

DRAFT MINUTES

**STATE OF NORTH CAROLINA
COUNTY OF HENDERSON**

**BOARD OF COMMISSIONERS
SEPTEMBER 30, 2008**

The Henderson County Board of Commissioners met for a special called meeting at 7:00 p.m. in the Womack Building in Columbus. This was a joint meeting with the Polk County Commissioners to discuss water issues.

We all met in the Womack Building and enjoyed a Barbeque dinner (hosted by Polk County) at 6:00 and toured their newly renovated courthouse before the beginning of the meeting at 7:00 p.m.

Those present from Henderson County were: Chairman Bill Moyer, Vice-Chairman Charlie Messer, Commissioner Larry Young, Commissioner Chuck McGrady, Commissioner Mark Williams, County Manager Steve Wyatt, Assistant County Manager Selena Coffey, County Attorney Russell Burrell, and Clerk to the Board Elizabeth W. Corn. Public Information Officer Pam Brice, Planning Director Anthony Starr and County Engineer Marcus Jones were also present from Henderson County. We all traveled to Polk County via a Henderson County 15 passenger van. Times-News Reporter James Shea traveled with us.

Present from Polk County were their five Commissioners, County Manager, Clerk Anne Britton and their County Attorney.

CALL TO ORDER/WELCOME

Polk County Chairman Tommy Melton called the meeting to order for Polk County at approximately 7:00 p.m.

Henderson County Chairman Bill Moyer called the meeting to order for Henderson County.

INVOCATION

Commissioner Owens gave the invocation.

PLEDGE OF ALLEGIANCE

Commissioner Watson led the pledge to the American Flag.

OPENING REMARKS BY BOTH CHAIRMEN

Chairman Tommy Melton welcomed those from Henderson County to Polk County and extended thanks and southern hospitality to them.

Chairman Bill Moyer stated he was glad to have the full Board from Henderson County present as well as some key staff. He introduced those in attendance (see above). He thanked Polk County for the invitation and for the nice dinner. He congratulated Polk County on the job they had done with renovating their courthouse.

Chairman Moyer stated that about 20% of the land in Henderson County would be affected if this watershed goes to Class III, approx. 50,000 acres. He understands that this is an important issue for Polk County. Henderson County is concerned about where the water source will be for the southern end of Henderson County if this goes through. We have water issues for the southern end of our county.

DATE APPROVED _____

Chairman Melton explained that this is a special meeting and there will be no citizen comments. He introduced David Odom of Odom Engineering Associates to make his presentation.

PRESENTATION BY DAVID ODOM, ODOM ASSOCIATES

David Odom explained that he had done an engineering study and that there is enough water in Lake Adger to meet Polk County's demands for water. Mr. Odom started working with Polk County in this effort about 7 -8 years ago, just prior to the earlier drought. As they developed a Master Plan for Polk County with funds received from the Rural Center, the 2002 drought started hitting severely. That's when they began looking at long-term options and demands and how to meet those needs. There are a lot of individual wells that are going dry, primarily in the southeast part of the county but also throughout the county. The town's water sources are good now but there is concern that down the road through newer regulations or growth that something may have to be developed to meet the long-term needs of Polk County. As part of the long-term plan, there has always been a goal or need to develop a water source. Initially they started looking at an intake on the Green River itself. The Green River is a very reliable water source with a drainage area at the inlet to Lake Adger of 140 square miles. A lot of this acreage is in Henderson County but there is a lot of area that drains to that area so it is a very reliable water source. About 2 years ago they started looking seriously at the Green River and moving forward with a permitting process. As they got into the process and started meeting with the regulatory agencies they got a lot of feedback that they ought to consider looking at Lake Adger itself as the intake for a couple of reasons: 1. If you say fill to the river has increased because you have the reservoir which holds water that you're able to draw against in times of drought and 2. From a regulatory standpoint it's a lot easier to get permits because you're impacting less area and they view it as an already impacted portion of that stream which it is, so they then began moving in that direction.

