

**PASQUOTANK COUNTY, NORTH CAROLINA
JUNE 7, 2011**

The Pasquotank County Board of Commissioners met today in a special meeting on Tuesday, June 7, 2011 in Courtroom C in the Pasquotank County Courthouse.

MEMBERS PRESENT: Lloyd E. Griffin, III, Chairman
Jeff Dixon, Vice-Chairman
Bill Trueblood
Cecil Perry
Dr. William R. Sterritt
Gary G. White
Joseph S. Winslow, Jr.

MEMBERS ABSENT: None

OTHERS PRESENT: Rodney Bunch, Assistant County Manager
R. Michael Cox, County Attorney
Shelley Cox, Planning Director
Karen Jennings, Clerk to the Board

The meeting was called to order at 3:00 PM by Chairman Lloyd Griffin who stated that the purpose of today's meeting is to hold a public hearing to consider Conditional Use Permit Application #11-01 by Atlantic Wind, LLC.

Those planning to testify during this hearing were sworn in by the Clerk to the Board. These included Craig Poff, Walter Meisner, Mike Clayton, Mark Bastasch, Richard Lampeter, Chuck Moody, Jon Wilson, Horace Pritchard, and Shelley Cox. Dennis Herring was also sworn in later in the hearing.

Planning Director Shelley Cox noted that Conditional Use Permit Application #11-01 was submitted in April, 2011 by Atlantic Wind, LLC. She explained that the application is for up to 88 utility scale wind turbines in the desert area of Pasquotank County. Each turbine has a maximum height of 475 feet and the total project area including both Perquimans and Pasquotank Counties is approximately 20,000 acres. The zoning district for that area of the county is A-2 agricultural. The A-2 agricultural district is designed to retain the open characteristics of the land and permitted uses are limited in number. Mrs. Cox advised that Perquimans County is processing a similar application for up to 68 turbines, and the project's operations and maintenance facility is also proposed for Perquimans County. Access roads and crane paths would be developed for each turbine that will be erected.

Mrs. Cox explained that the Official Land Use Plan from 1996 classifies the project area as Rural and Conservation. Rural areas are defined as predominantly agricultural and silviculture areas lacking central water and having very low density and dispersed farm residences. The land uses included in this category are agricultural and forestry. Conservation districts are defined as being generally associated with natural areas. Some development is allowed which is intrinsically suitable. The 2011 Draft Land Use Plan classifies the project area as Agricultural. This classification is intended to delineate lands primarily devoted to active agricultural and forestry land uses. This classification could however also include some low intensity public and institutional land uses that support rural land uses. Long-term the areas classified as Agricultural are not projected to develop into residential uses. The county's goals and policies support the continued use of land in Agricultural classified areas for active agricultural and forestry purposes and discourage traditional urban growth and development in such areas. Over time, Agricultural areas are not expected to evolve into more intensively used areas.

Mrs. Cox said the required setbacks established in the Pasquotank County Zoning Ordinance are 110% of the height of the tower from occupied buildings on participating properties; 250% of the height of the tower from occupied buildings on non-participating properties; and 150% from property lines of non-participating properties and from public roads. She advised that the closest occupied structure is approximately 2,000 feet from a turbine.

Mrs. Cox explained that the county's Zoning Ordinance requires that shadow flicker at any occupied building on a non-participating land owner's property caused by a large wind energy

facility must not exceed 30 hours per year. She said in order to address this requirement, the applicant has provided a shadow flicker analysis for this project. According to that analysis, there are approximately nine residences near the intersection of Turnpike Road and Mill Pond Road that could experience some shadow flicker from this project. The maximum amount of shadow flicker expected to reach a residence is seven hours and 45 minutes over a span of one year which meets the county's minimum requirements. In addition there are 17 occupied structures other than residences that could be expected to experience shadow flicker from this project. The maximum amount of shadow flicker expected to reach one of those structures is 13 hours and 15 minutes over a span of one year which is less than the threshold requirement of the ordinance.

Mrs. Cox said in regards to noise, the Zoning Ordinance requires that audible sound from a large wind energy facility shall not exceed 55 decibels as measured at any occupied building on the property of a non-participating landowner. She stated that an acoustical analysis of the Desert Wind Power Project has been provided. She said according to this analysis, the most noise that will be heard at any non-participating occupied building is 45 decibels.

Mrs. Cox stated that decommissioning shall include the removal of wind turbines, buildings, cabling, electrical components, roads, and any other associated facility. The facility owner shall have 12 months to complete decommissioning if no power is generated for a continuous period of 12 months.

Mrs. Cox said prior to the issuance of a building permit a bond shall be provided in an amount equal to the estimated removal cost of the facility less the salvage value of the equipment prior to construction. She explained that the Board must make the following four findings in order to issue or deny the conditional use permit:

- That the use will not materially endanger the public health or safety if located where proposed and approved;
- That the use meets all required conditions and specifications;
- That the use will not substantially injure the value of adjoining or abutting property, or that the use is a public necessity; and
- That the location and character of the use, if developed according to the plan as submitted and approved, will be in harmony with the area in which it is to be located and in general conformity with the plan of development for Pasquotank County.

Mrs. Cox said in granting the Conditional Use Permit the Board may impose additional conditions it deems reasonable and appropriate. She stated that in response to potential concerns that could be brought up during this hearing, staff has prepared several possible conditions that may be considered. They include: that an as-built survey of the project shall be provided once construction is complete; that documentation of approvals from any state or federal agencies that are required for this project including the FAA, Army Corps of Engineers, and NC Department of Environment and Natural Resources shall be provided prior to the issuance of building permits; and that a new decommissioning study shall be provided every five years to insure that removal costs remain in line with current price levels and that the bond would be adjusted according to the results of the most recent study.

Mrs. Cox noted that prior to the meeting she passed out letters that had been received from the Navy expressing their concerns regarding the application and the potential impact of the project on radar facilities at the Virginia-North Carolina line. She said she also passed out the revised decommissioning study, revised lease agreements, and a new lease agreement with Harrell Enterprises that was recently received. She stated that the initial application was for 82 turbines and that was amended to reflect up to 88 turbines.

Mr. Henry Campen, stated that he, along with his colleagues, Thomas Griffin, and Brenton McConkey from the firm Parker Poe Adams & Bernstein LLP, represent Atlantic Wind LLC in this proceeding today. He noted that the Board has already determined that wind energy facilities will be allowed in Pasquotank County and has adopted a set of standards by which it will determine compliance with the ordinance. He said the Board is here today to gather relevant evidence about whether or not Atlantic Wind's application complies with the requirements established in the ordinance. He stated that today's proceeding is a quasi-judicial hearing and requires the Board to apply some judgment to the facts that are presented through testimony and written materials as to whether or not that evidence meets the standards adopted in the county's

ordinance. Mr. Campen said because a conditional use permit is a property right and because it runs with the land and does not belong to the individual, it requires a certain due process standard to be met. He explained that all testimony that will be held today will be sworn testimony and the witnesses will be subject to cross-examination. He stated that the Board's findings must be based on competent material and substantial evidence. He said today the Board will hear a lot of expert and engineering testimony. He advised that North Carolina courts have held that non-expert personal opinions or generalized fear for what may or may not happen, or conclusions that are not supported by facts, or anecdotal here-say is incompetent evidence and not sufficient for the Board to base a decision upon. Mr. Campen stated that Atlantic Wind has the burden today of establishing that this application complies with all the standards in the county's ordinance and it will do so through evidence that meets evidentiary standards. He said once that presentation has been made, under North Carolina law the applicant in this case is presumptively entitled to a favorable decision on the permit. He stated that presumption can be rebutted, but only if evidence of equal weight is offered.

Mr. Campen called on the first witness, Craig Poff, Senior Business Developer with Iberdrola Renewables. Mr. Poff outlined his experience and qualifications. He provided a background on Atlantic Wind LLC, a wholly owned subsidiary of Iberdrola Renewables, Inc., and the application in general. He gave a general overview of the project and provided diagrams showing the main components of the turbines and the infrastructure. He said in Pasquotank County they are proposing 88 turbine locations. All of the substations and operation and maintenance facilities will be on the Perquimans County side of the line. In Pasquotank County will be turbines, access roads and underground and overhead lines. Mr. Poff said the total 150 turbines for the combined project will generate 300 megawatts of energy which would be capable of producing enough energy to power 55,000 to 70,000 North Carolina homes. He stated that beginning in November of 2009 they invited landowners in addition to county staff to generally talk about wind energy and their interest in the desert area. In January 2010 they had another meeting and told people about their company, how wind projects are developed, what they felt the benefits could be to the community and the landowners, and what the impacts would probably be to the landowners and the community. This led to discussions with landowners regarding leases to put together the project. Mr. Poff said they continued to hold meetings in July, August, and September, 2010 to discuss the project with property owners. He stated that their most recent meeting was conducted in April, 2011 when they discussed the plan before the Board tonight with landowners and also discussed specific locations of roads and overhead and underground lines. Mr. Poff stated that one of the anticipated economic benefits of the project, aside from being the first wind energy project in North Carolina and the Southeast is that there will be considerable amounts of money flowing into the community from a variety of sources. These sources include rent payments to landowners for turbine sites and other infrastructure; tremendous tax payments to the county; the project will provide 15 to 20 permanent full-time jobs for the life of the project; direct and indirect business impacts from the project by local businesses who support the project; during the construction phase there will be 200 to 400 construction people onsite for the 12 to 15 months of the construction cycle; there will be direct and indirect impacts with local businesses for road construction, excavation, concrete and steel work, carpentry work, materials, and some of the electrical work; other indirect impacts such as hotels, restaurants, gasoline, convenience stores, laundromats, etc. for those 200 to 400 temporary workers.

Mr. Poff said the North Carolina Department of Commerce conducted a study in May, 2010 of a 300 megawatt wind energy facility in Northeastern North Carolina. He stated that the study indicated that the annual impact of a 300 megawatt project in Northeastern North Carolina would produce between \$89 and \$107 million annually to the State of North Carolina. He said the North Carolina Department of Commerce Economic Impact Analysis for Wind Energy report was included in the notebook of exhibits provided to the Board.

Mr. Poff stated that the application as it has been prepared and filed, along with the supplements, includes all of the elements that are required in the county's ordinance, and demonstrates satisfaction with all of its installation and design requirements.

Mr. Poff stated that the purpose of decommissioning as required by the ordinance, is to assure that at the end of a project's life, if the project should become obsolete, or if the company should fail to exist, that there would be sufficient security in order to remove the facility so there is not an eyesore left in the landscape that would be overly expensive to remediate. He said the decommissioning plan that was filed with the application was prepared by G.L. Garrad Hassan, the wind industry's foremost third party independent engineer. The study was originally

prepared contemplating 82 turbines in the original application and has recently been supplemented to contemplate 88 turbines. Mr. Poff said the study concludes that the salvage value of the scrap and the resale value of certain component parts exceeds the cost to remove them. He noted that G.L. Garrad Hassan looked at the ordinance and saw that it required that all facilities be removed down to a depth of three feet and restored. With 88 turbines, the value of the salvage exceeded the total removal cost by approximately \$1,125,000 or about \$12,800 per turbine, therefore a bond would not be required to secure the cost of decommissioning because the equipment is more valuable than the cost to remove. The responsibility for decommissioning would be upon Atlantic Wind. The security comes into play if Atlantic Wind fails to exist in which case there would be no out of pocket cost to the county and there would in fact be a surplus.

Mr. Poff stated that the ordinance contains a standard of 55 decibels for noise levels at any non-participating occupied building. He said the application demonstrates that the project will comply with those levels. He stated that likewise the ordinance contains standards of 30 hours per year for shadow flicker, and the application demonstrates that the project will comply with those standards. He said the application is designed and constructed in conformity with all other requirements of the Pasquotank County ordinance. He said the company will coordinate with local EMS and fire departments and other professionals on emergency response in the project area.

Mr. Poff explained that the project requires approval by the North Carolina Utilities Commission. He said the company applied for a Certificate of Public Convenience and Necessity in January of 2011. The Utilities Commission scheduled a public hearing on the application in Elizabeth City for the purpose of receiving comments from the public in the area of the project. Mr. Poff said eight people including landowners and economic development personnel testified and the substance of their testimony was positive and supportive of the project. He stated that one person spoke who was not in favor of the project, however he was not a resident of Pasquotank County or Perquimans County. He said an evidentiary hearing on the application was scheduled for early April for the purpose of taking expert testimony. The public staff reviewed the application and was positive in their support. The evidentiary hearing was not conducted because the week before the hearing was scheduled to take place the public staff suggested due to their support and the support that they heard at the local hearing and the lack of any opposition to the project, that there was no need to conduct the evidentiary hearing. The Utilities Commission followed suit and cancelled the hearing. The Utilities Commission granted the Certificate of Public Convenience and Necessity on May 3, 2011.

Mr. Poff advised that the project's construction will be subject to the North Carolina Building Code and Atlantic Wind will have to obtain permits from the North Carolina Department of Transportation in connection with this project. The permits include driveway permits and cable crossing permits.

Mr. Poff said a variety of environmental reviews, permits and approvals will be required for the project, including permits from the Army Corps of Engineers.

Mr. Poff stated that the project will require approval from the FAA, and the first step in obtaining the permit will be a Notice of Proposed Construction. In order to get this approval, they must file a standard form with all the turbine coordinates, as well as the turbine heights. The application was filed with the FAA earlier this spring and he hopes to receive approval this month. Mr. Poff said it is possible that the FAA might require modifications or adjustments to the plan as part of their review process. He explained that an integral part of the FAA process is to allow the Department of Defense to give input on the application. He said he is aware that the local office of the Navy has sent letters to the county expressing concern about this project. He stated that the proper channel for coordination of renewable energy projects is through the Department of Defense Clearinghouse at the Pentagon and that is required by the Ike Skelton National Defense Authorization Act. He said Iberdrola Renewables has consulted with the Director of that clearinghouse and he has indicated that the Pentagon neither supports nor condones the local actions of the Navy insofar as they have reached out to Pasquotank County and Perquimans County and made requests of the counties. He stated it is clearly inappropriate and the clearinghouse has indicated that they will continue, as will Iberdrola Renewables continue to cooperate through the proper channels to address any concerns of the Department of Defense. He added that the process for the Department of Defense or the Navy to address concerns about a project of this type is through the FAA and not through local jurisdictions. Mr.

Poff said the turbines around the perimeter will be lighted and there will also be lighting every one-half statute mile according to FAA guidance.

