

**PASQUOTANK COUNTY, NORTH CAROLINA
FEBRUARY 5, 2007**

The Pasquotank County Board of Commissioners met today in a regular meeting on Monday, February 5, 2007 in Courtroom C in the Pasquotank County Courthouse.

MEMBERS PRESENT: Cecil Perry, Chairman
Matt Wood
Bill Trueblood
Marshall Stevenson
Jeff Dixon
Jimmie Harris

MEMBERS ABSENT: Lloyd E. Griffin, III, Vice-Chairman

OTHERS PRESENT: Randy Keaton, County Manager
Rodney Bunch, Asst. County Mgr. for Planning & Econ. Dev.
Karen Jennings, Clerk to the Board

The meeting was called to order at 7:03 PM by Chairman Cecil Perry. The Rev. Joey Hobbs, Pastor of Fellowship Baptist Church gave the invocation and Commissioner Bill Trueblood led in the Pledge of Allegiance to the American Flag. Chairman Perry welcomed everyone present.

1. REQUEST FROM SPCA:

Chairman Perry recognized Mr. Carl Estus, President of the SPCA. Mr. Estus requested that the county and the SPCA negotiate a new contract for the operation of the Animal Shelter. He stated that the areas which need to be addressed in the new contract are benefits such as medical and retirement for Animal Shelter employees, and the length of time animals have to be held when they are turned in or brought in to the shelter and how they will be accommodated. The Board requested that the SPCA present the recommended changes to the County Manager.

2. PRESENTATION OF PINS TO COUNTY EMPLOYEES FOR YEARS OF SERVICE:

Chairman Perry called on the following county employees to receive pins recognizing their years of service to Pasquotank County:

Employee	Department	Years of Service	Date Hired
Karen Price	Tax Office	30 years	12-20-76
Dollie Summerour	Register of Deeds	30 years	01-03-77
Patrice Stewart	Tax Office	25 years	12-01-81
Janet Sawyer	Social Services	20 years	11-05-86
Lauren Mallory	Social Services	15 years	01-12-87 & 11-01-96
Clementine White	Register of Deeds	10 years	07-29-96
Sheri Bulman	Finance Department	10 years	12-01-96
William T. Harris	Sheriff's Department	10 years	01-10-97

The Board congratulated and thanked the employees for their service.

3. PUBLIC HEARING ON CDBG SCATTERED SITE HOUSING APPLICATION:

Chairman Perry declared the meeting to be a public hearing to receive citizen comments on a 2007 CDBG Scattered Site Housing Application. Assistant County Manager Rodney Bunch explained that activities available under the grant program are acquisition, clearance, relocation, urgent repairs, and housing rehabilitation. The total grant application will be for \$400,000 and the CDBG funds will be used in the city and the county. The county and city have been given a list of potential applicants for these grant funds and further applications can be submitted. A committee would need to be established to prioritize the applicants, select beneficiaries, and monitor the activities and accomplishments of the program.

Chairman Perry asked if anyone would care to comment on the CDBG application. At the absence of comments, the public hearing was closed.

4. PUBLIC HEARING ON SALE OF LOTS 2 & 3 IN THE PASQUOTANK COUNTY COMMERCE PARK, SECTION B:

Chairman Perry declared the meeting to be a public hearing on the sale of lots 2 & 3 in Section B in the Pasquotank County Commerce Park. Assistant County Manager Rodney Bunch stated that each lot is 2.64 acres in size and the proposed consideration is \$25,000 per acre. He said the purchaser is CAO Properties, LLC and the three partners of the LLC are in attendance tonight. Mr. Clay Culbreth, one of the partners, advised that they are looking to develop a project in Pasquotank County that will be an incubator/office/warehouse project. He said they see this project as a great opportunity and feel it will prove beneficial to the community. He stated that the concept is to initially construct a 10,000 to 11,000 square foot building with 900 square foot suites to be leased. Mr. Bunch added that Mr. Culbreth has indicated that the anticipated hourly wages at this location will be approximately \$11 per hour.