Mr. Odom stated there has been some work done by other engineering firms. He has also completed the preliminary safe field analysis on Lake Adger and it certainly has enough water to meet Polk County's long-term demands. They had done an analysis about a year ago to look at the 50 year demand for Polk County, including all the towns (right now they all have their individual water sources). That demand in 50 years was projected to be 8,000,000 gallons per day. That presumes that all the communities come on board, everybody in Polk County has water and is utilizing water from that main water supply. The lake has the capacity and the safe field to meet that demand. It is a strong watershed.

Mr. Odom stated that there are three droughts of record, three tough droughts that this area has experienced: one was in 1954 and the other two have been very recent, one in 2002 and one in 2008. Based on the work that they have done, the drought of 2008 was the worst drought that that watershed had seen and still during that timeframe they could meet the demands of the community. As they began the permitting process their original goal and original efforts through the division of water quality was to permit the lake and the watershed as a class IV watershed, that was the initial request submitted. As the process moved forward they began getting feedback from Elizabeth Couches at the Division of Water Quality that the appropriate watershed classification for Lake Adger is a class III watershed. The reason is because of the existing discharges that discharge into the Green River and the existing density that's in that watershed area. Those aren't things that we can necessarily have an impact on. Those are guidelines that are in State Statutes that say if you meet this criteria then this is the appropriate watershed that you need to pursue if you're gonna develop an intake inside that watershed. That is where we stand right now, is trying to pursue a class III watershed. There are two governing bodies that are inside that watershed that are not Polk County: Henderson County and the Town of Saluda. They have received support from the Town of Saluda in pursuing this watershed. Saluda recognizes that ultimately, at some point, they will likely be utilizing water out of Lake Adger also. Polk County has developed a plan and a timeframe on when they would like to move forward with construction of a plant. They have been

meeting with the State Financing people, the Local Government Commission, and they have indicated that one of the things they want to see is an operating customer base before the plant is constructed. They are currently pursuing that. One of the things that has happened, is that the Broad River Water Authority is going to be selling water to Inman/Campobello and that transmission line goes through Polk County. Polk County will own that transmission line and that will give them the ability to take water off that line and use it to help develop an initial customer base but it will never meet the long-term demands of the County. There's not sufficient capacity there. There really isn't sufficient capacity from the Broad River Water Authority to meet the long-term demand, not even half of the long-term demand. The only real viable opportunity for Polk County is the Green River. They think that once that watershed is developed and once the transmission line is put in place that connects Broad River Water Authority to the City of Saluda. That's the key link that will develop a connection all the way from Asheville to Charlotte. That's the missing link. The inter-connects allow folks in times of drought to transfer water from one entity to another during those times. The watershed to Lake Adger is very strong, very reliable and large and because of that is a very reliable water source. An existing reservoir is tremendously valuable and beneficial to a water provider. Mr. Odom stated that the Cleveland County Sanitary District in Cleveland County is in the process (and has been in the process for about 10 years) of trying to permit a reservoir. It would be a large reservoir similar to the size of Lake Lure, a little larger than Lake Adger. Cleveland County probably has \$10,000,000 in that effort so far and that's just going through the permitting process and they still don't have an answer. If they do get a positive answer then it's a \$50,000,000 construction project so it's a huge amount of money to build what already exists for us. Lake Adger is an opportunity for Polk County, it's towns and the adjoining communities to be able to benefit and have that reliable source of water for drought conditions. He expressed that it's in everyone's best interest to be able to get that reliable reservoir as a means of water service within a relatively short period of time.

Chairman Moyer raised some questions and reviewed some figures as follows:

The amount of demand is 8,000,000 gallons per day within 50 years

The source – availability of supply from Lake Adger is 10,500,000 gallons per day which assumes that under the worst drought scenario which was 2008, that the release requirement would be 10% of the average annual flow. Lake Adger is unique in that the way the water generally gets out of the lake is through penstocks going to the hydroelectric plant. That's the only way for water to get out of Lake Adger, other than flowing over the top of the dam so if the water level were to go below that then there would be no release so they're not sure how that would play out.