Mr. Campen said the Pasquotank County ordinance requires that an applicant for any special use permit including a wind energy facility must show that the project either does not substantially injure the value of adjoining property or that the project is a public necessity. He asked Mr. Poff if the project as proposed meets the requirement that it have not adverse impact on adjoining property. Mr. Poff said he believes so and in addition to the reports that have been provided in the application, Mr. Chuck Moody will provide expert testimony on his findings as to value. He said the application also complies with the public necessity standard. He explained that in 2007 Senate Bill 3 created the renewable portfolio standard which requires that 12½% percent of retail electricity from investor-owned utilities be provided by renewable sources. He said this project will assist investor-owned utilities in meeting their requirements under Senate Bill 3. He stated that wind energy is a renewable energy resource for North Carolina and as part of the certificate issued by the North Carolina Utilities Commission, they have accepted registration of this proposed facility as a new renewable facility that would meet the requirements of Senate Bill 3. He added that 55,000 to 70,000 homes could be provided electricity from this project.

Mr. Campen said he would like to move the introduction into evidence of hearing exhibits 1 through 3, the Schematic Overview of the Project, the North Carolina Department of Commerce Impact Study, and the Order from the North Carolina Utilities Commission.

Commissioner Cecil Perry said Mr. Poff has mentioned the employment of people to construct and operate the turbines. He asked if the company would use local people. Mr. Poff responded that there will be adequate opportunity during the construction phase for local contractors who are qualified for road-building, concrete workers, suppliers, vendors, etc. He said local people would be hired to the extent there are people qualified locally to be involved in the long-term operation and maintenance.

Commissioner William Sterritt asked if Mr. Poff anticipates local concrete companies will provide concrete for this project or if he anticipates having a facility onsite to mix concrete. Mr. Poff stated that during the course of construction a batch plant will be located in the Perquimans County area where the operation and maintenance facility will eventually be located. He said they would expect to source the aggregate sand, cement, etc. from local suppliers. Commissioner Sterritt asked for some clarification regarding decommissioning and the value of the refuse. Mr. Poff stated the towers of the turbines are made of several hundred tons of steel and there is copper in the generators and in the wires. The turbines can also be refurbished so they do not go to a zero value once they are taken out of use. The decommissioning report considers the commodity value based on 2011 dollars as well as the aftermarket value of used component parts. The report indicates that the value of the parts exceeds the cost to remove the turbines. The G.L. Garrad Hassan report will be updated every five years to ensure that the current commodity values, construction costs, and salvage values are reasonably up to date. If at any time the decommissioning cost were to exceed the salvage value, the company would post security in an adequate amount to cover the shortfall.

Commissioner Bill Trueblood commented that the one part of this whole project that concerns him most is to make sure, if and when there is no longer a need for the turbines, that there is some way to bring that landscape back to its original condition. He said he wants to be assured that Pasquotank County and its property owners will be made whole through this process in many years to come. Mr. Poff stated that there is a need for this particular facility. He said once it is constructed, unlike many energy sources, this facility does not require fuel to keep it going. In the case of a wind project, the initial investment and some small amount of operation and maintenance is what is the sustainable part of the business. He added that as long as the turbines are maintained and operable, there is an income stream, so there will always be a company there to use it. Mr. Poff said there are three or four levels of security to make sure that the citizens of Pasquotank County are assured that this project will be decommissioned if and when it becomes necessary.

Vice-Chairman Jeff Dixon said this is a manufacturing type of facility and will be operating on demand and capabilities. He asked if demand were to require that half of the turbines be shut down, at what point they would be decommissioned. Mr. Poff stated that this is not the trend in electric demand on the East Coast and is not the way the grid operates. He said with wind energy being a priority, it is going to be there providing electricity to homes and businesses.

Chairman Lloyd Griffin said he believes the G.L. Garrad Hassan report includes incorrect values for decommissioning. He asked if the rights of way for cranes will be permanent. Mr. Poff said the easements will be permanent and the cranes will go across fields with temporary mats. He stated that this is contemplated in the report. He said these easements will be recorded and will run with the land so that Iberdrola or any successor entity could access the project. He outlined the breakdown of the decommissioning costs and salvage value included in the report and said he believes this should clear up any questions.

Attorney Campen next called on Walter Meisner, Senior Project Engineer with Iberdrola Renewables. Mr. Meisner outlined his responsibilities, experience and his educational background. He said he is here today to demonstrate how the design, construction and operations of this project will ensure public health and safety. Mr. Campen stated that Mr. Meisner is offered as an expert in the field of civil engineering, particularly in the field of wind energy engineering.

Motion was made by Gary White, seconded by Jeff Dixon to accept Walter Meisner as an expert witness in the field of wind energy engineering. The motion carried unanimously.

Mr. Meisner testified that he has been involved in designing the layout of the project and will continue as lead engineer during the construction and into the operation of the project. He said Iberdrola has an in-house construction staff of about 30 people which includes a quality assurance inspector, someone who manages the process of construction to make sure it adheres to all of their quality standards as well as all relevant specifications. The in-house staff also includes safety managers to ensure that the construction of the project complies with all safety practices of the company. Mr. Meisner said Iberdrola Renewables will not build the project itself, but will contract with other contracting companies who will do the actual construction. He stated that all contractors are pre-screened for multiple reasons, but primarily they look at their health and safety records, financial logs, and previous experience. He said he is confident that Iberdrola Renewables has the expertise in its in-house construction staff to undertake construction of this project. Mr. Meisner said a project this size is estimated to take 12 to 15 months. The turbines will be delivered by trucks in pieces and will be assembled onsite. For this project they will be using Gamesa turbines which will come from Pennsylvania. Mr. Meisner stated that they will be in close communication with the Department of Transportation throughout the process. He said many pieces of specialized equipment will be used during the construction, including a major lift crane and another lift crane to take the components towards the top of the turbine. The cranes will be transported to the site in pieces by trucks over existing roads and bridges that are DOT approved and rated for the loads they are planning.

Mr. Meisner said within the boundaries of the project the company has easements for construction and access to facilitate construction and operation of the project. He stated that they plan to improve most of the roads within the project area so they can accommodate the construction traffic. After construction the roads will continue to be maintained for the life of the project because they are critical to the operations and maintenance of the project.

Mr. Meisner stated that the power generated by each turbine is sent underground and ultimately down to the interconnection point. The underground lines will either be plowed, trenched, or bored under obstructions. Underground lines will be a minimum depth of 48 inches, even under ditches and canals. Mr. Meisner said at this depth these lines will not present any safety issues for maintenance of the access roads or for farming operations by the landowners.

Mr. Meisner explained that all of the components of this project will comply in all respects with the standards of the American National Standards Institute as required by the county's ordinance.

Mr. Meisner advised that the civil engineer for the project will be Fisher Associates which has experience in building wind energy facilities, having worked on 10 such projects over the past two years. He stated that the turbines and all components of the project will comply in all respects with the North Carolina Building Code.

Mr. Meisner stated that Atlantic Wind will have a local based staff of 15 to 20 to operate the project. The onsite facility staff will include technical staff including engineers, mechanics, communications personnel, as well as some managerial staff. Onsite staffing will typically be Monday through Friday from 8:00 AM until 5:00 PM and local personnel will be on call at all other times in the event of an emergency. Mr. Meisner said the facility will be connected via

communications to a national control center that will monitor the turbines 24 hours a day, 365 days a year through a Supervisory Control and Data Acquisition (SCADA) system.

Mr. Meisner advised that safety training is provided to construction and operations staff. Response to an emergency during normal working hours would be handled by local staff and after hours, the national control center would take the call, take the appropriate actions, and notify somebody locally to respond onsite if necessary.

Mr. Meisner said in his professional opinion as a licensed professional engineer, the Desert Wind Project will not endanger the public health and safety if located where it is proposed in Pasquotank County. He stated that the project is going to be located, constructed and operated in a manner that meets all local, state, federal, and international standards and will not adversely impact and will actually ensure health and safety.

Commissioner Trueblood said it was noted by Mr. Poff that during the construction phase there will be several hundred people involved in the construction process. He asked what precautions Iberdrola and Atlantic Wind are taking to make sure in the event of an accident there is a quick enough response, due to the isolated area where the project will be constructed. He asked if there have been any special arrangements made with EMS to be in close proximity to a construction site during this critical stage. Mr. Meisner acknowledged that this is a true concern. He said Iberdrola takes a very hard stance on the health and safety of their personnel and their contractors and they even select their contractors based on their historical safety record. They require their contractors to provide them with a health and safety plan before they begin construction which would include any significant concerns and appropriate countermeasures if there are concerns.

Commissioner Perry asked if the underground cables that Mr. Meisner has indicated will be 48 inches below ground surface will in any way be identified. Mr. Meisner responded that caution tape is placed a minimum of 18 inches above the cable.

Vice-Chairman Dixon asked if there will be any type of security fencing around the turbines themselves. Mr. Meisner said they do not have perimeter fences proposed for this project because it is on private land. Commissioner Dixon also asked if the turbines can be subleased for cell phone towers or used for other purposes. Mr. Meisner stated that the turbines are single use facilities.

Commissioner Sterritt asked the dimension of the concrete pad for the foundation. Mr. Meisner stated that has not been fully determined, but they will be on average about 65 to 75 feet in diameter. Commissioner Sterritt asked staff if the project will require retention ponds. Planning Director Cox responded that she has spoken with the county's engineer, Greg Johnson, about the project and he has stated that the project is spaced out such that the drainage impacts will be negligible and retention ponds will not be required.

Commissioner Winslow said lighting has been discussed, however to the west is the flight path of military aircraft and private aircraft. He asked if more lighting will be needed. Mr. Meisner responded that the FAA will address this and will impose any additional restrictions they would have. Commissioner Winslow noted that this area is close to the coast with salt water and salt air and he hopes this equipment has been designed according to these conditions. Mr. Meisner stated that the turbines are meeting international standards and their coatings will take this into account and the foundation mix design will take into account the salinity of the water.

Commissioner Perry said he notices in some local construction projects that many of the construction workers are brought in from other communities. He asked if there will be a local hiring process to give local people an opportunity to participate in employment. Mr. Meisner stated that they have not gone through the selection process for a contractor yet, but they certainly work with all of their contractors to try to ensure that the local community benefits from these projects.

Chairman Griffin asked Mr. Meisner to state his purpose for testifying. Mr. Meisner said he is the lead engineer for Iberdrola Renewables and he is speaking here to demonstrate that the project will be designed, constructed and operated and will be done so in a safe manner. He stated that Iberdrola has a paramount responsibility for safety during design, construction and operations.

Attorney Thomas Griffin called on Michael Clayton, Permit Manager for Iberdrola Renewables, as the next witness. Mr. Clayton outlined his responsibilities, experience and his educational background. He said he is the environmental permitting and compliance coordinator for the Desert Wind Project. He stated that he has previously performed a similar role on about 20 wind energy projects. Mr. Griffin stated that Mr. Clayton is offered as an expert in the field of environmental permitting and compliance matters at wind energy facilities.

Motion was made by Gary White, seconded by Joe Winslow to accept Michael Clayton as an expert in the field of environmental permitting and compliance matters at wind energy facilities. The motion carried unanimously.

Mr. Clayton testified about his coordination of environmental reviews at Desert Wind. He stated that Iberdrola has retained Kimley Horn, an environmental consulting firm, to help with wetlands studies, hydraulic evaluations, and environmental permitting efforts. He said the project has also been reviewed by experts on avian issues, cultural resources, stormwater, and wetlands. Iberdrola Renewables has worked with the U.S. Army Corps of Engineers, the U.S. Fish & Wildlife Service, the Division of Coastal Management, the North Carolina Wildlife Resources Commission, the North Carolina Division of Water Quality, and the North Carolina State Historic Preservation Commission.

Mr. Clayton said that Kimley Horn has completed a wetlands delineation study of the project area and they have coordinated with the Corps of Engineers to have them come to the site to verify the wetland delineation boundaries. Once the Corps provides its approval, the actual permitting process can move forward. Mr. Clayton said they expect to apply for the Corps permit in early July and receive their permit in early December. He stated that no wetlands work will occur until the Corps issues its permit.

Mr. Clayton stated they have been coordinating with the U.S. Fish and Wildlife Service with regards to migratory songbirds and waterfowl. He said their work with the Fish and Wildlife Service is designed to minimize impacts to migratory birds. He advised that last year Iberdrola implemented pre-construction avian surveys and determined that the project will have a low risk for potential impacts to birds. He said typically for the first year after construction they will implement an intensive monitoring plan for birds and then will follow up each year for the life of the project.

Mr. Clayton said he has been coordinating with the Division of Coastal Management and has provided them with information about the project and its location. He stated that a letter was received from DCM concluding that the Desert Wind Project falls outside the Division of Coastal Management Act jurisdiction.

Mr. Clayton stated that the Division of Water Quality will review this project to ensure it will not adversely affect water quality or water resources. They will also review the project with regard to stormwater management. Iberdrola will coordinate soil and erosion control matters with the Department of Environment and Natural Resources.

Mr. Clayton said they have coordinated with the Wildlife Resources Commission on issues regarding birds and bats and will continue working with them on wildlife issues.

Mr. Clayton advised that he has been helping coordinate review by the Department of Cultural Resources and has submitted a work plan to outline how they will perform archaeological and architectural surveys for the project. He said the Department of Cultural Resources has determined that the project as designed would not significantly affect archaeological resources of the state. He stated that in his opinion this project will be in harmony with the local cultural resources.

Mr. Clayton said based on his expertise on environmental matters, his experience, and his coordination with federal and state agencies, he believes that the Desert Wind project will comply with environmental laws and will not materially endanger the environment or public health and safety.

Commissioner Dixon questioned Mr. Clayton regarding the impact on swans and snow geese since this is a winter gathering place for them. He asked if the turbines might cause them to move to another place. Mr. Clayton said they have discussed this with the Fish & Wildlife Service and they have done a lot of research on existing wind facilities and interactions with

similar waterfowl and there is no evidence that shows they are displaced or that they will not return to these areas.

Commissioner Dixon said he assumes the turbines will use a lot of transmission oil. He asked if appropriate actions will be taken during maintenance so that the oil is not pumped on the ground. Mr. Clayton said the turbines are designed so if there is any leaking, it would be self-contained within the structure itself. Any replacement of fuels would be in accordance with environmental regulations and conditions.

Chairman Griffin called on Mr. Dennis Herring to ask a couple of questions. Mr. Herring stated that there are approximately 1,000 feet of forest between his house at 1098 Loop Road and where the wind turbines will go. He said several years ago, between 8,000 and 9,000 rattlesnakes were released in the desert and he sees snakes in the road every time he drives through Sandy Road. He explained that there are about a dozen houses that are within 100 feet of the woods and they are extremely concerned that with the digging and compacting of soil that the rattlesnakes will be driven into their houses. He said he is concerned about his family and his dogs. He said if they kill any of the rattlesnakes they will be fined because rattlesnakes are a protected species. He asked what they are supposed to do when the snakes are driven into their homes. Mr. Clayton responded that none of the wildlife agencies they have been working with have brought up rattlesnakes as an issue and rattlesnakes have not been studied as part of this project. He added that any disturbances that might be seen during the construction would be short-term and temporary.