Chairman Perry asked if anyone else would care to comment on the sale of the lots. At the absence of additional comments, the public hearing was closed.

Motion was made by Bill Trueblood, seconded by Matt Wood to approve the sale of lots 2 & 3 consisting of 2.64 acres each in Section B in the Commerce Park to CAO Properties, LLC for \$25,000 per acre. The motion carried.

5. AMENDMENTS TO THE AGENDA:

Chairman Perry asked if there were any amendments to the agenda. The following items were added to the agenda from today's Finance Committee meeting:

a. Approval of 24/7 Paid EMS Service and On-Call Pay Proposal

The Finance Committee has recommended approval of implementation of paid 24/7 EMS service due to a request from the Rescue Squad for the county to take over primary response for calls the Rescue Squad has been handling on nights, Sundays, and holidays. The Finance Committee has also recommended approval to hire six additional personnel to cover the increased hours at an estimated cost of \$336,000 to \$380,000. In addition, the Finance Committee has recommended approval of an on-call pay proposal to provide personnel for coverage for emergency transfers to and from Albemarle Hospital after normal working hours.

Motion was made by Matt Wood, seconded by Bill Trueblood to approve the implementation of paid 24/7 EMS service, to authorize the hiring of six additional personnel to handle the increased hours at a cost ranging from \$336,000 to \$380,000, and to approve the on-call pay proposal. The motion carried.

b. Approval of Recommendation from Newland Water Management Committee

The Finance Committee has recommended that the Board approve a contract with Jimmy Droze to remove trees that are down in the upper Pasquotank River area at a total cost of \$14,000 as recommended by the Newland Water Management Committee.

Motion was made by Matt Wood, seconded by Jimmie Harris to approve a contract with Jimmy Droze for a clearing and snagging project in the upper Pasquotank River area for \$14,000. The motion carried.

c. Approval to Order Library Shelving

The Finance Committee has recommended that the Board move forward with ordering new shelving for the new Library.

Motion was made by Matt Wood, seconded by Bill Trueblood to authorize the ordering of shelving for the new Library. The motion carried by a five to one margin with Commissioner Stevenson voting against the motion.

d. Approval of Payment for Water Damage

The Finance Committee has recommended that three property owners in Northeastern Terrace be reimbursed for the cost of water damage to their homes as a result of the Water System flushing lines in the area. The county's insurance company has denied payment for the damages.

Motion was made by Jimmie Harris, seconded by Matt Wood to approve the payment to three homeowners in Northeastern Terrace for water damage caused by the Water Department flushing lines. The motion carried.

6. CONSIDERATION OF CONDITIONAL USE PERMIT CUP-06-01 FOR CONSTRUCTION OF 10' X 32' OUTDOOR ADVERTISING SIGN AT 1219 U.S. 17 SOUTH:

The Board continued consideration of Conditional Use Permit CUP-06-01 submitted by R.O. Givens Signs, Inc. Planning Director Shelley Cox explained that the Board held a public hearing and considered this request at its December 18 meeting. At that time the Board requested additional information including a site plan from the applicant. Ms. Cox said the applicant has submitted that information to the Board consisting of drawings showing two possible locations for the proposed billboard. Site A is about five feet off the neighboring property. Site B is on the opposite side of the neighboring property and about 100 feet from the property line. The site is also adjacent to an existing billboard that is proposed to be removed. Ms. Cox pointed out that pictures provided by the applicant show how Site A and Site B would look and which trees would have to be removed to build the sign. The Board discussed the request and made the following findings of fact:

1. That the use will not materially endanger the public health or safety if located where proposed and approved;
2. That the use meets all required conditions and specifications;
3. That the use will not substantially injure the value of adjoining or abutting property; and
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.

Motion was made by Jimmie Harris, seconded by Matt Wood to approve Conditional Use Permit CUP-06-01 based on the four findings of fact and to specify that the sign be located at Site B as presented by the applicant. The motion carried.

