

The Washington City Council met in a continued session on Monday, March 31, 2008 at the Municipal Building at 4:30 P.M. Present were: Judy Jennette, Mayor; Doug Mercer, Mayor Pro tem; Gil Davis, Councilman; Richard Brooks, Councilman; Archie Jennings, Councilman; James Smith, City Manager; and Rita A. Thompson, City Clerk; and Franz Holscher, City Attorney. Councilman Woolard was absent.

Also present were: Carol Williams, Finance Director; Keith Hardt, Electric Director, Mick Reed, Police Chief; Allen Lewis, Public Works Director; Bobby Roberson, Director of Planning and Development; Jimmy Davis, Fire Chief; Philip Mobley, Parks and Recreation Director; and Mike Voss of the Washington Daily News.

Mayor Jennette called the meeting to order and Councilman Brooks delivered the invocation.

APPROVAL/AMENDMENTS TO AGENDA

Mayor Pro tem Mercer added a discussion on Harbor Mooring fields.

On motion of Councilman Jennings, second by Councilman Brooks, Council unanimously approved the agenda, as amended.

KEN RABER – RENEWABLE ENERGY

Ken Raber, NCEMPA, gave a power point presentation on Renewable Energy Portfolio Standards. The presentation included:

Senate Bill 3 – REPS

- Requires specific amount of energy to come from renewable resources or energy efficiency (generally) starting in 2012
- All IOUs, cooperatives and municipal utilities in North Carolina must comply

Municipal and Cooperative Requirements:

- 2012: 3% of 2011 NC Retail Sales
 - Approx. 154,000 MWh NCMCA 1
 - Approx. 231,000 MWh NCMCA
- 2015: 6% of 2014 NC Retail Sales
 - Approx. 325,000 MWh NCMCA 1
 - Approx. 487,500 MWh NCMCA
- 2018: 10% of 2017 NC Retail Sales
 - Approx. 572,000 MWh NCMCA 1
 - Approx. 858,000 MWh NCMCA
- Investor Owned Utilities have an additional tier
 - 2021: 12.5% of 2020 NC Retail Sales

Technology Carve-Outs

- Solar
 - Requirement starts at 0.02% in 2010 and grows to 0.2% in 2018
- Swine Waste (state-wide requirement)
 - 0.07% in 2012; .02% in 2018
- Poultry Waste (state-wide requirement)
 - 170 GWh in 2012; 900 GWh in 2014

SB 3 Compliance

- **Compliance means:**
 - Generating, buying or saving enough energy to meet the percentage goals

Or

-Spending a certain amount of money based on the number of retail customers ("Cost Cap")

Ways to Comply

- Compliance by generating, buying or saving:
 - Generate energy using renewable facilities
 - buy energy from renewable facilities
 - Buy renewable energy certificates (RECs)
 - Reduce energy consumption thru Demand-side Management of Energy Efficiency
 - Buy all or part of energy requirements through a wholesale contract with a supplier that complies with Renewable Energy Portfolio Standards
 - Meet the cost cap

Cost Caps

<u>Customer Class</u>	<u>2008-11</u>	<u>2012-14</u>	<u>2015-</u>
Residential per Account	\$10	\$12	\$34
Commercial per Account	\$50	\$ 150	\$150
Industrial per account	\$500	\$1,000	\$1,000

A supplier shall e conclusively deemed to be in compliance with the REPS requirements if they meet the cost cap

Reporting Requirements

- Each electric supplier is required to file a Compliance Plan each 9/1 beginning in 2008
- Each electric supplier is required to file an annual Compliance Report beginning in 2009
 - Municipals file by 9/1 each year
 - Hearings will be held

Compliance Penalties

- NCUC believes it has authority to assess penalties for non-compliance
- There are no political and legislative risks for non-compliance

Proposed REPS Strategy

- Staff believes that economies of scale dictate that the least cost compliance plan will be an aggregated (Agency-coordinated) program
- Key considerations that support that conclusion:
 - NCUC reporting will impose a significant administrative burden on Member Cities
 - One aggregate plan likely will be lower cost than 19 individual plans

REPS Agreements

- Agreements are needed between the Agencies and Participants to:
 - Contractually clarify that the Agencies will plan and report on behalf of the Participants
 - Provide for compliance cost recovery from Participants through a "per account" wholesale rte riders or general rate schedules.

Proposed 2008 Plan – NCEMPA

1. Conduct an inventory and collect data on existing Demand-Side Management (DSM) and Energy Efficiency (EE) programs and associated costs.