Attorney Griffin asked Mr. Herring if he notices the rattlesnakes coming onto his property when farmers are plowing their fields. Mr. Herring said he does not, however he has noticed that the rattlesnakes tend to come onto their property during forestry clearing operations.

Commissioner Gary White asked Planning Director Shelley Cox if she has any problems or concerns regarding the testimony of Mr. Clayton. Mrs. Cox said her only request is that as a condition of the approval that they provide documentation of all their state and federal approvals as well as studies from outside agencies.

Attorney Griffin called on Mark Bastasch, Lead Acoustical Engineer with CH2M Hill, as the next witness. Mr. Bastasch outlined his responsibilities as an acoustical engineer, his experience and his educational background. Mr. Bastasch said he has evaluated acoustical matters for over 100 wind projects. Mr. Griffin stated that Mr. Bastasch is offered as an expert in the field of acoustical analysis.

Motion was made by Gary White, seconded by Joe Winslow to accept Mark Bastasch as an expert in the field of acoustical analysis. The motion carried unanimously.

Mr. Bastasch referred to a report included in the application entitled, "Acoustical Analysis of the Desert Wind Power Project". He said he prepared the report to evaluate the project predicted noise levels against the relevant standards of 55 decibels established in the ordinance. He outlined the methods he used to evaluate the noise levels for the Desert Wind project. He said the analyses were conducted using atmospheric conditions that tend to favor noise propagation so as to not underestimate the sound level. The analyses also assumed that all turbines were operating at their maximum level simultaneously and the modeling methods assumed that the receiver was downwind from all of the turbines simultaneously. Mr. Bastasch said they would expect generally lower levels when one is in the upwind direction or when the wind speeds are less than the maximum output.

Mr. Bastasch provided an aerial photo overlaid with the output of the acoustical model. He pointed out that the 55 decibel areas are exclusively within the project boundaries as are most of the 55 decibel areas. He identified the structures on the map and stated that their model is predicting that the maximum level generated by this project would not exceed 50 decibels at any occupied structure. He stated that his analysis concluded that the Desert Wind Project will comply with the sound standards of the Pasquotank County ordinance.

Vice-Chairman Dixon asked if the study was conducted on one turbine or 88 turbines. Mr. Bastasch said the entire project is taken into account in his study. Vice-Chairman Dixon asked if rain would enhance the noise level. Mr. Bastasch responded that he is not aware of rain causing any sort of enhanced noise emissions. Vice-Chairman Dixon asked if the turbines are louder

when they are moving slow or when they are moving fast. Mr. Bastasch said the sound level increases with rpm to a certain point and then it will plateau.

Commissioner Perry asked if the turbines would emit high frequencies that might cause dogs or other animals to howl. Mr. Bastasch stated that he has not heard this raised as a concern before and the sound spectrum that he has seen for these turbines does not indicate high sound levels that would be problematic for dogs or other animals.

Commissioner White asked Mr. Bastasch if it is his testimony that these wind turbines will comply with the county's regulations regarding decibel output. Mr. Bastasch said that is correct.

Commissioner Winslow asked Mr. Bastasch if his data is based on new turbines and what the decibel levels might be five, ten or twenty years from now as the turbines age. Mr. Bastasch said his study has a substantial margin against the standard. He added that the project must operate in compliance with the ordinance and if something should change, the company would be obligated to comply with the ordinance.

Chairman Griffin said as he understands it, if the rpm's of the turbines increase or decrease the decibel level changes. He asked at what level the study was conducted. Mr. Bastasch stated that the noise level contours on the map have been developed based on the turbines operating at their maximum rated sound level. He said when the winds are less, the sound levels would be lower. Chairman Griffin asked if when it rains whether the drag of the moisture on the weight of the turbine will change the pitch of the propeller. Mr. Bastasch stated that he is not aware that rain has any influence on the sound emissions of the turbine. He said this has never been raised as a concern on any other project he has worked on or by any of the experts he communicates with internationally. He clarified that under the worst case scenario, the decibel level will still be under the standard of 55.

The hearing was recessed at 6:15 PM and reconvened at 7:00 PM.

Attorney Henry Campen said a question came up earlier about the authorization of David Shadle to sign the application for the conditional use permit. He provided as Exhibit 1A a Secretary's Certificate from Iberdrola Renewables, Inc., certifying that Atlantic Wind is an Oregon limited liability company, solely owned by Iberdrola Renewables, and that on July 25, 2008 the Board of Directors of Iberdrola Renewables adopted resolutions amending the bylaws of that company to provide that David Shadle had the authority to sign documents on behalf of Atlantic Wind.

Motion was made by Gary White, seconded by Cecil Perry to receive Exhibit 1A, a Secretary's Certificate from Iberdrola Renewables, Inc., as evidence that David Shadle was authorized to sign the conditional use permit application on behalf of Atlantic Wind. The motion carried unanimously.

Attorney Griffin called on Richard Lampeter, Senior Scientist with Epsilon Associates, Inc. Mr. Lampeter stated that Epsilon Associates is a 40-person firm that specializes in environmental consulting and engineering. He said as part of his job as a Senior Scientist, he is often a project manager for shadow flicker analyses. He stated that shadow flicker is an intermittent change in the intensity of light due to the operation of a wind turbine and its interaction with the sun. He said he has evaluated shadow flicker for approximately 13 wind projects across the United States. He stated he used similar methodology for the Desert Wind Project as he used for the other 13 projects he evaluated to calculate the amount of shadow flicker. Mr. Griffin said he would like to offer Mr. Lampeter as an expert on the evaluation of shadow flicker for a wind energy project.

Motion was made by Gary White, seconded by Joe Winslow to accept Richard Lampeter as an expert witness on the evaluation of shadow flicker for wind energy projects. The motion carried unanimously.

Mr. Lampeter explained that he authored the Shadow Flicker Analysis that was submitted with the Conditional Use Permit application. He said he was evaluating shadow flicker against the Pasquotank County ordinance requirements. He stated that the ordinance limits shadow flicker to 30 hours per year at an occupied building. He explained that he evaluated shadow flicker using the Wind Pro software package, which is the industry standard in the wind energy industry. The package calculates the worst case, assuming the sun will be shining all the time and that the receptor is always downwind from the wind turbine. Mr. Lampeter stated that he included all 88

turbine locations in the model along with five additional locations in Perquimans County that are within 1,000 meters of the county line. He provided an aerial map of the project overlaid with blue dots to represent the wind turbines and showing the 30 hours per year lines of shadow flicker. He said any areas inside these lines will have greater than 30 hours per year of shadow flicker and any area outside these lines will have less than 30 hours per year, which is the limit in the ordinance. Mr. Lampeter stated that from his analysis he can confirm that there are no occupied residences or structures within the 30 hour boundary. He pointed out that the maximum shadow flicker predicted for Pasquotank County at a modeling location was 13 hours and 15 minutes. He said the majority of the modeling locations predicted zero shadow flicker and 26 locations predicted some shadow flicker. He noted that no occupied buildings or residences will even get near the limit of 30 hours per year of shadow flicker provided in the ordinance, and a substantial number of homes will experience no shadow flicker over the course of a year. Mr. Lampeter stated that in his professional opinion, based on this study, the Desert Wind Project will comply with the county's shadow flicker standard.

Vice-Chairman Dixon asked why there wasn't any modeling done in the area closest to U.S. Highway 17. Mr. Lampeter said this area was not included because it does not have a lot of structures and because in this quadrant no shadow flicker is expected due to the orientation of the sun and how it interacts with the wind turbines.

Commissioner Trueblood asked if shadow flicker is checked from different directions. Mr. Lampeter stated that the shadow flicker model incorporates operational hours per wind direction sector and they looked at sixteen different directions and put in hours per year per direction. He added that the coordinates of each turbine is put into the model and it knows based on that location when sunrise and sunset is and the trajectory of the sun for that particular latitude. Minute by minute calculations are done to determine whether a location will have shadow flicker.

Chairman Griffin asked what would happen if a turbine were to generate more than 30 hours of shadow flicker. Mrs. Cox responded that their conditional use permit could be revoked if they exceeded 30 hours per year. Mr. Lampeter added that the turbine operation could be adjusted accordingly as the turbine could be shut down for the hours it could create shadow flicker.

Attorney Brenton McConkey called on Jon Wilson, a Registered Landscape Architect with Kimley Horn and Associates, Inc. Mr. Wilson said he is a principal in the firm as well as a Senior Landscape Architect. He stated that Kimley Horn does engineering and environmental landscape architecture and planning. He said he has been working in the landscape architecture field for 28 years. He summarized his educational background and his professional background and qualifications. He stated that the purpose of his testimony tonight is to present the results of a visual assessment of the proposed project. Mr. Wilson stated that he has prepared at least 30 visual assessments over the course of his career using very similar methodology to that of this project. Mr. McConkey said he would like to offer Mr. Wilson as an expert in the field of visual simulation.

Motion was made by Gary White, seconded by Joe Winslow to declare Jon Wilson an expert in the field of visual simulation. The motion carried unanimously.

Mr. Wilson explained that in doing the visual assessment for the Desert Wind Project, they looked at the overall project and got an understanding of all of the project elements, including the wind turbines themselves, the electrical transmission lines, the roads, and the meteorological tower. After looking at all of the elements to assess the visual impact, it was very evident initially that what they needed to look at was the wind turbines themselves, as the other elements did not have any significant visual impact. Mr. Wilson stated that they looked at the land surrounding the project site, the topography of the land, and the facilities in areas around the project site that might have a view of the proposed project. He provided a map of nine potential vantage points they used to assess the visibility of the project. He said after visiting the nine vantage points, they found that four of the viewpoints were obstructed and had no view of the proposed project, and that five of the nine would have views of the project. He provided visual simulations showing before and after views of the turbines from these vantage points.

Mr. Wilson stated that his conclusions are that the turbines will be visible from places within the project area and a fairly significant portion of the area will see the turbines, however they feel they will be in harmony with the existing landscape which includes manmade structures and

power lines. He said the design of the structures with the off-white color will lessen the impact of the contrast.

Mr. Wilson said in his professional opinion, he believes the Desert Wind Project will be in harmony with the surrounding area. The Visual Assessment was moved as evidence into the record.

Commissioner Trueblood asked why four of the vantage point locations were selected. Mr. Wilson said these locations were selected because they were high traffic areas or areas of cultural significance which is part of the criteria for the study.

Commissioner Dixon stated that he could envision traffic stopping on Highway 17 to look at the turbines which could cause accidents. He said even though he could see this project as a tourist attraction, he is concerned they might be too close to the highway. Mr. Wilson stated that traffic on the Highway 17 Bypass will see the structures. Commissioner Dixon asked if there would be a designated site where tourists could pull off the highway to take pictures. Attorney Campen stated that Mr. Poff will address this question when he returns for testimony.

Commissioner Winslow stated that he is concerned about visibility during the day for aircraft that might be flying in to the Coast Guard Base. Mr. Wilson said he would defer this to the FAA as they will be reviewing this project.

Attorney Campen called on Charles Moody, a Licensed General Real Estate Appraiser with Real Estate Services of Eastern Carolina. Mr. Moody outlined his educational background and his professional experience as a General Certified Appraiser. He said he has been in the appraisal and brokerage business approximately 40 years and as part of his work he regularly performs property value impact studies which determine the impact that an adjoining use may have on a particular parcel of property. He stated that he is here today to demonstrate that the proposed use has no adverse impact on the value of adjoining properties. Mr. Campen said he would like to offer Mr. Moody as an expert in the field of real estate value impact analysis and on the question of whether the proposed use is in harmony with the area.

Motion was made by Gary White, seconded by Cecil Perry to accept Charles Moody as an expert witness in the field of real estate value impact analysis. The motion carried unanimously.

Mr. Moody stated that he has prepared a report in connection with his testimony which contains a summary of his analysis of both property impact and harmony. He explained that he prepared the report by reviewing information about the Desert Wind Project, including the extent of the project, the project's boundaries, the number of turbines, and the approximate locations of the turbines. He said he also reviewed all of the materials and exhibits that were filed with the county in connection with the conditional use permit application. He stated that he personally inspected the project area to get a feel for the land uses around the project, to get an idea of the current uses on abutting and adjoining properties, and to identify any areas that would potentially be affected if the project were completed. He said he looked at values and sales data for property in the surrounding area abutting the project and spoke with brokers and appraisers in the area about the project and its impact.

Mr. Moody stated that he looked at other wind energy projects, however there were no utility scale wind energy projects in North Carolina or in the Southeast, therefore he looked nationwide to try to find other impact studies that would give him some guidance. He said he visited a wind energy facility in Livingston County, Illinois that is comparable to the proposed Desert Wind project and met with the operations personnel on the project. He said the demographics of Livingston County were also very similar to Pasquotank County. He stated that he met with the Livingston County Planner as well as real estate brokers and appraisers in the area. Mr. Moody said he learned that there was no measurable impact on property values due to the proximity of a property to a wind farm. He added that agricultural properties with a lease for a turbine site generally sold for more than a farm that did not have that income stream. He stated that he interviewed three property owners who lived within the boundaries of the project and they did not express any concern about the impact of the property on their property value.

He said he found the Hoen and Hinman studies which he has analyzed in depth and which have been included in the conditional use permit application. He stated that he considered both of these studies to be comprehensive and he detailed the studies. He said the Hoen study found no

evidence that home prices surrounding wind facilities are consistently, measurably and significantly affected by either the view of the wind facility or the distance between the home and the wind facility. The Hinman study indicated that property value impacts varied based on the different stages of wind farm development. The study demonstrated that property values rebounded to levels higher than before the wind farm was approved. It also presented evidence that close proximity to an operating wind farm does not necessarily negatively influence property value appreciation rates or property value levels.

Mr. Moody stated that he was able to apply the results of the Hoen and Hinman studies to the proposed Desert Wind Project and concluded that the residential properties located at the periphery of the Atlantic Wind site are less likely to be burdened with potential visual and noise impact than the dwellings that were located within the projects studied by Hoen and Hinman which were found to have no negative impact on adjoining or abutting property values.

Mr. Moody said based on his analysis, it is his opinion that: the market value of properties within the subject site, abutting and adjoining real property, surrounding real property, and the vicinity will not be substantially injured by the proposed Desert Wind Project; and the market evidence examined indicates the proposed use will be in harmony with the agricultural use district in which the wind energy project will be constructed. He added that this project is located in an area of very low population density and some of the turbines will be visible, however, given the color the turbines will be painted, the haze in the area most of the time, and the distance the turbines are from occupied dwellings and roads, there will be minimal visual impact.