7. APPROVAL OF EXTENSION OF PRELIMINARY PLAT FOR QUEENSWOOD SUBDIVISION, PHASES 8 & 9:

Assistant County Manager Rodney Bunch explained that the Board had previously delayed action on the preliminary plat for Queenswood, Phases 8 & 9 until the February 5, 2007 meeting to allow the engineer to submit additional drainage information to the county's drainage engineer, Mr. Gregg Johnson of Patton Harris Rust & Associates. Mr. Johnson has provided a letter indicating that his review is not yet complete and suggesting that review of the preliminary plat be delayed to a future meeting. Mr. Bunch said staff would recommend that consideration of the preliminary plat be delayed to a date no later than the first Commissioner meeting in March.

Motion was made by Matt Wood, seconded by Marshall Stevenson to delay consideration of the preliminary plat for Queenswood Subdivision, Phases 8 & 9, until no later than the first March meeting. The motion carried.

8. RECISSION OF PRELIMINARY AND FINAL PLAT APPROVAL FOR TWINTREE SUBDIVISION:

Mr. Bunch explained that at the January 2, 2007 meeting the Board approved the preliminary and final plat for Twintree Subdivision. He said the week following the meeting, it was discovered that the developer had never applied for septic approval of the site prior to being presented to the Board for approval. He stated that after review by Environmental Health, it appears that a septic system is provisionally approved, however the raised drainfield system that will be required will necessitate further stormwater drainage review by the county's engineer because the ground elevation for the houses would have to be raised. Mr. Bunch said that staff recommends that the preliminary and final plat approval be rescinded until the drainage plan has been completed and reviewed by the county's drainage engineer.

Motion was made by Matt Wood, seconded by Jimmie Harris to rescind the preliminary and final plat approval for Twintree Subdivision. The motion carried.

9. APPROVAL OF CONSENT AGENDA:

The Board considered the consent agenda. The County Manager requested that approval of a change order for the building project be removed from the consent agenda. It will be considered at a later meeting pending more information. Commissioner Stevenson requested that the item concerning adoption of resolutions for the addition of roads to the state system be moved from the consent agenda to the regular agenda so that it may be considered separately. The following items were considered on the consent agenda.

a. Approval of Minutes of January 2, January 22, and January 29, 2007 Commissioner Meetings

b. Approval of Tax Releases

The Finance Committee has recommended approval of the following tax releases:

		County	City
1.	Shawn Noland Caselman	112.90	
2.	Louis Alton Murphy	380.40	
3.	Barry M. Smith	240.50	
4.	Gateway Bank & Trust	118.28	94.34
5.	Audrey Layden	119.04	
6.	Audrey Layden	169.92	
7.	Ben Arthur Elliott, III	148.18	
8.	Richard C. & Laura Parker	158.88	
9.	LWC Ministries	429.56	
10.	LWC Ministries	616.88	
11.	LWC Ministries	617.02	
12.	Phillip Harrington	1,584.48	
13.	Mary Sue Jones, Lf Est	364.76	250.80
14.	Aaron Lee Wallio	166.49	

c. Approval of Purchase of Software for Homeless Project

The Finance Committee has recommended approval for the purchase of software and training in the amount of \$1,025 for the Homeless Project.

d. Approval of Donation for Senior Games

The Finance Committee has recommended approval of a donation of \$250 to the Albemarle Commission for the Albemarle Senior Games.

e. Approval of Not to Exceed Amount of \$37,132 for Preparation of Drainage Manual by Patton Harris Rust & Associates

The Finance Committee has recommended approval of a contract with Patton Harris Rust & Associates for the preparation of a Pasquotank County drainage manual for a not to exceed fee of \$37,132. The not to exceed amount is based on estimated time for completion of various phases of the project at certain hourly rates. If different phases do not take as much time, the total fee will be less.

f. Approval of Purchase of Property for RO Plant

The Finance Committee has recommended approval of the purchase of the property for the new reverse osmosis water plant. The total purchase price is \$300,000, which is based on \$25,000 per acre for twelve acres.

g. Approval of Extension of Hospital Lease for an Additional Ten Years

The Finance Committee has recommended approval of an additional ten year lease renewal option with Albemarle Hospital Authority to allow the hospital to acquire the best terms for a \$44,000,000 construction project that will begin in 2007.