2. Develop strategies on how to deal with uncertainties in the law that rules did not clarify

FOSSIL FUEL CHARGE BROCHURE DRAFT

Keith Hardt, Electric Director, stated that he and Anita Radcliffe were working on this draft to be inserted in the utility bills to explain the fossil fuel charge being rolled into the base rate. He recommended that it be sent out with the May bills. He stated he has concern about the dial up system because of trying to explain it in a phone call.

Mayor Pro tem Mercer recommend that the word "total" be inserted before the word cost in the last paragraph.

Councilman Jennings asked that a message be fashioned on the dial up that would refer to the web site and put the insert on the web site.

Mr. Smith asked that it be placed on cable too.

Mayor Jennette asked that the City's web address be put on the insert too.

Note: Mayor Pro tem Mercer asked him to get him some information on why the Electricities directory has one figure on electric costs and how much we sold, having a difference of 4%. A presentation we had recently, the figures indicated we were losing 5.9%. Mayor Pro tem Mercer asked Mr. Hardt to track that down.

REPORT – ON "BIG" GRANT

Philip Mobley, Recreation Director, gave a report on the "Big" Grant. He stated that the engineering firm hired is from Morehead City and the project will be completed by June, 2009. We have 48 slips on the parkway, 36 that are paid and 12 free docks. The firm has to check with CAMA and see if we can put in the number of slips we have got. They are looking at two more "t" docks. Mr. Mobley pointed this out on the map. No estimates have been derived at yet.

Mr. Mobley stated that we are waiting for the engineer to finalize the paperwork so we can write a purchase order. The firm will work with CAMA to see what we can do, and then they will come back to the Council with the design. The grant is for \$200,000 and CAMA will tell us how many docks we can put in. They have to be transit docks.

SKATEPARK

Mr. Mobley stated that we have had some issues there. A turn style has been ordered to solve the bicycle problem. A concrete pad has been poured in front of the open area. Dedication will be May 10th. They are working on the entrance, the walkway around the skatepark, put bleachers in, and doing some landscaping at no charge. He stated we are the talk of the east.

REPLACING TREES ON STEWART PARKWAY AND MOVING TO VETERANS PARK

Mr. Mobley stated they are replacing the oak trees at Stewart Parkway (eight trees) to be placed at the Veterans Park at the eastern edge down to Brown Street, leaving room for a sidewalk. The trees will be replacing the small oak trees are large evergreen oak trees.

Mr. Joe Taylor, a member of the Recreation Advisory Committee, talked about the Festival Park area. They are planning to plant some crepe myrtles and Leland Cypress along the chain link fence to add some definition and hide some sites. Everything is being donated and put in by volunteers. Note – The City owns the fence.

REPORT ON BATHROOM FACILITIES

Bobby Roberson, Planning and Development Director, stated that this was a joint effort with the Planning Board and DWOW members. He passed out a map on the bathroom proposal locations. Comments were received from the Merchants Association. The Renaissance Plan or the W.K. Dickson actually addressed the location of the bathrooms which is a major component for activities on Stewart Parkway. The committee looked at three bathroom locations, a short range proposal and a long range proposal.

Ross Hamory, Chairman of DWOW, reviewed some assumptions from the meeting:

- In the future, more than one restroom will be needed
- A permanent facility for boaters which includes showers, toilets, washers and dryers
- City has funds for only one bathroom (\$100,000 grant the City can get)
- New t-docks for transit boaters will be in the center area and move eastwardly
- Approximately 90 boat slips will be built in front of Moss Landing and some of the owners will not be residents of Moss Landing
- A performance park is supposed in the City green space by the Estuarium
- A temporary boater facility should remain open until a new facility is constructed

Mr. Hamory stated that if there are only funds for one restroom at this time, the site should be determined after reviewing the City's requirements for what additional facilities will be required in the future. The group discussed a restroom facility at each end of the waterfront, one towards the Estuarium and the other where the current facility is, with a boater facility (maybe towards the center of the waterfront – to be determined).

Mr. Hamory stated the committee derived at two locations for a restroom: (1) where the current facilities are and (2) towards the Estuarium end, basically on the City owned property. When a vote was taken it was not unanimously, but the first consideration should be where the existing restroom is. He stated that he has a minority report, that we will have to keep the existing facility until a new facility is constructed. If we don't have the money to do a boater facility along with the restroom, we need to keep the existing boater facility in place. This drives the idea of putting the restroom facility more towards the Estuarium side. Also, with the green space being use for various events, locating the restroom on the east end expands the use of the waterfront. It relieves the pressure the facility gets on the other end. He stated that is DWOW's recommendation. He stated the vote was not unanimous, but there was a more general vote towards location one. The committee includes himself, Phil Mobley, Joe Taylor and several others. There were about twelve people there and it was public announcement.