Mr. Moody stated that in his opinion, construction of the Desert Wind Project as has been presented will not result in measurable injury to the value of adjoining or abutting property. He said his conclusion is that the Desert Wind Project will be in harmony with the agricultural use in the area in which it is located. Mr. Campen moved into evidence Mr. Moody's Impact Analysis.

Commissioner Winslow stated that Mr. Moody has used the word substantial. He asked Mr. Moody if he expects a 5%, 6% or 10% reduction in injury to adjoining property. Mr. Moody responded that he would not expect a reduction of more than 5% if there were a measurable amount. Commissioner Winslow noted that some of the adjoining property has been mentioned for possible development. He stated that agricultural use has been addressed, but commercial use has not been mentioned. He asked how the wind farm might affect residential or commercial use of adjoining property. Mr. Moody said if any adjoining property is developed for residential or commercial use, it would have to take into account that the wind farm is an existing use. He said it is his observation that there is a lot of commercial property available on Halstead Boulevard Extended and it will take a reasonable amount of time to develop that property. He stated that over 30 years the wind farm project may change some development patterns in the area, but he does not think it would eliminate growth or prevent projects from being done.

Commissioner Dixon said he is still concerned about the impact on future commercial projects in the area. Mr. Moody stated that the Hinman Study concluded that from the time a wind project was announced until it is actually operating that residential values did decline, however once the wind farm was operational, the residential values rebounded back to the previous levels or higher than they were prior to the project. He added that he believes commercial projects will locate in reasonable close proximity to the project.

Commissioner White asked Mr. Moody if he sees any significant negative impact from this project. Mr. Moody said the wind turbines are very large structures and they will change the landscape on U.S. Highway 17, but just like cell phone towers and other tall structures, everyone will eventually get accustomed to them. He said if there is any significant negative impact, it would be in the desert. He noted that he does not feel that a site could be designed for this facility any better than the desert.

Attorney Campen called on Horace Pritchard to testify. Mr. Pritchard said he owns 87 acres of land in Pasquotank County that is included in the project area and he owns approximately 1,100 acres in Perquimans County that adjoins the 87 acres in Pasquotank County. He stated that he is leasing property to Iberdrola in connection with the Desert Wind Project. He said he was approached almost two years ago about leasing land for this project and he decided to lease his property to Iberdrola because agricultural operations are advised to diversify. He said he looks at this project as viable income. He stated that he believes this wind energy project will be compatible with the surrounding area in Pasquotank County because the project area is

agricultural with no infrastructure and houses cannot be built in this area. He said he sees minimal impact on his farming operation because after construction he will be able to farm right up to the turbine. He stated that he does not believe this project will restrict any residential or commercial growth in the desert area because he does not anticipate any growth in the desert area.

Commissioner Winslow asked Mr. Pritchard if Atlantic Wind later sold this property to another company and they did not succeed and there was no bond and it was later determined that it had to be decommissioned on his property, who would that expense fall on. He said he wants to be sure that the property owners are protected. Mr. Pritchard stated that it is hard to know what the future will bring and he believes half of something is better than all of nothing. He said this project is a way for the farmers to have extra income, for the county to collect revenue, and this project could in years to come be the major contributor to electricity. He added that he understands the risks and is willing to accept the risks.

Vice-Chairman Dixon asked if the project could have an impact on farmers' use of crop-dusting. Mr. Pritchard said he spoke with farmers in Illinois who said they had pilots who would spray their farms. He noted there would be a significant distance between the turbines and there would be room for crop-dusting.

Chairman Griffin stated that Mr. Herring had a question earlier in the hearing regarding the amount of shadow flicker he could expect in his neighborhood in the northern portion of the county. Chairman Griffin said Mr. Herring also wanted to know if shadow flicker exceeds the 30 hour per year limit how this would be addressed. Attorney Griffin said earlier some questions were addressed regarding this topic. He said if there were a property that was identified as having more than 30 hours of shadow flicker, there is the possibility of adjusting the turbine operation by shutting it off for a certain period of time to drop the shadow flicker below 30 hours. Mr. Griffin noted that currently in the model there is no occupied residence in the project area that would have more than 13 hours of shadow flicker per year.

Attorney Campen called on Mr. Craig Poff to address some questions that had been asked earlier regarding whether a landowner's access to his land would be restricted somehow during the construction project and whether he would have to get permission to access his land. Mr. Poff stated that the landowner would not have to get permission from Iberdrola to access his land. The only limitations that might be placed on a landowner's use of his land during construction or after construction is that only those areas where they are constructing would there be any impact, such as when two pieces of equipment meet on a road. Mr. Poff said they would simply coordinate with the landowners and go about their business.

Mr. Campen said there have been a number of questions during the course of the hearing about the Navy's concerns and letters the Navy has filed with the county about a form of radar. He asked for clarification from Mr. Poff. Mr. Poff stated that the radar issue has no bearing whatsoever on any of the standards within the ordinance. He said this comes out of a letter that the county received from a Navy liaison with regard to the Northwest Naval Annex Relocatable Over the Horizon Radar (ROTHR) installation on the Virginia-North Carolina line. He stated that the letter in exaggerated terms raises concerns about potential impacts. He said the Department of Defense Clearinghouse at the Pentagon which is the conduit through which interactions between the Department of Defense and renewable energy projects are to be routed indicated that they do not support nor condone the letters the county has received from the local Naval officers. Mr. Poff stated that Iberdrola Renewables and Atlantic Wind continue to coordinate with the Department of Defense Clearinghouse at the Pentagon and through the FAA process with regard to any impacts that may or may not exist with ROTHR or any other Department of Defense conflict. Mr. Poff said he does not know what those impacts could be other than what the Navy has stated in the letters is a concern about the existence of wind turbines creating some potential impact to their mission. Mr. Campen noted that there is nothing in Pasquotank County's ordinance governing wind energy facilities that provides for the Navy or Department of Defense to express concerns regarding radar or anything that has been raised in the unauthorized letters that the Navy has submitted. He said there is an established legal procedure at the FAA in Washington for any party to express concerns about any renewable energy project. He added if there are true impacts, the Navy's remedy to those impacts lies within the process created by the FAA permits and through interaction with the Department of Defense Clearinghouse at the Pentagon.

Vice-Chairman Dixon asked if the county's RO wells can co-exist with the turbines. He stated that the hydrologist has advised that the well pattern is northwest which means future wells will be drilled to the northwest which would be toward the wind farm. Mr. Poff responded that he is aware of no implications or restrictions other than a common sense type separation between the two.

Commissioner Trueblood stated that he is concerned about traffic hazards on the highway. Mr. Poff said he does not expect the sorts of problems that have been suggested creating some sort of traffic hazard. He stated from firsthand experience, he has seen in Pennsylvania where turbines are a fraction of the distance from the highway than is being proposed for this project and there is no such traffic hazard. He said he would not be surprised if people rubberneck occasionally, but he would not expect prolific occurrences of stopped traffic.

Attorney Campen presented his closing statement. He stated that the purpose of this hearing is to determine whether the application meets the standards of the county's ordinance. He explained that North Carolina law requires the applicant to establish through competent material and substantial evidence that it has complied with all of the ordinance requirements. He said they have offered eight witnesses, six of whom have been qualified by this Board as experts in the fields in which they have testified. He stated that the ordinance has four principle requirements in granting a conditional use permit: 1) That the use will not materially endanger the public health or safety if located where proposed; 2) That the use meets all required conditions and specification; 3) That it will not substantially injure the value of adjoining property; and 4) That the location and character of the use, if developed according to the plan, will be in harmony with the area.

Mr. Campen stated that the Board has heard testimony about the FAA approval process to ensure the turbines are not an obstruction to airspace safety. He said that Mr. Meisner testified at length about the design, construction and maintenance of the project and that all of those activities will be conducted in accordance with the North Carolina Building Code, with national and international standards, the thrust of which is to ensure the public health and safety of structures. He said Mr. Meisner also testified that underground cables associated with the project will be buried 48 inches below even canals and ditches so they will pose no hazard to the farming operations. Mr. Campen stated that Mr. Clayton testified about the environmental safety of this project and the various reviews and approvals the project will go through including a water quality permit. He said Mr. Poff and various witnesses testified as to how the application complies with each and every standard in the county's ordinance, including the decommissioning standard and a requirement that the decommissioning study be filed with the application. He stated that Mr. Poff testified at length about the Garrad Hassan Study and the ordinance requirement that there be a decommissioning plan that describes the anticipated life of the project, the estimated decommissioning cost in current dollars, the method of ensuring funds will be available for decommissioning and restoration, and the anticipated manner in which the project will be decommissioned. Mr. Campen said this was done in an extensive report about which Mr. Poff testified. He stated that the ordinance requires that prior to the issuance of a building permit that the owner of the facility will provide a bond to the county in favor of the county in an amount equal to the estimated removal cost of the facility less salvage value of the equipment prior to construction. Mr. Campen said this is exactly what has been done and that Mr. Poff explained that Iberdrola or Atlantic Wind or its successor entity will be responsible for decommissioning at the end of the life of the project. In the unlikely event that Iberdrola or Atlantic Wind is not the entity that is operating the project, this bond is designed to make the county whole. He said the Garrad Hassan Study includes a detailed estimate about those expenses and the study will be updated from time to time because prices will fluctuate. He stated that this mechanism in the county's ordinance is designed to protect the county. He said under current values the county would realize a surplus. Mr. Campen stated with respect to value, Mr. Moody testified at length about an exhaustive study that he has prepared and his expert opinion is that the value of the adjoining properties will not be affected by this project. Mr. Campen noted that the ordinance also requires that the project not have a negative impact on surrounding property or that the use is a public necessity. He said Mr. Poff has testified that this project has been certified by the Utilities Commission and that North Carolina requires utilities and electric co-ops in North Carolina to purchase a certain amount of their retail electricity sales from renewable energy resources. He stated that wind energy is a renewable energy resource under North Carolina law and this project will enable North Carolina utilities to meet their obligation under the law. He said as a matter of law this project is a public necessity. He explained that this is an additional element of proof offered by Atlantic Wind in this case. Mr. Campen said with respect to the harmony criteria, Mr. Clayton has testified that the assessment of cultural

resources impact indicated this project will be compatible. He stated that Mr. Wilson has also testified about the visual assessment in a detailed scientific approach and analysis of visual assessment. His conclusion was that this project would be in harmony with the surrounding area. He said Mr. Moody has testified in connection with the property impact study that this project will be in harmony with the area. He stated that Mr. Pritchard has testified that this project will be compatible with the uses in the desert area of Pasquotank County.

Mr. Campen said he would submit that Atlantic Wind has more than met its burden under the county's ordinance and has satisfied all elements of the ordinance. Mr. Campen stated that he believes the evidence is overwhelmingly in favor of a motion to approve the project and he would request that the conditional use permit that has been requested by Atlantic Wind be granted.

Chairman Griffin closed the public hearing on Conditional Use Permit Application #11-01.

County Attorney Mike Cox stated that he has a couple of small concerns: that the bird/bat studies be updated and given to the county on a regular basis; and to specifically require that if an individual wind turbine is not in operation for a period of 12 months that it would be decommissioned within 120 days.

Mr. Campen noted that the county's ordinance requires that if the project is not generating electricity for a continuous period of 12 months, then the decommissioning comes into play. He said the ordinance does not address an individual turbine.

Vice-Chairman Dixon said his understanding is that decommissioning would come into play when none of the turbines are used at all and he is concerned that if five turbines are no longer used and maintained that they may become eyesores. Mr. Poff responded that the way he interprets the ordinance is that if the project fails to generate electricity, this would trigger decommissioning and he believes that is already covered in the county's ordinance.

The Board agreed to delay a decision on the conditional use permit until Monday, June 13 at 8:30 AM. Today's meeting will be recessed until June 13.

Motion was made by Joe Winslow, seconded by Jeff Dixon to recess the meeting until Monday, June 13 at 8:30 AM. The motion carried unanimously and the meeting was recessed at 9:40 PM.

CHAIRMAN

CLERK TO THE BOARD

**PASQUOTANK COUNTY, NORTH CAROLINA
JUNE 13, 2011**

The Pasquotank County Board of Commissioners met today in a recessed special meeting on Monday, June 13, 2011 in the Community Room at the W.C. Witherspoon Memorial Library, the June 7, 2011 meeting having been recessed until this date.

MEMBERS PRESENT: Lloyd E. Griffin, III, Chairman
Jeff Dixon, Vice-Chairman
Bill Trueblood
Cecil Perry
Dr. William R. Sterritt
Gary G. White
Joseph S. Winslow, Jr.

MEMBERS ABSENT: None

OTHERS PRESENT: Randy Keaton, County Manager
Rodney Bunch, Assistant County Manager
R. Michael Cox, County Attorney
Shelley Cox, Planning Director
Wayne Harris, Economic Developer
Karen Jennings, Clerk to the Board

The meeting was reconvened at 8:30 AM by Chairman Griffin who stated that the Board will continue its deliberations on Conditional Use Permit Request #11-01 by Atlantic Wind, LLC. Chairman Griffin asked for a motion that the Board enter Closed Session to consult with an attorney.

Motion was made by Gary White, seconded by Joe Winslow that the Board enter Closed Session to consult with an attorney employed by the Board and to preserve the attorney client privilege. The motion carried.

Upon the end of Closed Session;

Motion was made by Gary White, seconded by Jeff Dixon that the Board return to Regular Session. The motion carried unanimously.

Motion was made by Gary White, seconded by Jeff Dixon to recess the meeting. The motion carried and the meeting was recessed at 9:20 AM.

The meeting was reconvened at 10:35 AM. Others present at the meeting included Frank Scott of 409 Alton Street, Elizabeth City; Reggie Ponder, Reporter with The Daily Advance; Robert Baldwin, Naval Facilities Mid Atlantic; William Defoe, Naval Facilities Command; and Craig Poff, Iberdrola Renewables.

County Attorney Mike Cox reported on staff's meeting with Mr. Craig Poff. He advised that the following issues have been resolved:

- The company has agreed that if an individual turbine is not in use for 12 months that the turbine will be decommissioned.
- There would be a 50 year term limit on the conditional use permit.
- There will be as-built drawings done of the turbines at the expense of Atlantic Wind. The county, at the expense of the applicant, may employ assistance from outside consultants to determine compliance with the county's setback requirements.
- The applicant shall establish a method to receive and address complaints and concerns from area residents and the general public throughout the construction process and throughout the operating life of the project.
- The applicant shall prepare a site access plan that designates the project access roads, directions for construction and maintenance workers, main points of ingress and egress, and demonstrates how the project access roads will link to public roads. The plan shall be submitted to the county prior to commencing construction.

