

MINUTES – MARCH 31, 2008

The Caswell County Board of Commissioners met in special session at the Historic Courthouse in Yanceyville, North Carolina at 6:00 p.m. on Monday, March 31, 2008. The purpose of the meeting was to meet jointly with the Milton Town Council and Yanceyville Town Council to discuss the Dan River Water Project. Members present: George W. Ward, Jr., Chairman, Jeremiah Jefferies, Vice-Chairman, William E. Carter, Nathaniel Hall, Larry G. Hamlett, Kenneth D. Travis, and C. Hester Vernon, III. Milton Town Council Members present: Larry H. Jeffress, Mayor, Harriet Brandon, Mayor Pro-Tem, James B. Upchurch, Jr., and John S. Williams. Yanceyville Town Council Members present: Curtis E. Davis, Mayor, Margie Badgett-Lampkin, Mayor Pro-Tem, Ray McGuire, and Fred A. Smith. Also present: Kevin B. Howard, County Manager, Michael R. Ferrell, County Attorney, David Parrish, Yanceyville Town Manager, R. Lee Farmer, Yanceyville Town Attorney, and Angela Evans representing The Caswell Messenger. Wanda P. Smith, Clerk to the Board, recorded the minutes.

CALL TO ORDER

Caswell County Chairman George W. Ward, Jr., called the meeting of the Caswell County Board of Commissioners to order.

Yanceyville Mayor Curtis E. Davis called the meeting of the Yanceyville Town Council to order.

Milton Mayor Larry H. Jeffress called the meeting of the Milton Town Council to order.

MOMENT OF SILENT PRAYER

A Moment of Silent Prayer was observed.

INTRODUCTIONS

Introductions of everyone present were made.

DAN RIVER WATER PROJECT

Chairman Ward stated that it was his understanding that the meeting tonight was to discuss the Dan River Water Project and to update the Milton Town Council on some of the discussions that have taken place up to this point.

Mr. Michael Ferrell, County Attorney, informed the group that the current proposed agreement on the Dan River Water Project is a dramatically different proposal than that which has been the subject of litigation and discussion. Mr. Ferrell stated that this meeting is an attempt to go back and review the project to see if a partnership could be formed to create a regional approach toward access of water from the Dan River.

Mr. R. Lee Farmer, County Attorney, outlined the status of the agreement as it is today. Mr. Farmer informed the group that the Attorneys and Managers of the respective counties and towns have met on three occasions and tried to modify the previous agreement that was in place and substitute it with a draft such as has been prepared which would be a four-party agreement, whereby all four governmental entities would be partners in this water project. Mr. Farmer added that the agreement would incorporate Caswell County into the water project as a fourth partner. Mr. Farmer noted that regarding the Town of Milton, as he recalled, from the beginning of the project, the Town of Milton was involved, but there was not a lot of active involvement or input from the Town of Milton at that time. Mr. Farmer added that the Town of Milton was not excluded and a representative came to one or two meetings over the years. Mr. Farmer stated that in the original project plan, there is a component in there that whenever the Town of Yanceyville can get financing, they planned to construct and have a packaged water system plant at the river that would serve all the needs of the Town of Milton. Mr. Farmer added that the Town of Milton would be eligible to purchase water at cost for their use.

Mr. Ferrell stated that what is different in the proposed agreement than that of the original agreement is that it brings Caswell County in as a full partner into the agreement and it makes it very clear that what they are trying to create is a structure for a regional partnership approach toward water withdrawal from the Dan River. Mr. Ferrell added that the proposed agreement is trying to build a structure as to what might happen in the future. Mr. Ferrell stated that in the agreement there is an initial water allocation once a withdrawal facility is built, and there is a provision stating that since no one knows what might be needed in the future, the partners will review the needs and allocations every five years, or more often if one partner requests it.

Mr. Ferrell stated that one question considered was what if one partner wants to sell water to another government entity and who is going to get the benefit of that water being drawn out of the river and sold to a third party. Mr. Ferrell added that all partners acknowledges in this plan that no one is interested in selling water to a third party, but it is also recognized that circumstances can and more than likely will change over the life of this agreement, so there is a provision in the agreement that if a partner wants to sell water to a third party, then that partner has to come back to the other partners and explain the reason they want to sell the water and get approval from the other three partners. Mr. Ferrell stated that there is also a provision that if the State of North Carolina goes to one of the partners and states that they are going to take the water and pay for it, then that partner still has to come back to the other three partners and determine how they will split the proceeds, if any. Mr. Ferrell informed the group that there is also a provision in the agreement that would allow one of the other partners to build the outtake facility, rather than the City of Roxboro who is supposed to build the facility, and Roxboro would operate it since it holds the license from the State for the outtake facility.

Mr. Farmer reported that theoretically, if Farmer Lake and the Dan River became contaminated, once this system is developed, the Town of Yanceyville would be able to

pump water from Lake Walton or Lake Roxboro to Yanceyville, which gives them a backup system and, of course, water would be pumped to Roxboro if an emergency occurred. Mr. Farmer added that both counties and both cities would have a backup system. Mr. Farmer noted that the whole design and engineering of this project was basically to create a unified water system between the two counties that would protect the two counties and two cities.

Mr. Ferrell pointed out that there is no requirement in this agreement that anyone build anything, but it puts into play a structure whereby parties can come together and build an outtake facility.