Mayor Jennette stated that it has been said that it almost has to be a bigger picture for recreation to get the funding. Steve Moler answered not in the present location, if you go down by the estaurium we would have to plan for a shelter, fishing pier, walking trails, etc. The committee gave the perimeters they thought we should go where we are because of water and sewer lime hookup and then plan to do something at the other end. Mayor Jennette stated that they were told that the water and sewer were under that property made it an undesirable place to build. Mr. Moler stated that there is probably some green space not affected by utilities down there. In some cases, we don't have a map that shows where they are. If you're planning on building on top of lines there may be a problem and maybe not.

Mayor Jennette stated that if we build a permanent structure where the old bathrooms are now, with the water and sewer lines there now, would that be a problem? Mr. Lewis stated that they prefer that they be located close to Main Street, but depends on the size of the building. Mayor Pro tem Mercer stated that the major part of the lot is 16,800 square feet, a little over a third of an acre.

Mr. Roberson stated that one of the problems that they ran into was they originally were going to do the boaters facility and bathroom. Then they got into a visitor center, then a boater set up, then showers, computer setup, etc. The project grew from \$100,000 to almost \$350,000 so we had to back off. If we just want to put facilities that we have now, we can move it to the front and get it in.

Mr. Mobley stated that if we build a facility close to the Estuarium, because of the Moss area will have 80 slips, and then we can take the existing facility and turn that into a set of restrooms to be used by the public. He stated we could use the existing trailer and put a façade around it.

Mayor Pro tem Mercer pointed out that the Moss is a private development and we can't say we will provide for a private business. Mr. Mobley stated Moss might be able to put some money into the facility.

Councilman Jennings disagreed with putting façade around the old facility because that is the cornerstone to the waterfront and you can't dress up that facility but so much and that is the first thing people see. We need something attractive and functional. We need some scaled to our current operation.

Mayor Pro tem Mercer stated that now he is hearing that we need two facilities. We need to look at a long term plan. It seems that a central facility would serve all our needs.

Mr. Roberson stated that there are no bathrooms open in the morning. If we are going to encourage people to use the waterfront, we need to accommodate them. He stated we have been promised \$100,000.

Mayor Jennette asked if it could be designed so we could expand it in future time? Mr. Roberson answered yes.

Councilman Brooks stated we need to go ahead and build where they are. Mr. Roberson stated it will have showers, bathrooms and a dock master office.

These two sites will be explored.

Mr. Roberson stated that we don't have a handle on the property we own between the Evans property and the Estuarium. We need to get it surveyed and all the property along the Promenade. That will be incorporated in the budget. The survey will affect what can be out there.

Councilman Davis stated that we are talking about trying to work with Mr. Moler on the east end and perhaps go for a PARFT grant and add some additional things in the future? Mr. Roberson stated he will meet with Steve Molar and CAMA and see what we can do for our dollars and then design something for our open space.

In summation, we are looking at these two sites and will find out what will fit. The site at the east end has some possible complications due to what we own and don't own. We could get into a long term thing. If that's the case, will that factor into Council's decision to send it back west? He doesn't want to wait for multiple real estate transactions. Mayor Jennette stated that we know we own two acres there. A preference has not been identified.

Mr. Roberson stated he will run down two proposals, one, and bathroom facilities identical to what we have now. Option B would be something exactly what Mr. Mobley has operating now in the current location.

LINDA JEWEL – REQUEST RELIEF FROM WATER BILL FOR BLIND CENTER

Ms. Linda Jewel stated that they have been renovating a building to put a Lions Industry in, which is an industry in Kinston who hires the visionally impaired and the

blind. She stated they had not worked in the building for quite some time. Someone wet in recently and heard some water running. There was no water on the floor. The hot water heater had developed a leak under the ground and they received a bill for \$1,000. Kinston said then they could not start somewhere in the deficit. It's a small facility. She asked Council to forgive the fee, and make it zero balance.

Mr. Smith stated that it can't be forgiven but it can be paid. Part is the sewer bill so the actual amount is somewhere around \$500.00

Mr. Lewis pointed out that the bill is \$978.00, \$496 sewer and \$403 water. There would be a \$480 sewer adjustment. Mr. Allen stated that we don't allow for water adjustments.