- The applicant shall develop an emergency response plan including an emergency action plan to address natural disasters at a minimum and a fire prevention plan. Measures in these plans include: providing detailed maps to local fire departments and Pasquotank County Emergency Management showing all project access roads; providing information on employee training and capabilities on fire protection and emergency medical response; and annual meetings with local emergency services to review emergency response to the facility. These plans shall be submitted to the county prior to commencing construction.
- Names and property identification numbers (PIN) of property owners will be included on the actual conditional use permit which will be recorded.
- Atlantic Wind will provide a minimum \$1 million letter of credit initially. An escrow agreement will be provided and when the decommissioning study is updated every five years, the letter of credit would be changed to reflect what the cost would be to decommission, but no less than \$1 million for the life of the project.

After comments by members of the Board;

Motion was made by Bill Trueblood, seconded by Cecil Perry to adopt the proposed order granting Atlantic Wind, LLC's Conditional Use Permit #11-01 subject to the recommendations from staff, subject to review of the escrow agreement, based on the following four findings of fact and contingent upon the additional conditions listed above being added:

1. The use will not materially endanger the public health or safety if located where proposed and approved based on expert witness testimony, public comments and staff comments presented at the public hearing on June 7, 2011.

Motion was made by Bill Trueblood, seconded by Cecil Perry to accept finding #1 as proposed above. The motion carried by a six to one margin with Chairman Griffin voting against the motion.

2. That the use meets all required conditions and specifications based on the expert testimony and public comments presented at the public hearing on June 7, 2011 and changes proposed by staff.

Motion was made by Bill Trueblood, seconded by Gary White to accept finding #2 as proposed above. The motion carried by a six to one margin with Chairman Griffin voting against the motion.

3. That the use will not substantially injure the value of adjoining or abutting property based on expert testimony, public comments and staff research presented at the public hearing on June 7, 2011.

Motion was made by Bill Trueblood, seconded by Gary White to accept finding #3 as proposed above. The motion carried by a six to one margin with Chairman Griffin voting against the motion.

4. That the location and character of the use, if developed according to the plan as submitted and approved, will be in harmony with the area in which it is to be located and in general conformity with the plan of development for Pasquotank County based on expert testimony, public comments presented at the public hearing on June 7, 2011, and staff recommendations.

Motion was made by Bill Trueblood, seconded by Gary White to accept finding #4 as proposed above. The motion carried by a six to one margin with Chairman Griffin voting against the motion.

The motion to approve Conditional Use Permit #11-01 carried by a six to one margin with Chairman Griffin voting against the motion.

Motion was made by Bill Trueblood, seconded by Gary White to adjourn the meeting. The motion carried unanimously and the meeting was adjourned at 11:05 AM.

CHAIRMAN

CLERK TO THE BOARD

**PASQUOTANK COUNTY, NORTH CAROLINA
JUNE 13, 2011**

The Pasquotank County Board of Commissioners met today in a special budget work session on Monday, June 13, 2011 in the Community Room at the W.C. Witherspoon Memorial Library.

MEMBERS PRESENT: Lloyd E. Griffin, III, Chairman
Jeff Dixon, Vice-Chairman
Bill Trueblood
Cecil Perry
Dr. William R. Sterritt
Gary G. White
Joseph S. Winslow, Jr.

MEMBERS ABSENT: None

OTHERS PRESENT: Randy Keaton, County Manager
Rodney Bunch, Assistant County Manager
R. Michael Cox, County Attorney
Karen Jennings, Clerk to the Board

The work session was called to order at 9:30 AM by Chairman Lloyd Griffin.

The Board took a straw vote on the 4¢ tax increase included in the proposed budget that was presented on June 6 and no one was in favor of the 4¢ tax increase. Commissioner Bill Trueblood presented a proposal to use \$400,000 of the revenue from the sale of the beach property, to cut \$15,000 from the Jail budget, \$15,000 from the Parks & Recreation budget, \$15,000 from the Sheriff's Department budget, and \$10,000 from the Board of Elections budget. He said this would decrease the amount of the tax increase needed to balance the budget from 4¢ to 2.5¢. Vice-Chairman Dixon recommended that the Board look at appropriations to non-profits and reduce them to the current year's levels. The Board identified reductions totaling \$10,833 from non-profits. It was also recommended that the appropriation to Economic Development be reduced by \$5,000.

Commissioner Cecil Perry stated that the \$15,000 decrease in the Jail appropriation would be a tremendous problem for the Jail because it would impact safety and security at the Jail. He said the Jail Commission has already cut its budget to a minimum. It was noted that if Pasquotank County reduces its Jail appropriation, Camden and Perquimans Counties would also reduce their appropriations to the Jail which could result in a total reduction in the Jail budget of almost \$40,000. The County Manager suggested as an alternative that the appropriation in the Jail budget for juvenile services be decreased by \$15,000. He also advised that the Board of Elections budget includes \$18,000 for maintenance of equipment and he has recently learned that the state will be paying this cost one more year.

Commissioner Gary White said the Board continually asks for a 1½¢ or 2¢ tax increase year after year. He said the taxpayers of the county will be just as upset with a 1½¢ tax increase as they will be with what is actually needed. He asked what needs to be done so the county does not have its hands out to the taxpayers every fiscal year.

Vice-Chairman Dixon said it is hard for people to budget for a 4¢ tax increase, but it is easier for them to budget within their means if it is spread over several years.

Chairman Griffin suggested that the Board look at not including any increases in longevity pay for employees, possibly requiring employees to share in the cost of their health insurance, and to look at not filling vacant positions.

The Board took a straw vote on whether to concur with a 2½¢ tax increase and there was not a consensus by the majority of the Board. Individual Board Members indicated the maximum amount of tax increase they would support.

Commissioner Winslow suggested that the County Manager meet with each department head and ask them to tell him where they think he can reduce their budgets in order to cut another penny out of the budget and the impact it would have on their departments. He said everything should be on the table, including hospitalization, longevity, and positions. Vice-Chairman Dixon said

he would prefer to use more of the proceeds from the sale of the beach property rather than to affect employees.

The County Manager advised that departments have presented flat budgets over the last four years. He stated that most of the cuts that could be made have already been done, and personnel and expenses have been reduced to a minimum. He said all that is left is to decide which services to discontinue providing.

Commissioner Sterritt stated that his experience has been that budget managers ask for more than is really needed so if their budgets are cut, they will still be okay. He said he believes there is some value in Commissioner Winslow's suggestion that the County Manager meet with department heads to discuss possible budget cuts.

Chairman Griffin advised that he would like to recess today's work session until Thursday morning to provide an opportunity for the County Manager to talk to department heads. He said this would also give the County Manager an opportunity to see the implications of the Governor's veto of the state budget.

Motion was made by Gary White, seconded by Jeff Dixon to recess the budget work session until Thursday, June 16 at 8:30 AM. The motion carried unanimously and the meeting was recessed at 10:30 AM.

CHAIRMAN

CLERK TO THE BOARD

**PASQUOTANK COUNTY, NORTH CAROLINA
JUNE 16, 2011**

The Pasquotank County Board of Commissioners met today in a recessed budget work session on Thursday, June 16, 2011 in the Commissioners Board Room in the Pasquotank County Courthouse, the work session on June 13, 2011 having been recessed until this date and time.

MEMBERS PRESENT: Lloyd E. Griffin, III, Chairman
Jeff Dixon, Vice-Chairman
Bill Trueblood
Cecil Perry
Dr. William R. Sterritt
Gary G. White
Joseph S. Winslow, Jr.

MEMBERS ABSENT: None

OTHERS PRESENT: Randy Keaton, County Manager
Rodney Bunch, Assistant County Manager
Sheri Small, Finance Officer
Karen Jennings, Clerk to the Board

The work session was reconvened at 8:30 AM by Chairman Lloyd Griffin.

Chairman Griffin recognized Michelle Aydlett, Chairman of the Board of Elections, who explained that the cuts that have been proposed in the Board of Elections budget will be detrimental to elections. She stated that \$18,000 required for maintenance of machines will be picked up by the state again this year and cutting it out will not impact elections. She said the additional \$10,000 cut from contracted services will have a large impact. She noted that \$10,000 would pay for 80 poll workers on Election Day at \$125 each. She explained that the Board of Elections is very frugal and only goes to meetings that are absolutely required for their certifications. She said they have cut back on their budget, however many items in their budget are mandated by the state and is out of their control. Mrs. Aydlett stated that the elections have always run very smoothly in Pasquotank County over the last few years and they would like to see it continue, however it cannot happen without adequate staffing. She added that the Board of Elections does not have any fat in its budget.

Betsy Meads, a member of the Board of Elections, outlined proposed new elections laws. She stated that Pasquotank County has always done whatever it took to meet state mandates. She noted that in the year 2000, the first year for one-stop voting, the total bill for the Presidential election was \$13,530. Eight years later, the bill was \$45,000. She said this 357% increase in cost was totally due to state mandates. She explained that Senate Bill 47, if it is passed by the General Assembly, will reduce the length of time for one-stop voting by one week. She said House Bill 351 on voter ID could result in challenges at the polling sites which would mean additional costs for hearings.

The Board reviewed the changes in each department's proposed 2011-12 budget over the current year's budget and discussed possible budget cuts and cross-training of personnel. Several additional budget cuts were identified that would reduce the amount of tax increase needed to balance the budget to 2¢.

Finance Officer Sheri Small advised the Board that if \$400,000 of one-time money from the sale of the property is used, and another \$375,000 of fund balance is used, that is a 2.4¢ tax deficit the county would be starting off with in the 2012-13 budget year.

Members of the Board took a straw vote on the amount of tax increase each would support however there was no consensus by a majority of the Board.

Commissioner Gary White mentioned the possibility of holding a referendum on the additional ¼¢ sales tax that has been authorized by the General Assembly. He said he thought there might be support for the tax if it is only for a specific length of time and if it were to be used for a specific purpose, such as debt service. The Board agreed that should be a discussion for a later date since, because even if the referendum passes, it would have no effect on the 2011-12 budget.

Vice-Chairman Jeff Dixon suggested that the Board revisit an agreement with the Hospital Board to possibly use all of the proceeds from the sale of the Dare County property in exchange for a reduction in hospital lease payments. Some Board Members did not express an interest in pursuing an agreement whereby the county would lose money over the term of the lease.

The County Manager advised that a public hearing on the proposed 2011-12 budget has been scheduled for the June 20 Commissioner meeting. The Board will discuss the budget further at the Finance Committee meeting on June 20.

Motion was made by Jeff Dixon, seconded by Gary White to adjourn the budget work session. The motion carried and the meeting was adjourned at 11:05 AM.

CHAIRMAN

CLERK TO THE BOARD

**PASQUOTANK COUNTY, NORTH CAROLINA
JUNE 20, 2011**

The Pasquotank County Board of Commissioners met today in an abbreviated work session on Monday, June 20, 2011 at 3:30 PM at the former Albemarle District Jail.

MEMBERS PRESENT: Lloyd E. Griffin, III, Chairman
Jeff Dixon, Vice-Chairman
Bill Trueblood
Cecil Perry
Dr. William R. Sterritt
Gary G. White
Joseph S. Winslow, Jr.

MEMBERS ABSENT: None

OTHERS PRESENT: Randy Keaton, County Manager
Rodney Bunch, Assistant County Manager
Sheri Small, Finance Officer

The Board toured the former Albemarle District Jail building to view the facility and determine its feasibility for future use.

The work session was adjourned at 3:50 PM.

CHAIRMAN

CLERK TO THE BOARD

**PASQUOTANK COUNTY, NORTH CAROLINA
JUNE 20, 2011**

The Pasquotank County Board of Commissioners met today in a regular meeting on Monday, June 20, 2011 in Courtroom C in the Pasquotank County Courthouse.

MEMBERS PRESENT: Lloyd E. Griffin, III, Chairman
Bill Trueblood
Cecil Perry
Dr. William R. Sterritt
Gary G. White
Joseph S. Winslow, Jr.

MEMBERS ABSENT: Jeff Dixon, Vice-Chairman (*Due to death in family*)

OTHERS PRESENT: Randy Keaton, County Manager
Rodney Bunch, Assistant County Manager
Karen Jennings, Clerk to the Board

The meeting was called to order at 7:00 PM by Chairman Lloyd Griffin. Chairman Griffin gave the invocation and led in the Pledge of Allegiance to the American Flag.

1. PUBLIC HEARING ON PROPOSED PASQUOTANK COUNTY BUDGET FOR FISCAL YEAR 2011-12:

Chairman Griffin declared the meeting to be a public hearing on the proposed county budget for FY 2011-12. County Manager Randy Keaton read the budget message which called for a 4¢ tax increase as presented at the June 7 meeting.

Chairman Griffin called on Mr. Frank Scott who requested to address the Board during the public hearing on the budget. Mr. Scott said he has lived in Pasquotank County for several years. He stated that he is opposed to a one or two cent increase in property taxes. He said he has listened to the Board deliberate on the budget over the past few weeks and would compare it to a family trying to figure out where to cut expenses and get additional revenues. He explained when families are struggling to try to pay their bills, they do not have additional revenues to apply to taxes. He said he does not want to see families continue to struggle to pay their taxes. He stated that he believes the economy will eventually turn around and until such time, he thinks taxes should stay at the same level they currently are. He said he realizes that the budget includes mandated items and essential services, but there are some other things he thinks the Board may perhaps need to take a closer look at and see if they could be reduced or delayed.

At the absence of further comments, the public hearing was closed and Chairman Griffin asked for discussion from the Board.

Commissioner Joe Winslow said he agrees with Mr. Scott that there should not be any tax increase, however the problem is that certain departments have been cut for the last few years and there are certain expenses over which there is no control. He stated that when the budget is looked at in great detail, he does not know that the county cannot do anything but have some minimal tax increase. He added that the Board is doing everything it can to not increase county taxes.

Commissioner William Sterritt stated that he is opposed to any increase in taxes for the citizens of Pasquotank County.

Motion was made by William Sterritt, seconded by Joe Winslow to not approve the budget as presented. The motion carried 6-0.

Chairman Griffin noted that the Board will be scheduling additional work sessions on the budget over the next few days.

2. PUBLIC COMMENTS:

Chairman Griffin recognized Mr. Ira Allen of 105 Clancey Court to address the Board. Mr. Allen stated that he spoke with Mr. Charles Jordan when he was on the Board of Commissioners

about the need for another crossover on North Road Street and Mr. Jordan told him the request had been rejected. He explained that he lives in Horseshoe Acres which has one entrance and exit for 96 houses and about 190 vehicles. He said when they leave the subdivision to go to Elizabeth City, they have to head towards Chesapeake and make a u-turn at Berea Church Road. Similarly, when they are coming from the north, they have to make a u-turn at the fire department to get to their homes. Mr. Allen stated that these u-turns are dangerous and there have been accidents by vehicles trying to make u-turns in this area. He said he would like to have a crossover at the intersection of Possum Quarter Road. He stated that Mr. Jordan told him the request had been rejected because there was a crossover at Berea Church Road and it was too near Possum Quarter Road to have another crossover. Mr. Allen requested that the Board reconsider his request.

