeting and they said that they do not want to seek local legislation until after a Joint Land Use Plan has been approved. In the meantime, there could be an interlocal agreement. There were also some skeptic remarks that there will never be a Joint Land Use Plan.

Commissioner Vanderbeck asked clarifying questions about the gallons per day and those were answered by Commissioner Lucier.

Chair Kost said that she would like more information on whether this could be done as a long-term lease that is indexed somehow. Right now the real estate market is down and if there is an appraisal, it is not the best time for landowners. She made reference to comment #35 and asked if this could be done.

Chair Kost asked staff to compile these questions into one cumulative list.

Loyse Hurley, a citizen, asked if the property is fertilized will they use treatment plant sludge. She added that this could cause a problem. Mr. Hughes said that they seed-straw it.

#### **CLOSED SESSION**

Commissioner Lucier moved, seconded by Commissioner Cross to go into Closed Session. The motion carried five (5) to zero (0).

#### **ADJOURNMENT**

Commissioner Vanderbeck moved, seconded by Commissioner Thompson, to adjourn the meeting. The motion carried five (5) to zero (0), and the meeting was adjourned at 5:01 PM.

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Sally Kost, Chair

ATTEST:

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