Motion was made by Bill Trueblood, seconded by Matt Wood to approve the consent agenda as amended. The motion carried.

The following tax releases and refunds less than \$100 have been approved by the Finance Officer:

Releases:

		County	City
1.	Ray Lamar Stokes	24.72	
2.	Ronald Quinton Nixon II	19.59	16.32
3.	Clifton Dwaun Richard	3.19	
4.	Clifton Dwaun Richard	74.64	
5.	Roy L. Moore	3.92	3.26
6.	Melody Elliott Boseman	14.31	11.92
7.	Christopher Blaine Steely	74.16	
8.	Jennifer Bradley Stewart	43.58	41.32
9.	Catherine Patricia Green	25.44	
10.	Margie Harris Krebs	85.85	
11.	Eastern Water System	13.47	
12.	Robert Earl Poulos	25.15	20.96
13.	Rosshoy T. Ward	3.44	

14.	Wendy Hope Gregory	45.10	
15.	Kevin Paul Herisner	31.73	31.44
16.	Wesley Allen Hotalen, Jr.	11.18	14.32
17.	Jerry Lynn Boyce	43.16	
18.	Dorothy Sawyer Lamb	29.82	23.78
19.	Curtis Royal Hinkley, Jr.	42.69	
20.	Selena Sheppard Duggar	90.93	72.53
21.	Lindsey Victoria Forman	48.39	40.32
22.	Margaret Lane Taylor	61.29	
23.	Perry James Patterson	10.76	8.58
24.	Ronald Wayne Hopkins, Jr.	24.96	
25.	Tyron De'Shawn Fletcher	34.61	
26.	Dwayne Watson Lewis	18.73	19.94
27.	Angela Marie Cherry	26.51	21.14
28.	Mary K. Bennett	73.34	66.12
29.	Melinda Kay Warneke	60.24	55.20
30.	Stephen Bryant Rinehard	41.19	34.32
31.	Glen Harold Carlin, Sr.	16.73	13.94
32.	Ana Isabel Ruelar	7.40	6.16
33.	Philip Nelson Mayo	48.93	39.02
34.	Mickey Lynn Burnim	86.99	69.38
35.	Paul Kechere Nwamara	16.95	14.12
36.	Rosaio Aparicio Cardenas	16.89	13.47
37.	Rosalio A. Cardenas	12.41	10.34
38.	Bernice E. Davis Mars	3.56	2.96
39.	Zee Buchanan Lamb	73.16	60.96
40.	Miyoshi Carver Sawyer	23.46	
41.	Inez Meads Markham	55.65	
42.	Christopher Ryan Peters	12.16	10.14
43.	Stephen Vernon Barrett	10.44	8.70
44.	Francis William Willsey	71.88	

Refunds:

1.	Ethan Bowe		95.04
----	------------	--	-------

The following requests for release or refund of the solid waste availability fee have been approved by the Tax Administrator:

OWNER'S NAME	PARCEL ID NUMBER	REASON FOR RELEASE
Ralph Mann Heirs	50-L-4	Unoccupied since 2002

10. ADOPTION OF RESOLUTIONS REQUESTING THAT SPUD DRIVE, DANCES BAY ROAD, ZACK CIRCLE, BEAN WAY, INTERPATH PARKWAY, BEAU PARKWAY EAST, BIG DADDY PARKWAY, TARHEEL COURT, CAMELOT COURT, CARDINAL COURT, ENCHANTED WAY, DUCHESS LANE, AND QUEENSWOOD BOULEVARD BE ADDED TO THE STATE SYSTEM FOR MAINTENANCE:

The Board considered petitions submitted by the developers or property owners on Spud Drive, Dances Bay Road, Zack Circle, Bean Way, Interpath Parkway, Beau Parkway East, Big Daddy Parkway, Tarheel Court, Camelot Court, Cardinal Court, Enchanted Way, Duchess Lane, and Queenswood Boulevard requesting that the roads to added to the state system for maintenance.