Chairman Griffin recognized Ms. Terri Brackett of 3351 West Main Street Extended. Ms. Brackett explained that she is a neighbor of Troy Jackson on Northside Road. She stated that Mr. Jackson's home burned down in 2006 and since then Mr. Jackson has resided in a shed on the property. She said Mr. Jackson received approximately \$35,000 from his insurance company as a result of the fire and attempted to build the old fashioned shortcut way without getting the proper building permits. She stated that he attempted to add a second story on his home, and after several complaints from neighbors to the building inspector, the construction was halted. She said he did manage to add a second story to his shed along with several additions to the first floor of the shed and proceeded to rent them out to whoever needed a place to live at the time. Ms. Brackett stated that Mr. Jackson has torn off all of the aluminum siding from the house and sold it for scrap, leaving the asbestos remaining and falling all over the ground. She said the windows are gone from the house and there is no roof whatsoever. She stated that the county condemned the building and Mr. Jackson was given two weeks to vacate the property. She said he never vacated the property and is still there. Ms. Brackett explained that last year a neighbor lady was found dead in the shed and Mr. Jackson left the property only to reside with someone about a block down from his property. She said he came and went for about two months, but has now returned and is living once again in his shed. She stated that all authorities have been notified and Mr. Jackson continues to reside at his property. She advised that she has fed Mr. Jackson and has bought him warm clothes during the wintertime. She said he has no electricity, no water and no basic human needs, and has hooked into Dominion Power illegally several times, gets caught, and then finds a way around it again. She stated that he has run garden hoses from neighbors' houses to obtain some water. She said he and his guests have chosen to relieve themselves outside near a shed between his property and hers, and anyone standing in her front yard can observe them, including her kids who get off the school bus in the front yard. She stated that they have found Mr. Jackson's guests sleeping on her boat at night and lying in her front yard passed out. She said the county's building inspector called her in the summer of 2009 to warn her to keep her foster children, her granddaughter, her guests, and herself inside her home and not around their front yard because at that time the wind was blowing the asbestos off Mr. Jackson's house toward her home and front yard. Ms. Brackett explained she has contacted Habitat for Humanity, Social Services, nursing homes, and assisted living facilities in the area to try to get Mr. Jackson some help to no avail. She said she and her husband have met with Rodney Bunch regarding this matter and he agreed to see if there was anything the county could do, but nothing has been done as Mr. Bunch cannot do this alone. She said *The Daily Advance* has run three articles about this matter and still nothing has been done. She stated that the only person who seems to care and cannot do any action by himself is Commissioner Winslow. She said he has received a lot of phone calls, has come out and walked the site, and he is trying, but someone needs to step up and help him with this because he cannot do it alone. Ms. Brackett said this has been going on for six years and has become a health hazard, a vagrant hotel, a drug house, a death scene, an eyesore. She asked what more is required for the county to take action.

Chairman Griffin called on Ms. Sharell Williams of 1147 Northside Road to address the Board. Ms. Williams said she lives directly next door to Mr. Jackson's property approximately 20 feet from his house. She explained that her parents purchased this property in 1961 and have lived in this same house for 50 years. She said they should not have to be subjected to the conditions next door. She stated for five years they have waited patiently for some help, however it appears their concerns have fallen on deaf ears. She said Mr. Jackson's property is a location for late night parties and illicit activities and they have exhausted every possible option. Ms. Williams stated that Mr. Jackson does not pay his taxes or his mortgage and it angers her that this man can stay on this property and has not fulfilled his duties to Pasquotank County. She said they give him water to flush the toilet in the house because he has no running water and no electricity. She stated that they are concerned when the wind blows that it will blow asbestos toward their house. She said they are turning to their elected officials to help them in this matter.

Commissioner Winslow said he would like to thank those people who are here tonight. He added that the Commissioners needed to hear directly from the neighbors exactly what they are going through and the frustration they have. He said the Board is doing everything humanly possible it can to try to get this resolved.

3. AMENDMENTS TO THE AGENDA:

Chairman Griffin asked if there were any amendments to the agenda. It was recommended that the agenda be amended to add the following items recommended by the Finance Committee to the consent agenda: 1) Approval of tax releases on today's Finance Committee agenda; 2) Approval of budget amendments on today's Finance Committee agenda plus an addendum received by the Finance Committee; 3) Approval of change order for GMA's costs for hydrogeological consulting for RO wells; and 4) Approval of cost of painting process area and electrical area at RO plant with epoxy sealer and paint.

Motion was made by Bill Trueblood, seconded by Cecil Perry to amend the agenda to add the four items recommended by the Finance Committee at today's meeting to the consent agenda. The motion carried.

It was also requested that the agenda be amended to add to new business a request that the Elizabeth City/Pasquotank County Parks and Recreation Department become the sponsoring agency of the 2011 Elizabeth City 4th of July Celebration.

Motion was made by Bill Trueblood, seconded by Cecil Perry to amend the agenda to add to new business the request from the Elizabeth City/Pasquotank County Parks and Recreation Department. The motion carried.

4. APPROVAL OF CONSENT AGENDA:

The Board considered the following consent agenda:

a. Approval of Minutes of May 31 and June 6, 2011 Commissioner Meetings

b. Approval of Tax Releases and Solid Waste Fee Releases

The Finance Committee has recommended approval of the following tax releases and solid waste fee releases:

Releases:

		County	City
1.	Greg Anderson Stewart	101.70	83.17
2.	Eliezer Muhniz	158.03	126.46
3.	Michelle Scott Godfrey		147.15
4.	Susan Lynett Wickett	174.91	
5.	Justin Martin Overcash	136.13	104.63
6.	Jennifer Hunter Covington	124.39	
7.	Timothy Bobko	133.34	107.49
8.	Richard Phelps	336.04	
9.	Richard Phelps	347.46	
10.	Scotty Andrew Barten	119.49	
11.	Ben Jacob Orly	114.59	
12.	Melissa M. Dooley	131.68	
13.	William John Morton	116.10	89.23
14.	Darrell Reed House	123.54	
15.	Christopher George Wood	102.55	
16.	Daniel James Todd	104.36	

Solid Waste Fees:

OWNER'S NAME	PARCEL ID NUMBER	RELEASE FOR RELEASE
Phillippe Respass	12-E-3	House vacant
Betsy Smithson Meads	12-E-6	Vacant since 2000
Mattie Lee Smithson	25-C-82-83	Vacant for 3 years

d. Approval of Request from Police Athletic League Regarding Utility Bills

The Finance Committee has recommended approval of a request from the Police Athletic League to waive \$2,993.15 for utility bills that should have been billed in last fiscal year for utility usage in the old Elizabeth City Middle School building and gymnasium. The Police Athletic League is responsible for \$5,155.44 in utility bills that were incurred during the current fiscal year.

e. Approval of Write-Off Listing Update

The EMS Board has recommended approval of an update to the EMS write-off listing policy. The only significant policy change was changing the small amounts for write-offs from \$5 to \$25. The collection agency would not pursue charges less than \$25 and debts for less than \$50 cannot be submitted to debt setoff.

f. Approval of Budget Amendments

The Finance Committee has recommended approval of the following budget amendments:

Public Schools

Increase	010.5910.5630.00	Education-Current Expense	103,719.00
Decrease	010.5910.5636.00	Education-Capital Outlay	103,719.00

Jail

Increase	010.0600.4980.00	Jail-Perq/Camden	263,513.00
Increase	010.0110.4111.10	Ad Valorem Taxes '10	96,525.00
Increase	010.4320.5362.00	Juvenile Services	10,000.00
Increase	010.4320.5700.19	Debt Service	350,038.00

South Park

Increase	010.0110.4111.10	Ad Valorem Taxes '10	46,600.00
Increase	010.6130.5581.04	South Park Complex	46,600.00

Public Schools

Increase	010.0110.4111.10	Ad Valorem Taxes '10	79,402.00
Increase	010.5910.5636.01	Additional Funding	79,402.00

Governing Board

Increase	010.0110.4111.10	Ad Valorem Taxes '10	4,250.00
Increase	010.4110.5499.00	Miscellaneous Expense	4,250.00

County Manager

Increase	010.0110.4111.10	Ad Valorem Taxes '10	7,010.00
Increase	010.4120.5121.00	Salaries & Wages	2,450.00
Increase	010.4120.5183.00	Health Insurance	4,560.00

Tax Admin

Increase	010.0110.4111.10	Ad Valorem Taxes '10	5,520.00
Increase	010.4140.5183.00	Health Insurance	5,520.00

Register of Deeds

Increase	010.0180.4240.00	Documentary Stamps	2,720.00
Increase	010.4180.5183.00	Health Insurance	2,720.00

Public Buildings

Increase	010.0110.4111.10	Ad Valorem Taxes '10	22,600.00
Increase	010.4190.5331.00	Utilities	10,000.00
Increase	010.4190.5351.00	Maintenance-Building	8,000.00
Increase	010.4190.5351.01	Maintenance-Edgewood	4,600.00

Non-Departmental

Increase	010.0110.4111.10	Ad Valorem Taxes '10	7,465.00
Increase	010.4195.5236.00	Storm Water Fees	4,445.00
Increase	010.4195.5440.00	Contracted Services	3,020.00

Sheriff

Increase	010.0600.4940.03	Eliz City Contribution Law Enf.	12,519.00
Increase	010.4310.5700.21	DOJ Block Grant	12,519.00

EMS

Increase	010.0400.4437.00	Revenue for Services	82,600.00
Increase	010.4370.5126.00	Salaries & Wages-Part-time	48,000.00
Increase	010.4370.5183.00	Health Insurance	12,600.00
Increase	010.4370.5251.00	Gas & Oil	16,000.00
Increase	010.4370.5353.00	Maintenance-Vehicles	6,000.00

GIS

Increase	010.0110.4111.10	Ad Valorem Taxes '10	1,110.00
Increase	010.4915.5183.00	Health Insurance	1,110.00

Public Health

Increase	010.0110.4111.10	Ad Valorem Taxes '10	11,500.00
Increase	010.5110.5620.13	Medical Examiner Fees	11,500.00

Meads Pool

Increase	010.0110.4111.10	Ad Valorem Taxes '10	1,720.00
Increase	010.6170.5352.00	Maintenance-Equipment	1,720.00

Special Appropriations

Increase	010.0110.4111.10	Ad Valorem Taxes '10	6,700.00
Increase	010.6600.5693.04	Airport-City	6,700.00

DSS

Increase	011.0230.4547.00	Special Child Adoption	6,000.00
Increase	011.5310.5682.03	PP Adoption Awareness	6,000.00

DSS

Increase	011.0240.4548.00	Crisis Intervention	145,380.00
Increase	011.5400.5688.00	Crisis Intervention	145,380.00

Newland Drainage District

Increase	027.0991.4991.00	Fund Balance Appropriated	10,000.00
Increase	027.4731.5350.00	Maintenance	10,000.00

Economic Development

Increase	030.0220.4270.00	Occupancy Tax	60,000.00
Increase	030.4920.5625.01	Tourism Board	60,000.00

Water

Increase	060.0240.4380.17	CDBG-08-C-1805	90,730.00
Increase	060.7130.5596.02	River's Edge	90,730.00

Water

Increase	060.0350.4714.00	Sewer Revenue	26,000.00
Increase	060.0550.4839.00	Miscellaneous Revenue	25,800.00
Increase	060.0991.4991.00	Fund Balance Appropriated	23,325.00
Increase	060.7140.5500.00	Waste Water Line	75,125.00

Landfill

Increase	065.0230.4370.00	State Grants	14,800.00
Increase	065.0230.4317.00	Electronics Disposal	3,017.00
Increase	065.7240.5387.00	Electronics Disposal	3,017.00
Increase	065.7420.5600.00	Grant Funds	14,800.00

g. Approval of Change Order for Hydrogeologic Consulting by GMA

The Finance Committee has recommended approval of a change order in the amount of \$4,950 with GMA for evaluating the preliminary development of the Ownley II and Wesley II wells for

the RO plant. The intent is to charge the well drilling contractor for this additional work since this is due to ongoing problems with the construction of the wells.

h. Approval of Epoxy Sealer for RO Plant Floor

The Finance Committee has recommended that the Board approve the expenditure of \$5,534 for the cost of painting the floor in the process area and electrical area at the RO plant with epoxy sealer and paint.

Motion was made by Gary White, seconded by Cecil Perry to approve the Consent Agenda as amended. The motion carried.

The following tax releases have been approved by the Finance Officer:

Releases:

		County	City
1.	Jeffrey A. Danner	73.63	61.59
2.	Jessica Nicole Taylor	28.31	26.76
3.	Cherly Whidbee Jordan	15.73	12.09
4.	Charlie Floyd Fisher	12.23	
5.	Violet M. Tedrick	3.51	
6.	Krystle Holly Kearns	58.02	49.59
7.	Brian Patrick Callon	69.51	
8.	Joanna Easter Delavergne	94.26	
9.	Cornelious Alfonzo Etheridge	10.16	7.81
10.	William Daniel Nuggett	79.09	
11.	Anna Marie Nuggett	25.53	
12.	Kimberly Anne Spivey	64.25	54.38
13.	Paul Robert Beavis	4.27	
14.	Edgar L. Green, Jr.	80.28	
15.	Brian C. Marcotte	45.40	
16.	Herbert Allen Alexander	8.05	
17.	Krishnaji Hanmant Kulkarni	18.09	
18.	Caleb Manuel Baze	2.90	2.23
19.	Philip Gregory Benton	39.93	
20.	Kelly Thomas McCarthy	83.19	
21.	Scott Anthony Hinton	10.41	8.00
22.	Todd Orlando Bartlett	12.80	9.84
23.	Tiffany Renae Clairborne	56.16	48.20
24.	Earmon Dale Horn, Jr.	7.08	
25.	Robert Allen Mogary	20.04	15.41
26.	Nathaniel David Chappell	6.53	
27.	Edgar Griffin	45.44	
28.	Tamika Michelle Keys	25.59	
29.	Janet Hellings Decastillia	33.31	25.60
30.	David Edward Burnham	82.58	68.47
31.	David Edward Burnham	34.49	31.51
32.	Darrell Reed House	10.16	
33.	Lisa Eason Johnson	9.23	7.09
34.	Eric Raymond Holmes	32.61	30.06
35.	Ryan Alfred Garron	62.62	
36.	Phillip Alexander Jenkins, Jr.	41.38	31.81
37.	Leo Dennis Kelly	10.35	7.95
38.	Macei Nicole Copeland	1.69	1.30
39.	James Jacob Hall, Jr.	3.72	2.86
40.	John Carlton Krause	57.60	
41.	James Travis Gardner	31.12	28.94
42.	Maria Gonzales Penato	10.04	7.72
43.	Robert Jarrod Jordan	68.00	57.27
44.	Christopher Grant Chapman	58.02	
45.	Christopher Grant Chapman	2.96	
46.	Kenneth Alvin Sweatman	14.85	11.42
47.	Blair Thomas Otts	2.78	
48.	Leigh Carol Donitelli	21.11	
49.	Steven Spencer Wentz	17.73	
50.	Christian Lee Schomburg	14.46	
51.	Christian Lee Schomburg	32.19	