Councilman Jennings asked what is the net we are talking about. Mr. Lewis stated that the water is \$400.00, sanitation, electricity, stormwater fees is \$80.00, which is not part of the water bill. The water is \$403.46 which would have to be paid out of the General Fund.

On motion of Councilman Jennings, seconded by Mayor Pro tem Mercer, Council unanimously agreed to pay the \$403.46 for the Lions Industry tenant building bill.

HOTEL SUBCOMMITTEE

Councilman Jennings stated that the Mayor asked him to memorialize and his understanding that the purpose of the committee is (Lynn Lewis and Catharine Glover) will seek to answer questions that come up during conversations around a downtown hotel. For instance, what size, what size property required, etc. This information will be forward to the Council, not to promote, locate, or partner in any development.

They will deal with track down specific questions from Council. They will meet within the next two weeks to identify questions to track down.

EXTEND MEETING

On motion of Councilman Jennings, seconded by Mayor Pro tem Mercer, Council unanimously agreed to extend the meeting until 6:30 p.m.

TURNAGE THEATER

Mayor Jennette stated there has been some discussion about what to do with having two events coinciding with each other . . . Turnage Theater group and Music in the Streets. Mr. Smith met with the Turnage Theater people, ECU people and the Downtown Merchants. A plan was devised

Mayor Jennette reviewed the letter, and Mr. Smith responded with answers as to who would be handling what for the two events to be coordinated without any problems.

FOLLOW UP ON COUNCIL PLANNING SESSION

In lieu of time tonight, Mayor Jennette asked Council members to check their top ten priorities to be updated. She stated we need a Chart to track where we are going with these issues. This report will be updated similar to the Initiative Report.

MOSS LANDING

A map of the modification request was passed to the Council, along with a smaller map that is what the current permit is based upon. Mr. Holscher color coordinated the changes on the map and explained them to the Council

- On the north side of the boardwalk instead of two pedestrian access walkways, there are three, somewhat relocated but consistent with the easement agreement the City granted

- The pink is the access from the boardwalk to the docks themselves, and relocated (Docks A & B result in a decrease to one each dock)
- The blue corresponds to either the addition or the deletion of a slip (the total number of slips remains unchanged)
- Request for two 25 ft. slips, eight 30 ft. slips, two 35 ft. slips, forty one 40 ft. slips, eighteen 45 ft. slips, and fourteen 50 ft. slips. The original permit was for ninety-two 40 ft. slips.

Mr. Holscher stated that the changes being requested are the slip lengths are varied; the walkways across the conservation easement were inserted consistently with the easement we granted in September. The access from the boardwalk to the docks has been altered slightly and some slips have been relocated but the overall number remains the same. Council did not receive the actual request that Moss Property Partners wants the City to join in on the withdrawal from the previous modification. A copy of the letter from Wayland Sermons' office to Holscher's office to James Smith dated March 26th in which the modification were described and the evolution of how we have gotten here. On the second page, the first request for modification the footprint was totally off and they went back to the drawing board. Moss Partner Partners is asking the Council to authorize a representative to approve and execute the withdrawal of the original modification request and execute the new application.

On motion of Councilman Jennings, seconded by Mayor Pro tem Mercer, Council unanimously approved, given to the changes that need to be made, the City to execute the letter requesting the amended plan to be accepted by CAMA.

Mayor Jennette pointed out that the modification of the additional cross over the wetlands (not in the written document). Mr. Holscher stated we granted them an easement for that walkway and it has been given to the State. That is our deal with CAMA.

Mayor Pro tem Mercer stated that the letter is requesting three modifications: (1) change the name – no problem (2) various slip lengths – he has no problem with that, and (3) add slips to Dock B – He stated that Dock B was originally a floating dock and now we are adding slips and (4) a change in the configuration of Dock C to accommodate new varying slip lengths and to preserve the public's right of passage between the docks. Mr. Holscher stated that will provide additional access for someone who might want to fish around the dock, or in a canoe. That is relating to reducing the two access piers in Dock A & B to one and the slip in Dock B increased.

Mayor Pro tem Mercer stated that the letter does not address any changes on dock D, but there are some blue lines adding some fingers. Mr. Holscher stated that on Dock D there is one slip added to the eastern side of the dock and one slip taken away from the western side. Also, Mayor Pro tem Mercer stated that the access way on Dock F has been changed with a different configuration and that is not addressed in the letter.