Commissioner Stevenson asked a question concerning the petitions for the roads in Red Oak and Parkway Center Subdivision. He stated that the residents in subdivisions normally submit petitions for road additions and there may be some people who do not want their roads taken over by the state. The County Manager said it is typically the developers who submit petitions requesting that roads within a subdivision be added to the state system because the developers have to post maintenance bonds to guarantee the maintenance of the roads until they are accepted by the state. He stated that it is the responsibility of the developer to have the roads taken over by the state. Commissioner Stevenson asked if a resident wants his road to continue to be private whether he will have a choice in the matter. The County Manager stated that the roads are public roads and the residents do not have a choice. He said there are instances when the residents will submit petitions to have roads taken over by the state, however when the developer submits a petition, he submits it on behalf of the entire subdivision. If the Board accepts the petitions, resolutions will need to be adopted requesting the North Carolina Department of Transportation to add the roads to the state system.

Motion was made by Matt Wood, seconded by Bill Trueblood to adopt resolutions requesting the North Carolina Department of Transportation to add Spud Drive, Dances Bay Road, Zack Circle, Bean Way, Interpath Parkway, Beau Parkway East, Big Daddy Parkway, Tarheel Court, Camelot Court, Cardinal Court, Enchanted Way, Duchess Lane, and Queenswood Boulevard to the state system for maintenance. The motion carried.

11. APPROVAL OF PRELIMINARY PLAT FOR PASQUOTANK COUNTY COMMERCE PARK, SECTION C, PHASE 1:

The Board considered the preliminary plat for Pasquotank County Commerce Park, Section C, Phase 1. Planning Director Shelley Cox explained that the request is for preliminary plat approval of six lots within the Commerce Park. She said the property is currently zoned I-1 Industrial with lot sizes ranging from 5.74 acres to 15 acres. She stated that the sketch plan for Section C, Phase 1 was approved on April 27, 2006. Providence Volunteer Fire Department currently provides fire protection for this area and the area is served by the Pasquotank County Water System. Section C, Phase 1 will tie into the existing sewer force main for Commerce Park that runs to the county's wastewater treatment plant on Northside Road. Ms. Cox advised that the Technical Review Committee reviewed the request and the majority of the comments came from the county's drainage engineer who had some concerns that were noted during the TRC meeting. She said before the Planning Board meeting, all of the concerns were resolved and the engineer has provided a letter to that effect. She stated that the Planning Board voted unanimously to recommend approval of the preliminary plat.

Motion was made by Bill Trueblood, seconded by Matt Wood to approve the preliminary plat for Pasquotank County Commerce Park, Section C, Phase 1. The motion carried.

12. APPROVAL OF JOINT USE AGREEMENT WITH BOARD OF EDUCATION, CITY OF ELIZABETH CITY, AND CAMDEN BABE RUTH FOR USE OF FIELDS AT RIVER ROAD MIDDLE SCHOOL:

The Board reviewed a proposed joint use agreement with the Board of Education, the City of Elizabeth City, and Camden Babe Ruth for the use of the fields at River Road Middle School. County Manager Randy Keaton outlined the agreement and reviewed the responsibilities of the county. He advised that the Board of Education and Camden Babe Ruth, Inc. have each approved the agreement and the city has indicated no concerns regarding the agreement. Following discussion and questions from members of the Board;

Motion was made by Matt Wood, seconded by Jimmie Harris to approve the joint use agreement with the Board of Education, the City of Elizabeth City, and Camden Babe Ruth, Inc. for use of the fields at River Road Middle School. The motion carried.

13. APPROVAL OF DOCUMENTS RELATED TO \$12 MILLION JAIL FINANCING:

The County Manager requested that the Board approve various documents related to the \$12 million construction financing for the Albemarle District Jail project which is the second phase of the financing. He said this financing will provide funds for the completion of the jail construction and will be paid off by the USDA Rural Development loan when the project is completed.