52.	Christian Lee Schomburg	83.85	
53.	Shawn Kelvin Heaten	38.48	34.57
54.	Judy Lynn Ambrose	95.77	
55.	Herbert Anthony McCalla	52.82	
56.	Herbert Anthony McCalla	8.53	11.56
57.	Christopher Walter Teall	54.75	
58.	Christopher Walter Teall	75.99	
59.	Ryan Joseph Perry, Sr.	77.81	64.85
60.	Ryan Joseph Perry, Sr.	35.98	32.68
61.	Paul Andrew Riggs	92.63	76.19
62.	Nicholas James Gall	44.29	
63.	Tracy K. Stevens	91.48	
64.	Tabitha Rae Warrener	9.44	
65.	Douglas Clayton Anderson	13.55	10.42
66.	Jason Lee Dorsey	43.53	
67.	Wendy Limbaugh Dorsey	50.64	
68.	Octavius Quanta Figgs	2.03	
69.	Ali Ather Khan	15.85	
70.	Leroy McKinley Lightfoot	6.56	
71.	Stephanie Danielle Worsley	1.33	
72.	Earl Spencer Sawyer	15.31	11.76
73.	Michael Scott Hall	20.75	15.95
74.	Sara Elizabeth Leonard	11.86	9.11
75.	William Austin Hardison	4.30	
76.	Jennifer Nicole Davis	69.85	
77.	Jennifer Nicole Davis	45.57	
78.	Jennifer Davis Perry	31.40	
79.	Rosie Marie Ross	76.47	
80.	Raven Gene Atkins, Jr.	55.72	47.83
81.	Tara Diane Ward	16.15	
82.	Patricia Ocal Mountjoy	50.61	38.90
83.	Kimberly Horgan	52.09	45.04

5. FOURTH OF JULY CELEBRATION:

The Board needs to authorize the Elizabeth City/Pasquotank County Parks and Recreation Department to become the sponsoring agency of the 2011 Elizabeth City 4th of July Celebration. County Manager Randy Keaton said this is an annual requirement due to the new fireworks law. Chairman Griffin requested that he be recused from considering this item due to a conflict of interest.

Motion was made by Gary White, seconded by Cecil Perry to recuse Chairman Lloyd Griffin from considering the request regarding the 2011 4th of July Celebration. The motion carried and the meeting was turned over to Commissioner Cecil Perry as Acting Chairman for this one item.

Mr. Keaton stated that each year the county has to specifically authorize the shooting off of the fireworks. This approval would also give the Parks and Recreation Department the authority to solicit funds from the community for the event.

Commissioners Trueblood expressed concern that this approval might somehow obligate the county for the additional funds needed. Mr. Keaton said this approval only authorizes the Parks and Recreation Department to become the sponsoring agency so they can solicit funds, and also shoot off the fireworks. He stated that the county has only obligated \$5,000 for the fireworks and there is no request for additional money.

Commissioner Sterritt asked who is responsible for safety. Mr. Keaton stated that Dr. Terryberry is the certified fireworks operator who will be launching the fireworks. He is a subcontractor with Zambelli Fireworks and has been trained in pyrotechnics. The City Fire Marshal will inspect to make sure everything is done safety, and the fireworks will be shot off from a barge in the river. Mr. Keaton said all safety measures will be in place and he added that the county will not be liable for any injuries.

Motion was made by Bill Trueblood, seconded by Gary White to authorize the Elizabeth City/Pasquotank County Parks and Recreation Department to become the sponsoring agency of the 2011 4th of July Celebration. The motion carried 5-0.

6. REPORT ON HUNTING LEGISLATION:

Chairman Griffin referred to House Bill 362, *An Act to Regulate Hunting with Centerfire Rifles in Pasquotank County and to Prohibit Hunting from Vessels on Portions of the Tar River in Edgecombe County*, a copy of which had been provided by the County Manager. The County Manager noted that Pasquotank County's hunting bill had been combined with another hunting bill for Edgecombe County. This act will become effective October 1, 2011.

Commissioner Trueblood added that the statewide bill has passed the third reading that requires written permission to hunt on posted land.

7. GARLAND SCOTT'S PROJECT:

Chairman Griffin asked Commissioner Joe Winslow to explain his concerns about Mr. Garland Scott's subdivision project on Main Street Extended. Commissioner Winslow stated that Mr. Scott plans to attend the next Water Committee meeting to express his concerns involving water meters and who was responsible for paying to move the meters. The County Manager stated that Water Superintendent John Gregory had originally been advised by the Department of Transportation that the meters were outside of the state right-of-way and Mr. Scott received conflicting information. He said after a lot of research Mr. Gregory just received a definitive map showing the meters were inside the right-of-way, so it will be the county's responsibility to assume the cost of moving the meters. Mr. Keaton said this issue has been resolved and Mr. Scott will not have to pay for moving the meters. Commissioner Winslow stated that what bothers him is the process by which this was handled. He said the taxpayer did 90% of the research to get this matter resolved and he feels that county staff should have taken care of this. He said he would like for county staff to take care of issues like this in the future. Mr. Keaton explained that it took quite awhile for the county to get a definitive answer from DOT and the Water Superintendent just got that within the last couple of weeks. He added that this was a DOT right-of-way and not a county right-of-way and the water meters had been in place since the Water System was first started. He said once the correct map had been received from DOT and it had been determined the meters were in the right-of-way, it became Pasquotank County's responsibility to move the meters. Commissioner Winslow said he wants an understanding that when there is an issue involving a taxpayer that the staff of Pasquotank County should take care of that issue and not put the responsibility on the taxpayer to prove whether he is right or wrong.

8. REPORTS FROM COMMISSIONERS:

Commissioner Bill Trueblood reported that the Recreation Advisory Committee met again and talked about an issue that he thought would probably be discussed later, Fish Court. He said he read in the newspaper several days later that the City Council had already made a move and had contacted CAMA. He stated that he never saw any money in the budget to take care of Fish Court. He suggested a meeting with the city to determine how many Parks and Recreation Departments there are in the county.

Commissioner Cecil Perry reported that the Jail Commission met today and passed the Jail budget. He said since the last meeting he had a discussion with the Chairman of the Chowan County Board of Commissioners about the possibility of Chowan County affiliating with the Albemarle District Jail. He advised that the Jail Commission will be meeting with Chowan County and Gates County officials on June 29 at 10:00 AM to discuss the possibility of Chowan and Gates Counties becoming part of the Albemarle District Jail. He said any Commissioners who would like to attend the meeting are invited.

Commissioner William Sterritt reported that he missed the last meeting of the SPCA Advisory Board because of the Conditional Use Permit hearing the Board held the same evening. He said he would like to thank Assistant County Manager Rodney Bunch for his close cooperation with the Chairman of the SPCA who is looking for property where the animal shelter can move from its present location. He stated that the SPCA is still looking for options.

Commissioner Joe Winslow reported that last week when the Board had a wind farm meeting at 8:30 AM and then went into a budget meeting and got out about 11:30, he was able to see his son who was going back to Washington, DC for about 30 minutes. He then attended a retreat at COA from 12:00 until about 6:00 PM, and at 7:00 PM the COA Board held its regular meeting

where he was sworn in as a member of the Board of Trustees. Commissioner Winslow said this was a great experience with wonderful people and a great group of Trustees present and he thoroughly enjoyed it, however it was a very grueling day.

Commissioner Bill Trueblood advised that the North Carolina Association of County Commissioners Annual Conference will be held in Cabarrus County beginning on August 18. He said he plans to attend and he would suggest that anyone else who wants to attend begin thinking about it.

Chairman Griffin noted that earlier this evening the county budget did not pass, therefore the Board needs to schedule another budget meeting. He requested that the Board tentatively schedule the meeting for Monday, June 27 at 8:30 AM to resume budget discussions. He added that the Board will also go into Closed Session to discuss personnel matters.

Chairman Griffin stated that he would like to thank the Sheriff and Albemarle District Jail staff for opening up the old Albemarle District Jail facility for the Commissioners to tour today. He stated that the Board has previously received a request from an agency that the county deed the facility to them for use as a homeless shelter. The Board concurred to not grant the request.

At the absence of further business;

Motion was made by Gary White, seconded by Cecil Perry to adjourn the meeting. The motion carried and the meeting was adjourned at 7:55 PM.

CHAIRMAN

CLERK TO THE BOARD

**PASQUOTANK COUNTY, NORTH CAROLINA
JUNE 27, 2011**

The Pasquotank County Board of Commissioners met today in a special meeting on Monday, June 27, 2011 in Courtroom C in the Pasquotank County Courthouse.

MEMBERS PRESENT: Lloyd E. Griffin, III, Chairman
Jeff Dixon, Vice-Chairman
Bill Trueblood
Cecil Perry
Dr. William R. Sterritt
Gary G. White
Joseph S. Winslow, Jr.

MEMBERS ABSENT: None

OTHERS PRESENT: Randy Keaton, County Manager
Rodney Bunch, Assistant County Manager
Sheri Small, Finance Officer
Karen Jennings, Clerk to the Board

The meeting was called to order at 5:00 PM by Chairman Lloyd Griffin.

1. DISCUSSION REGARDING FY 2011-12 PROPOSED BUDGET:

Chairman Griffin stated that at the last meeting the Board did not approve the budget which was presented by the County Manager that included a 4¢ tax increase. He said during budget deliberations and discussions over the past couple of weeks the increase has been reduced to 2¢. He advised that at the last meeting, two members said they would support a 0¢ tax increase; two members said they would support 1½¢; and three members said they would support a 2¢ tax increase. He said the average of these numbers rounds up to 1.5¢.

County Manager Randy Keaton presented some recommendations for small cuts in appropriations that could be made. He explained that he and the Finance Officer have estimated the fund balance at the end of the current fiscal year and they are estimating approximately \$500,000 in revenues over expenses. He said this \$500,000 could be applied to fund balance appropriated for the new fiscal year that will begin July 1. He said with the reductions he has recommended, \$362,457 in fund balance could be appropriated to reduce the tax increase to 1.5¢, or \$203,857 in fund balance could be appropriated for a 2¢ tax increase.

The Board discussed other items in the proposed budget. It was suggested by Commissioner Bill Trueblood that the activity bus for the schools be removed. He said the Board approved using QSCB financing totaling \$2 million for school capital projects which is significantly more than the School Board requested in their budget and the county will be taking on \$200,000 of QSCB debt payments per year. He stated that he feels it would be appropriate to let the School Board carry the cost of the bus in order to reduce the expense to the county in years to come for additional debt. He said if the county can save \$7,500 this year and \$15,000 in out years, it is his recommendation to remove the activity bus from the county budget. The QSCB financing would remain intact. Vice-Chairman Dixon noted that the school activity buses are in bad shape and really need to be replaced because they go out of the county and have a lot of miles on them. He said he would request that the purchase of the bus remain in the budget. Four members of the Board supported removing the activity bus from the budget. The County Manager noted that this action will reduce the debt payment by \$7,500, thereby reducing the budget by \$7,500.

The Board discussed a previous recommendation from Commissioner Sterritt to cut the appropriations to contingency and reappraisal reserve in half, leaving appropriations of \$25,000 each. Commissioner Sterritt said he would not be opposed to a reduction of \$10,000 for each item rather than \$25,000. This would reduce the appropriations to \$40,000 each. It was the consensus of a majority of the Board to reduce the appropriations to contingency and reappraisal reserve from \$50,000 to \$40,000, resulting in a reduction of \$20,000.

The Board also discussed the proposed new fire truck for Nixonton Volunteer Fire Department and members of the Board expressed their opinions. The County Manager estimated that the annual debt payment would be about \$47,700, with only half of that coming due in the upcoming

fiscal year which would be about \$24,000. He said this is based on a cost of \$300,000, but if the bids on the truck come in lower, the debt payments would be lower. The majority of the Board concurred to remove the fire truck from the budget at the present time.

The Board was advised that with the reductions that have been made and by using \$400,000 of proceeds from the sale of the Southern Shores property as previously approved by the Board, a total of \$310,957 in fund balance would have to be appropriated in order to have a 1.5¢ tax rate, or \$152,357 would have to be appropriated for a 2¢ tax rate.

2. CLOSED SESSION TO DISCUSS PERSONNEL MATTERS:

Chairman Griffin asked for a motion that the Board enter Closed Session to discuss personnel matters with the County Manager.

Motion was made by Gary White, seconded by William Sterritt that the Board enter Closed Session to discuss personnel matters. The motion carried unanimously.

Upon the end of Closed Session;

Motion was made by Gary White, seconded by Jeff Dixon that the Board return to Regular Session. The motion carried unanimously.

3. ADOPTION OF 2011-12 FISCAL YEAR BUDGET:

The Board continued discussion regarding the FY 2011-12 proposed budget. Chairman Griffin stated that budget reductions totaling about \$51,500 have been made today and by using \$310,957 in fund balance the tax increase can be reduced to 1.5¢. He asked if there was consensus among the Board regarding this proposal. The consensus was to move forward with this proposed budget.

Motion was made by Jeff Dixon, seconded by Joe Winslow to adopt the proposed budget for the 2011-12 fiscal year with a 1.5¢ tax increase. The motion carried by a five to two margin with Commissioners Sterritt and White voting against the proposed budget. The following budget ordinance was adopted.