Mr. Smith suggested we address a letter on the City stationery acknowledging there were other changes which Mayor Pro tem Mercer pointed out. The letter should contain a description of all the changes. Mr. Holscher stated that drafting a letter with all the changes would be a difficult task but he can attempt to do that. Part of CAMA'S review process is to compare it to the old map and see if it is appropriate to it or not. Councilman Jennings stated he can write a note covering that letter clarifying the one section that didn't speak to some reconfigured slips and point out that the City's reading of the letter needs clarification. Mayor Jennette stated they trust Mr. Holscher to do the best he can.

EXTEND MEETING

On motion of Councilman Jennings, seconded by Councilman Brooks, Council unanimously agreed to extend the meeting until 6:45 p.m.

EDC REORGANIZATION

Mayor Jennette stated that we are not funding EDC at the same level this year because of our trade off with DWOW, and in exchange for that the County has asked that they have greater representation on that board. Changes are noted on page 2 and 6 in italic print.

Mayor Pro tem Mercer referred to page 2 which stated that language says you are changing the makeup of the board to 6 from the County and 3 from the City which means that the City will be responsible for 32% (not 45%) of their budget. If we are going to continue to reduce our input, then this is appropriate. If we are not going to continue at that reduced rate, this is inappropriate. Mr. Smith stated that Council has not acted on the budget yet, but based on the existing proposal, what will be in the proposed budget is in accordance with this.

Mayor Pro tem Mercer stated that this decision needs to be made at the budget workshops. He stated if we change it tonight we might have to change it again in July.

Mayor Pro tem Mercer stated that we will wait until July to decide.

REVIEW COUNCIL PROCEDURE IN CONSIDERING ISSUES FOR A VOTE

Mayor Jennette stated that acting on an item at 10:00 p.m. at the last meeting the hiring freeze, but it was not the most well thought out decision.

Mayor Jennette stated that the Clerk researched the minutes and found that Council agreed to wait thirty (30) days before acting on an item. Mayor Jennette stated that since Council meets every two weeks now, that could be changed to "two weeks or fourteen days" if it is of something of magnitude. She stated that Council consider it and can discuss it more at the April meeting.

Councilman Davis stated that some items need immediate attention and cannot wait and Mayor Pro tem Mercer had stated that. Council needs that prerogative.

Mayor Jennette stated that some items need in-depth discussion and noted that Council could have been tired when they voted on Mayor Pro tem Mercer's motion at the last meeting on the hiring freeze.

Mayor Pro tem Mercer asked if we bring an item and ask you to put it on the agenda that we are not going to vote on it for 30 days. Mayor Jennette stated that they are meeting twice a month now so we could vote on it in 14 days to make it more practicable. Mayor Pro tem Mercer asked if that is for every item that is added to the agenda. Mayor Jennette stated that is what she is recommending.

Councilman Jennings pointed out that he didn't vote for a motion because he was tired. He stated it is good procedure to have some sort of expectation over being able to prepare for an issue. It doesn't need to be hard and fast 30 days or 15 days but goes back to how we go about our business. The counterpoint is valid as well which is a Councilman cannot put something on the agenda and expect some timely action, and then we shouldn't be given items to be approved that day.

HARBOR MASTER PLAN

Mayor Pro tem Mercer stated that at the last meeting the Council agreed to have a Harbor Management Plan developed and concurrently pursue the mooring fields in the river. He stated that he has looked at the Zoning Ordinance and it does not allow mooring field because it is not specifically in the ordinance. He stated that we need to slow down the process.

Mayor Pro tem Mercer asked had we applied for the permit? Mr. Smith answered yes. Mayor Pro tem Mercer stated that we have done it illegal then.

Councilman Jennings stated that we need to do our background work on making that legal.

Councilman Jennings stated that we need to speed up and make sure that what we requested permits for and what is out there are within our zoning ordinance. The rest can be slowed down.

Councilman Jennings stated that another point regarding is that the Attorney's office did a considerable amount of work on this and maybe some of that came from different bodies. He stated that the Attorney proceed with what he considered authority. He subsequently set aside the billing on that work. He feels confident that is work we will benefit from and the billing should be reinstated. Mayor Jennette stated that the work should be blessed by the Council first.

Mayor Pro tem Mercer stated that we need to have a paper that Mr. Smith signs and Mr. Holscher do this work.

CLOSED SESSION

This was postponed until the next meeting.

OTHER ITEMS FROM THE CITY MANAGER

- Received \$191,000 grant
- Town of Chocowinity needs more sewer capacity
- City Clerk passed out Shooting Range information
- Another copy of the budget schedule was passed out

On motion of Councilman Brooks, seconded by Councilman Davis, Council unanimously adjourned the meeting at 6:55 p.m.

**Rita A. Thompson, CMC
City Clerk**