* * * * *

Commissioner Cecil Perry introduced the following resolution, a copy of which had been provided to each Commissioner and which was read by its title:

RESOLUTION APPROVING AN INSTALLMENT FINANCING CONTRACT AND CERTAIN OTHER DOCUMENTS AND APPROVING AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION WITH THE FINANCING OF ANOTHER PORTION OF THE COST OF A NEW JAIL OF THE COUNTY OF PASQUOTANK, NORTH CAROLINA.

WHEREAS, the County of Pasquotank, North Carolina (the "County"), is a validly existing political subdivision of the State of North Carolina (the "State"), under and by virtue of the Constitution and laws of the State; and

WHEREAS, the County has the power, pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended, to (a) finance the purchase of real and personal property by installment agreements that create in the property purchased a security interest to secure payment of the purchase price to the entity advancing moneys for such transaction and (b) finance the construction of fixtures or improvements on real property by agreements that create in such fixtures or improvements and in the real property on which such fixtures or improvements are located a security interest to secure repayment of moneys advanced or made available for such construction; and

WHEREAS, the County, Camden County, North Carolina and Perquimans County, North Carolina (collectively, the "Participating Counties") have determined to participate in an undertaking, pursuant to Section 153A-219 and Chapter 160A, Article 20, Part 1 of the North Carolina General Statutes, as amended, to finance a portion of the cost of a project to provide improved regional or district jail or confinement facilities for housing prisoners from the Participating Counties and, in order to execute such undertaking, entered into an Intercounty Agreement Concerning a New Regional Confinement Facility, dated November 17, 2006 (the "Intercounty Agreement"); and

WHEREAS, such project consists of the construction of a jail and related site improvements on approximately 15 acres of land owned by the County in Pasquotank Commerce Park and the acquisition of furnishings and equipment therefor (the "Project"); and

WHEREAS, pursuant to the Intercounty Agreement, the County financed a portion of the cost of the Project by entering into an Installment Financing Contract with RBC Centura Bank as lender (the "Prior Lender"), dated November 21, 2006 (the "Prior Contract"), and, in connection therewith, an Escrow Deposit Agreement with the Prior Lender and RBC Centura Bank as escrow agent (the "Escrow Agent"), dated November 21, 2006 (the "Prior Escrow Deposit Agreement"); and

WHEREAS, it is now necessary for the Board of Commissioners for the County (the "Board") to approve an installment financing contract and certain other documents related thereto and to approve and authorize certain actions in connection with financing another portion of the cost of the Project pursuant to the Intercounty Agreement; and

WHEREAS, there have been presented for consideration by the Board copies of the following documents relating to such matter:

(a) a draft of an Installment Financing Contract, dated February 15, 2007 and between the County and Bank of America, N.A. (the "Installment Financing Contract"), under which Bank of America, N.A. (the "Bank") would advance funds to finance another portion of the cost of the Project and the County would be obligated to make Installment Payments (as defined therein) to repay the funds advanced to it and to make certain other payments, among other requirements, such obligations being subject to termination by the County under certain circumstances as provided therein; and

(b) a draft of an Escrow Deposit Agreement, dated February 15, 2007 and among the County, the Prior Lender, the Bank and the Escrow Agent (the "Escrow Deposit Agreement"), which provides for the expenditure of funds advanced pursuant to the Prior Contract and the Installment Financing Contract on a pro-rata basis to pay Project costs and replaces the Prior Escrow Deposit Agreement; and

(c) a draft of a Deed of Trust, Security Agreement and Financing Statement, made and entered into as of February 15, 2007 (the "Deed of Trust"), which the County would execute and deliver to a trustee for the benefit of the Bank and which would encumber the site of the Project and the improvements on such site and certain related property, subject to certain exceptions, as security for the County's obligation to repay the funds advanced to it pursuant to the Installment Financing Contract; and

(d) a draft of an Intercreditor Agreement made and entered into as of February 15, 2007 among the Prior Lender, the Bank and the County (the "Intercreditor Agreement"), which provides for the relative rights and duties of such parties with respect to certain provisions of the Prior Contract and the Installment Financing Contract;

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

Section 1. The Board hereby confirms that the Project and its use are essential for the County and that the Project will permit the County to carry out public functions that it is authorized by law to perform.