**BUDGET ORDINANCE
FISCAL YEAR 2011-2012**

BE IT ORDAINED THIS 27th DAY OF JUNE, 2011 BY THE BOARD OF COMMISSIONERS OF PASQUOTANK COUNTY, NORTH CAROLINA:

I. GENERAL FUND

SECTION 1 – APPROPRIATIONS: The following amounts are hereby appropriated in the General Fund for the operation of county government and its activities for the fiscal year beginning July 1, 2011 and ending June 30, 2012, in accordance with the chart of accounts heretofore established for this county:

Governing Board	\$ 91,140
County Manager	337,105
Personnel/Payroll.....	93,761
Finance Department.....	268,576
Data Processing	264,000
Tax Administration.....	503,333
County Attorney	164,936
Court Facilities	55,000
Elections Board	260,270
Register of Deeds	251,282
Public Buildings	932,004
Health & Social Services Building.....	240,446
Non-Departmental	246,960
Sheriff's Department	3,180,596
School Resource Officers	235,019
Jail	2,728,547
Central Communications	903,711
Emergency Management	120,259
Central Fire Department	379,727

Intercounty Fire Department	47,500
Newland Fire Department	53,049
Weeksville Fire Department.....	39,712
Providence Fire Department.....	62,684
Nixonton Fire Department.....	33,943
Building Inspector	180,091
Emergency Medical Services	2,684,879
Animal Control.....	234,864
Planning Department.....	120,451
Geographic Information Systems	108,763
Economic Development	120,472
Cooperative Extension Service.....	227,565
Soil & Water Conservation	47,034
Public Health	217,397
Public Schools	10,004,858
College of The Albemarle	1,291,154
Parks & Recreation.....	835,375
Special Appropriations:	
-Miscellaneous.....	450,135
-Contribution to:	
Public Assistance Fund	3,135,771
Pasquotank-Camden Library Fund.....	483,318
Reappraisal Reserve	40,000
Contingency.....	40,000
Debt Retirement.....	<u>4,751,872</u>
 TOTAL GENERAL FUND	 \$ 36,467,559

SECTION 2 – REVENUES: It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2011 and ending June 30, 2012:

Ad Valorem Taxes.....	\$20,347,500
Sales Tax 1%	3,000,000
Sales Tax ½%	3,400,000
Land Transfer Tax	750,000
Franchise Fees	175,000
Wine & Beer Tax.....	95,000
Lottery Fund.....	600,000
Inspection Fees	90,000
Recording Fees	200,000
Interest on Investments.....	50,000
ABC Store Revenue	120,000
EMS Revenue from Services.....	2,098,600
Revenue – Albemarle Hospital.....	460,000
Rent Revenue.....	1,661,121
Other Revenue	3,109,575
Fund Balance Appropriated.....	<u>310,763</u>
 TOTAL GENERAL FUND	 \$36,467,559

II. SOCIAL SERVICES FUND

SECTION 1 – APPROPRIATIONS: The following amounts are hereby appropriated in the Social Services Fund for administration of and payments to recipients of public assistance for the fiscal year beginning July 1, 2011 and ending June 30, 2012:

Administration.....	\$ 6,006,983
Special Assistance	615,000
Child Care Services	1,709,177
Foster Care.....	310,000
Adoption Assistance.....	78,687
Other.....	<u>223,710</u>
 TOTAL SOCIAL SERVICES FUND	 \$ 8,943,557

SECTION 2 – REVENUES: It is estimated that the following revenues will be available to the Social Services Fund for the fiscal year beginning July 1, 2011 and ending June 30, 2012:

Federal and State Grants & Other Sources	\$ 5,807,786
Contribution from General Fund	<u>3,135,771</u>
TOTAL SOCIAL SERVICES FUND	\$ 8,943,557

III. PASQUOTANK-CAMDEN LIBRARY FUND

SECTION 1 – APPROPRIATIONS: The following amounts are hereby appropriated in the Pasquotank-Camden Library Fund for the fiscal year beginning July 1, 2011 and ending June 30, 2012.

Operating Expenses	\$ 631,748
TOTAL PASQUOTANK-CAMDEN LIBRARY FUND	\$ 631,748

SECTION 2 – REVENUES: It is estimated that the following revenues will be available in the Pasquotank-Camden Library Fund for the fiscal year beginning July 1, 2011 and ending June 30, 2012:

Fees & Fines	\$ 12,500
Copies	9,500
Interest	600
Miscellaneous Revenue	4,000
Contribution from Elizabeth City	1,000
Contribution from Camden County	120,830
Contribution from Pasquotank County General Fund	<u>483,318</u>
TOTAL PASQUOTANK-CAMDEN LIBRARY FUND	\$ 631,748

IV. CAPITAL RESERVE FUND

SECTION 1 – APPROPRIATIONS: The following amounts are hereby appropriated in the Capital Reserve Fund for the fiscal year beginning July 1, 2011 and ending June 30, 2012:

Capital Reserve	\$ 400,000
TOTAL CAPITAL RESERVE FUND	\$ 400,000

SECTION 2 – REVENUES: It is estimated that the following revenues will be available for the Capital Reserve Fund for the fiscal year beginning July 1, 2011 and ending June 30, 2012:

Sale of Assets	\$ 400,000
TOTAL CAPITAL RESERVE FUND	\$ 400,000

V. EMERGENCY TELEPHONE FUND

SECTION 1 – APPROPRIATIONS: The following amounts are hereby appropriated in the Emergency Telephone Fund for the fiscal year beginning July 1, 2011 and ending June 30, 2012:

Operating Expenses	\$ 147,640
Transfer to General Fund	62,000
Miscellaneous Expense	240,170
Capital Outlay	<u>24,600</u>
TOTAL EMERGENCY TELEPHONE FUND	\$ 474,410

SECTION 2 – REVENUES: It is estimated that the following revenues will be available in the Emergency Telephone Fund for the fiscal year beginning July 1, 2011 and ending June 30, 2012:

NC 911 PSAP	\$ 204,000
Fund Balance Appropriated	<u>270,410</u>
TOTAL EMERGENCY TELEPHONE FUND	\$ 474,410

VI. REAPPRAISAL RESERVE FUND

SECTION 1 – APPROPRIATIONS: The following amounts are hereby appropriated in the Reappraisal Reserve Fund for the fiscal year beginning July 1, 2011 and ending June 30, 2012:

Reappraisal	\$ 40,000
TOTAL REAPPRAISAL RESERVE FUND	\$ 40,000

SECTION 2 – REVENUES: It is estimated that the following revenues will be available in the Reappraisal Reserve Fund for the fiscal year beginning July 1, 2011 and ending June 30, 2012:

Transfer from General Fund	\$ 40,000
TOTAL REAPPRAISAL RESERVE FUND	\$ 40,000

VII. DRAINAGE DISTRICT FUND

SECTION 1 – APPROPRIATIONS: The following amounts are hereby appropriated in the Newland Drainage District Fund for the fiscal year beginning July 1, 2011 and ending June 30, 2012:

Maintenance	\$ 5,300
TOTAL NEWLAND DRAINAGE DISTRICT FUND	\$ 5,300

SECTION 2 – REVENUES: It is estimated that the following revenues will be available in the Newland Drainage District Fund for the fiscal year beginning July 1, 2011 and ending June 30, 2012:

Revenue from Assessments	\$ 5,300
TOTAL NEWLAND DRAINAGE DISTRICT FUND	\$ 5,300

VIII. OCCUPANCY TAX FUND

SECTION 1 – APPROPRIATIONS: The following amounts are hereby appropriated in the Occupancy Tax Fund for the fiscal year beginning July 1, 2011 and ending June 30, 2012:

Tourism Board	\$ 460,000
TOTAL OCCUPANCY TAX FUND	\$ 460,000

SECTION 2 – REVENUES: It is estimated that the following revenues will be available in the Occupancy Tax Fund for the fiscal year beginning July 1, 2011 and ending June 30, 2012:

Occupancy Tax Revenue	\$ 460,000
TOTAL OCCUPANCY TAX FUND	\$ 460,000

IX. WATER SYSTEM FUND

SECTION 1 – APPROPRIATIONS: The following amounts are hereby appropriated in the Water System Fund for the fiscal year beginning July 1, 2011 and ending June 30, 2012:

Operating Expenses	\$ 2,848,125
Capital Outlay	158,000
Contingency	5,000
Operating Expenses – Sewer Department	128,875
Capital Outlay – Sewer Department	<u>20,000</u>
TOTAL WATER SYSTEM FUND	\$ 3,160,000

SECTION 2 – REVENUES: It is estimated that the following revenues will be available in the Water System Fund for the fiscal year beginning July 1, 2011 and ending June 30, 2012:

Sale of Water	\$ 2,800,000
Hookups	50,000
Sewer Revenue	175,000
Interest on Investments	20,000
Penalties & Fees	65,000
Miscellaneous	<u>50,000</u>
TOTAL WATER SYSTEM FUND	\$ 3,160,000

X. REVERSE OSMOSIS PLANT FUND

SECTION 1 – APPROPRIATIONS: The following amounts are hereby appropriated in the Reverse Osmosis Plant Fund for the fiscal year beginning July 1, 2011 and ending June 30, 2012:

Operating Expenses	\$ 705,390
Capital Outlay.....	1,000
Debt Retirement.....	<u>1,248,452</u>
TOTAL REVERSE OSMOSIS PLANT FUND	\$ 1,954,842

SECTION 2 – REVENUES: It is estimated that the following revenues will be available to the Reverse Osmosis Plant Fund for the fiscal year beginning July 1, 2011 and ending June 30, 2012:

Sale of Water	\$ 1,954,842
TOTAL REVERSE OSMOSIS PLANT FUND	\$ 1,954,842

XI. LANDFILL FUND

SECTION 1 – APPROPRIATIONS: The following amounts are hereby appropriated in the Landfill Fund for the fiscal year beginning July 1, 2011 and ending June 30, 2012:

Operating Expenses – Landfill	\$ 2,545,805
Operating Expenses – Solid Waste.....	<u>2,250,612</u>
TOTAL LANDFILL FUND	\$ 4,796,417

SECTION 2 – REVENUES: It is estimated that the following revenues will be available to the Landfill Fund for the fiscal year beginning July 1, 2011 and ending June 30, 2012:

Tipping Fees	\$ 2,171,517
Solid Waste Fees	2,451,500
Tire Disposal Fees	50,000
White Goods Disposal Fees.....	12,000
Sale of White Goods.....	45,000
Miscellaneous	<u>66,400</u>
TOTAL LANDFILL FUND	\$ 4,796,417

XII. SCHOOL APPROPRIATIONS

SECTION 1: The appropriation to the Board of Education first shall be made from any such funds which are dedicated to the use of the schools and secondly shall be made from general county fund revenues to the extent necessary to meet approved appropriations. The appropriations to schools are based on an estimated Public Law Fund - \$75,000 and fines and forfeitures of \$245,000.

SECTION 2: The total appropriation for Current Expense from General Fund is \$9,601,372.

SECTION 3: The total appropriation for Capital Outlay from General Fund is \$403,486.

XIII. OTHER PROVISIONS

SECTION 1: The County Budget Officer is hereby authorized to transfer appropriations within a fund as contained herein under the following conditions:

- a) He may transfer amounts between objects of expenditure within a department except salary amounts without limitation.
- b) He may not transfer any amounts between departments or funds from any contingency appropriation within any fund.

SECTION 2: No expenditure may be made in any line item that exceeds the amount set forth in the chart of accounts without prior authorization by the County Manager or Board of Commissioners.

SECTION 3: The County Manager and Clerk to the Board are hereby authorized to execute the necessary agreements within funds included in the Budget Ordinance for the following purposes:

(1) Form grant agreements to public and non-profit organizations; (2) Leases of normal and routine business equipment where the annual rental of each is not more than \$20,000; (3) Consultant, professional or maintenance service agreements where the annual compensation of each is not more than \$20,000; (4) Purchase of apparatus, supplies, materials, or equipment where formal bids are not required by law; (5) Agreements for acceptance of State, Federal, public, and non-profit organization grant funds, and funds from other governmental units for services to be rendered; (6) Construction or repair work where formal bids are not required by law; and (7) Liability, health, life, disability, casualty, property or other insurance or retention and faithful performance bonds (other than for the Sheriff and Register of Deeds). Other appropriate county officials are also authorized to execute or approve such insurance and bond undertakings as provided by law.

XIV. FEES

SECTION 1: There is hereby established a fee of \$66.00 per ton for residential garbage and \$69.00 per ton for commercial garbage disposed of at the Pasquotank County Transfer Station for the purpose of raising the revenue listed in the Landfill Fund – Part XI, Section 2 of this ordinance.

SECTION 2: There is hereby established a fee of \$48 per ton for land clearing and inert debris disposed of at the Pasquotank County LCID Landfill for the purpose of raising the revenue listed in the Landfill Fund - Part XI, Section 2 of this ordinance.

SECTION 3: There is hereby established a fee of \$48 per ton for construction and demolition material disposed of at the Pasquotank County C&D Landfill for the purpose of raising the revenue listed in the Landfill Fund-Part XI, Section 2 of this ordinance.

SECTION 4: There is hereby established a solid waste availability fee of \$144 per household for the purpose of raising the revenue listed in the Landfill Fund-Part XI, Section 2 of this ordinance. The solid waste availability fee will remain at \$75 for low-income senior citizens who qualify for the property tax reduction.

XV. TAX LEVY

SECTION 1: There is hereby levied a tax at the rate of sixty-two cents (62¢) per One Hundred Dollar (\$100.00) valuation of property listed for taxes as of January 1, 2011 for the purpose of raising the revenue listed in the General Fund - Part I, Section 2 of this ordinance.

SECTION 2: This rate of tax is based on a total valuation of property for the purpose of taxation of \$3,338,085,010 and an estimated rate of collection of 95%.

SECTION 3: There is hereby levied an assessment of twenty-seven cents (27¢) per acre for the Newland Drainage District for the purpose of raising the revenue to maintain the drainage in the service district.

Approved on June 27, 2011 by the following vote of the members of the Pasquotank County Board of Commissioners: 5 in favor; 2 opposed.

Lloyd E. Griffin, III, Chairman
Pasquotank County Board of Commissioners

Attest:

Karen S. Jennings
Clerk to the Board

4. REQUEST TO PROVIDE ADDITIONAL FUNDS FOR 4TH OF JULY FIREWORKS:

Vice-Chairman Jeff Dixon stated that the Board severely cut its contribution for the 4th of July fireworks display from \$8,000 last year to \$5,000 this year. He said when the county cuts its contribution the city does likewise, so this has left a \$6,000 gap. He proposed that the members of the Board who opposed appropriating the entire \$8,000 as last year reconsider their decisions. He stated that the tourism funds that pay for the fireworks do not come from the county's

taxpayers but from Occupancy Tax funds collected by hotels/motels. He said he believes the fireworks display is a good use of tourism money. The majority of the Board did not agree with the appropriation of additional funds for the fireworks.

5. CLOSED SESSION TO DISCUSS LEGAL MATTER:

County Manager Randy Keaton asked that the Board enter Closed Session to receive an update on a legal matter.

Motion was made by Cecil Perry, seconded by Jeff Dixon that the Board enter Closed Session to discuss a legal matter. The motion carried unanimously.

Upon the end of Closed Session;

Motion was made by Gary White, seconded by Jeff Dixon that the Board return to Regular Session. The motion carried unanimously.

Vice-Chairman Dixon said he would like to thank the Commissioners and staff for all they have done on behalf of his family since the death of his mother last week. He stated that everything was most appreciated.

Chairman Griffin stated that the next meeting of the Board will be on July 11. He asked if there was any further business to come before the Board. At the absence of further business;

Motion was made by Jeff Dixon, seconded by Gary White to adjourn the meeting. The motion carried and the meeting was adjourned at 6:45 PM.

CHAIRMAN

CLERK TO THE BOARD