Mr. Farmer stated that with the current public policy issues in North Carolina about water, it is very important that the five governing bodies obtain a permit because other government entities are looking at the Dan River, Mayo River, and Haw River and if they do not get in line for the permit, they may lose this opportunity for the citizens of Caswell County, Person County, Yanceyville, Milton, and Roxboro. Mr. Farmer informed the Board that he knew that there are a lot of decisions to be made in Raleigh concerning the drought and he felt that the five governing bodies are at a point where they need to develop a strategy to protect itself from other governing entities outside of Person and Caswell Counties. Mr. Farmer added that he felt that Farmer Lake, Haw River, and the Dan River may be at risk and now is the time to protect our future before the State of North Carolina comes in and takes the water.

Mr. Ferrell clarified that regional partnership as defined in the agreement is a conceptual statement and it means that the agreement acknowledges that the five governing bodies are in a stronger position to get a permit to withdraw water from the Dan River if the two counties and governments in those counties are coming together jointly to the State and saying that they have a plan and want a permit to withdraw water from the river when it is needed. Mr. Ferrell noted that this agreement does not create another entity to operate on that regional basis, rather it relies on the existing political entities to operate cooperatively to create that regional basis, as opposed to creating a Water Authority which would basically then make the decisions for the political entities under it.

Mayor Larry Jeffress stated that he appreciated the opportunity for the Milton Town Council to meet with Caswell County and Yanceyville. Mayor Jeffress informed the group that he came to this meeting with some preconceived notions dating back to a number of years. Mayor Jeffress stated that he came to this meeting early and had most of his concerns addressed by the County Manager and County Attorney prior to the meeting. Mayor Jeffress added that as he understands it, the survey and study has already been done and that 60 million gallons of water per day can be withdrawn without affecting those downstream. Mayor Jeffress stated that his biggest concern initially was that although Milton is a small town, he does not want it to be bullied, and at this point, he does not feel that this is the case. Mayor Jeffress added that he and his Council members would like to see and review a draft of the revised Agreement. Mayor Jeffress noted that it is his firm belief that the State is going to give itself the power to take water from wherever it wishes and send it wherever it wishes in the very near future. Mayor

Jeffress stated that it is his personal opinion that if everything is as it has been presented on the Dan River Water Project Agreement that he would not have any trouble supporting it. Mayor Jeffress added that he appreciated the information that has been presented and he really liked the fact that the water from the Dan River cannot be sold outside of the two counties without the permission of the overseeing board of the project.

Mr. Ferrell noted that the Agreement would consist of the authorizing signatures of Caswell and Person Counties, along with those of Roxboro and Yanceyville. Upon questioning from Mayor Jeffress, Mr. Ferrell answered that the Town of Milton's protection is taken care of in the Agreement.

Mr. Ferrell stated that the Agreement does not create a governing group, and his philosophy is that it is better to have the elected officials making the decisions directly for something this important rather than having an entity appointed by the Boards making the decisions. Mr. Ferrell added that there are also mechanisms incorporated into the Agreement that provide for a dispute resolution procedure that would avoid a stalemate so that at no point can any one group prevent a decision from being made and would also prevent any one group from driving a decision being made without help from the other three groups.

Mr. Farmer stated that the original concept of this project was that it would be a foundation for a water system for the Town of Milton and Caswell County, and a back-up system for Yanceyville. Mr. Farmer noted that there is no available funding to do any of this yet.

Commissioner Hall thanked the two Councils for coming and stated that there has been a lot of discussion on this project and the agreement and he would like to publicly state that he has been adamantly opposed to this project for several reasons. Commissioner Hall added that he felt that there was an attempt to bully the Board when the project was first presented to them. Commissioner Hall stated that he did not like the idea of, theoretically, someone coming onto his property to dig for and take water, telling him how much he can have and if he needs more, he can come back to them and ask for more and this is the way he sees this project. Commissioner Hall added that he felt that the Governor will soon have certain authority governing water and he will require interconnectivity. Commissioner Hall stated that he felt as far as the project, there needs to be a regional agreement more in sync with general ownership.

Commissioner Hall added that the Council members of Milton are elected by the citizens of Milton and they have a responsibility to those people, and in regards to the Agreement they should be at the table at all times when Milton is discussed. Commissioner Hall stated that through the Agreement that has already been signed, Roxboro will own the line, the intake, and other things and with ownership comes certain rights that others do not have. Commissioner Hall added that as an elected official, he is responsible to the citizens of Caswell County and for those reasons he strongly disagrees with this Agreement as presented.

Chairman Ward informed Mayor Jeffress that the Milton Town Council would be provided a copy of the proposed Agreement in order that they may discuss it in their Council meeting tomorrow night.

Commissioner Hamlett suggested that the Dan River Water Project be placed on the Board of Commissioners' April 7, 2008 agenda for further consideration.

Mr. Farmer announced that there will be a major conference on *Water Issues in North Carolina* in Raleigh, North Carolina on May 22, 2008, and encouraged everyone to attend this important session.

THE ADJOURNMENT

At 6:45 p.m. Commissioner Jefferies moved, seconded by Commissioner Travis to adjourn the meeting. The motion carried unanimously.

Wanda P. Smith
Clerk to the Board

George W. Ward, Jr.
Chairman