Section 2. The Board hereby finds and determines that it is in the best interest of the County to enter into the Installment Financing Contract, the Escrow Deposit Agreement, the Deed of Trust and the Intercreditor Agreement in order to effectuate the financing of another portion of the cost of the Project as described above.

Section 3. The form and content of the Installment Financing Contract, the Escrow Deposit Agreement, the Deed of Trust and the Intercreditor Agreement, each of which will be a valid, legal and binding obligation of the County in accordance with its terms, are hereby approved in all respects and the Chairman of the Board, the County Manager of the County, the Finance Officer of the County, the County Attorney of the County and the Clerk to the Board are hereby authorized and directed to execute and deliver the Installment Financing Contract, the Escrow Deposit Agreement, the Deed of Trust and the Intercreditor Agreement, as may be applicable, in substantially the forms presented to the Board, together with such additions, changes, modifications and deletions as they, with the advice of counsel, may deem necessary and appropriate, and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Board and the County; provided, however, that the due date of the final Installment Payment is not later than June 15, 2008 and that the aggregate amount of the principal components of the Installment Payments does not exceed \$12,000,000.

Section 4. The Board hereby approves, ratifies and confirms the actions of the County Manager, the Finance Officer and the County Attorney of the County in connection with this matter.

Section 5. The officers and employees of the County are authorized and directed (without limitation except as may be expressly set forth herein) to take such other actions and to execute and deliver such other documents, certificates, undertakings, agreements or other instruments as they, with the advice of counsel, may deem necessary or appropriate to effectuate the transactions contemplated by the Installment Financing Contract, the Escrow Deposit Agreement, the Deed of Trust and the Intercreditor Agreement.

Section 6. The County covenants that, to the extent permitted by the Constitution and laws of the State of North Carolina, it will comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), as applicable to the Installment Financing Contract except to the extent that the County obtains an opinion of nationally-recognized bond counsel to the effect that noncompliance would not result in the interest components of the Installment Payments being includable in the gross income of the recipient thereof under Section 103 of the Code, as more specifically provided in the Installment Financing Contract.

Section 7. If any section, phrase or provision of this resolution is for any reason declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions of this resolution.

Section 8. All motions, orders, resolutions, ordinances and parts thereof in conflict herewith are hereby repealed.

Section 9. This resolution shall take effect immediately upon its passage.

Upon motion duly made and seconded, the foregoing resolution was passed by the following vote:

Ayes: Commissioners Cecil Perry, Matt Wood, Bill Trueblood, Jeff Dixon, and James G. Harris.

Noes: Commissioner Marshall Stevenson.

14. COUNTY MANAGER'S REPORT:

County Manager Randy Keaton requested that the Board hold a Closed Session at the end of tonight's meeting to discuss a personnel matter.

15. REPORTS FROM COUNTY COMMISSIONERS:

Commissioner Bill Trueblood reported that he, Mr. Bunch and Mr. Gregg Johnson, the county's drainage engineer, met on Friday and looked at various drainage situations throughout the county. He noted that it appears in looking at the City Manager's FYI report that the city and the county are stepping on each other's toes in regard to drainage. He said he read in the report that the city has requested Dr. Riggs from East Carolina University to study the Knobbs Creek basin and its effects on flooding of Oxford Heights and Northeastern Terrace. He questioned whether the city and county are communicating with each other. He said he felt the county was communicating with the city, however the city is apparently not communicating with the county. He stated if elected officials are trying to help communities address drainage, they should all be doing it and should all be talking with each other. Commissioner Trueblood said if the city has requested a professor at East Carolina University to begin working on a project to address drainage concerns, the people in the county should also be a part of it. Commissioner Matt Wood said he agrees with Commissioner Trueblood and feels that the Board of Commissioners should take its concerns to the City Council and advise that the county is ready, willing, and able to work together with the city. He stated that at the last meeting of the Stormwater Committee it was emphasized that the drainage problems cannot be solved or even be taken on without the city and county working together. He added that another system is apparently needed such as combining the two working groups and including both city and county staff and elected officials. Any drainage projects or studies would first go through this working group in order for the city and county to be aware of what is going on. The Stormwater Management Committee will meet on February 21 and will address this issue and if necessary will go before the City Council to make a presentation. This topic will also be discussed at the upcoming Board Retreat.

Commissioner Marshall Stevenson stated that a couple of meetings ago, the Board agreed to send a letter to federal and state elected officials requesting that they look into funds to improve the Knobbs Creek drainage basin. He asked if the letters have been sent. The County Manager responded that meetings and discussions have been held with RC&D, CAMA, and Division of Water Quality officials to try to determine who the letters requesting funding should go to and exactly what should be asked for. The Assistant County Manager stated that they have not yet been able to get a definitive answer regarding who the letters should be sent to. Commissioner Stevenson said his motion was to send the letters to state and federal elected officials and everyone knows who they are. He added that his point in making the motion was to get their attention and let it work downhill, not to go to a local or district office. He requested that the letter be written to the elected officials.

Commissioner Stevenson noted that the last time discussion was held regarding a joint city-county water agreement was during a Finance Committee meeting when the City Manager was present. He said the city was given a deadline of February 1, 2007 to reply to the county regarding the city's water needs from the reverse osmosis water plant. He asked if a response has been received from the City. The County Manager stated that no response has been received. Commissioner Stevenson suggested that the county proceed on its own.

Motion was made by Marshall Stevenson, seconded by Matt Wood that the county proceed with the development of the reverse osmosis water plant based on the water requirements of Pasquotank County and Perquimans County. The motion carried.

Commissioner Stevenson followed up that the county has tried to negotiate with the city regarding water districts. He asked how this will now be handled. Commissioner Wood stated that the county was trying to jointly develop the RO water plant with the city's needs in mind while also working on a use agreement of some kind to define territories so that neither entity would over-develop their water capacity. The defined service areas would allow the city and county to more correctly predict their water needs. Commissioner Wood said the county has really tried to get that done and has had no luck. He said although it is not good for the community, he feels the county will need to go its own way. Commissioner Stevenson asked if this would place the Tanglewood development in any jeopardy. The County Manager said the county and city previously reached an agreement regarding water service to Halstead Boulevard and he believes this same agreement will not be affected.

Commissioner Jeff Dixon reminded the Board that the Water Committee will meet this Wednesday at 4:30 PM.

Chairman Perry reported that he attended many meetings during the past month including the Legislative Goals Conference, the Essentials of County Government School for County Commissioners, Martin Luther King, Jr. Day activities, and Hospital Board meetings.

Chairman Perry stated that he will be working with the County Manager this week on the agenda for the Board Retreat. He asked that any Commissioners who have items they would like to have placed on the agenda to notify him or the County Manager. The Clerk asked the Board Members what time they would like to convene on Friday.

Motion was made by Bill Trueblood, seconded by Marshall Stevenson to begin this week's Board Retreat at 1:00 PM, Friday, February 9 at the First Colony Inn at Nags Head. The motion carried.

16. CLOSED SESSION TO DISCUSS A PERSONNEL MATTER:

Chairman Perry asked for a motion that the Board enter Closed Session to discuss a personnel matter.

Motion was made by Bill Trueblood, seconded by Matt Wood that the Board enter Closed Session to discuss a personnel matter. The motion carried unanimously.

Upon the end of Closed Session;

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

Chairman Perry asked if there was any further business to come before the Board. There being no further business, he asked for a motion to adjourn the meeting.

Motion was made by Bill Trueblood, seconded by Jimmie Harris to adjourn the meeting. The motion carried and the meeting was adjourned at 8:40 PM.

CHAIRMAN

CLERK