If they pull out 8,000,000 gallons per day it would lower the lake level 5 feet under the drought of record in 2008 at the release requirement Mr. Odom mentioned. That would be the lowest elevation. It is modeled every day throughout the timeframe. During the most recent drought the lake level did go down about 3 feet. Mr. Odom's assumption was that there was more water being utilized through the hydroelectric facility than that minimum release.

Chairman Moyer questioned if Henderson County were to put an intake farther up the Green River and take 1,000,000 gallons of water a day out, would that be a safe amount? Mr. Odom answered that Henderson County could take out 1,000,000 gallons a day and it wouldn't affect Polk County's ability to withdraw 8,000,000 gallons a day. (This was a hypothetical number)

The pen stock elevation is at 10 feet below normal water level.

Under the contract between Polk County and the hydroelectric plant, the 8,000,000 gallons a day for Polk County takes precedence over the hydroelectric plant's right to generate electricity.

DISCUSSION AND COMMENTS

A question was raised about zoning and Chairman Bill Moyer answered that Henderson County would be concerned about losing the flexibility to use our land use planning. It may be more restrictive but it may not, either way we would lose the flexibility to do the planning in the southern end of the county.

Chairman Moyer also stated that if we had a class IV classification it would only affect Polk County, not Henderson County but that issue has been taken to the State and the State basically said it would be a class III and that Polk and Henderson should work it out and then Polk County could go back to the State.

Chairman Tommy Melton stated that Polk County's goal is to work with Henderson County and make this work.

Chairman Moyer – “When you move to the availability of water in the southern end of the county, two of the ideas we've talked about was that if Polk County built a treatment plant they would reserve for us basically a guaranteed amount of water or make available to us an available amount of treated water so that we would not have to go through a water treatment plant and the figure we kicked around initially was about 500,000 gallons per day and I don't know if David wants to comment ... I know, that was only hypothetical and you were going to take a look at that as to what might be reasonable and the other thing we asked you to look into is that if somewhere down the road, we don't foresee it for maybe 20 years or so but if we would need to go Lake Summit to get a withdrawal permit so that we would pull out water that you would not oppose us taking that action with the State. I think these are the other two things we asked you to take a look at from our standpoint.”

The Polk County Manager answered that he thought 500,000 gallons could be available if the water line from Tryon to Saluda is built and the towns are in the process of doing that. “As far as you drawing water out in the future, Dave you correct me if I'm wrong, we'll have to request our permit initially for the size of our treatment plant. We're not going to the State and requesting an 8,000,000 gallon a day permit. If we did that we would have to build a treatment plant and show that we could use 8,000,000 gallons of water right now ... I don't think we'll get to that point 20 years from now... I don't see Polk County having any negative impact on Henderson County drawing water out of Lake Summit in the next 20 years or 30 years for that matter. I don't see us having any impact on that at all.”

There was discussion that getting the 500,000 gallons to Henderson County might be a problem, the logistics of it.

Duke Power is analyzing the entire Broad River Watershed because of its impacts on their ability to build the nuclear facility and what's going to happen with their cooling water. They also would have the largest withdrawal permit out of the entire watershed because of that cooling process. Broad allocation process is somewhat underway but it's not being done by the State at this point in time. At some point in time that will obviously occur. (per David Odom)

Mr. Odom said that Polk County would propose to build a 2,000,000 gallon plant because it's an economical number to use. If it's much smaller you begin to lose some economies of scale and if it's much larger you can't justify it. They also are trying to plan for “what if” one of the towns needs to come on faster than when they think they might, they would need that capacity available. They don't anticipate their demand being at 2,000,000 gallons per day for several years (20 years or so).

Commissioner McGrady explained that the Green River community is in his district, he is a major landowner there and he will recuse himself when the Board takes their action on this issue because of the potential financial impact on him. He stated that one of the unintended benefit of this might be, if in fact Polk County ends up supplying water to the Saluda area, that in fact that it gives more capacity to the north end of Henderson County. Saluda at this point is getting it's water from the City of Hendersonville. Saluda also gets rid of the inter-basin transfer, we're transferring a lot of water out of the French Broad River basin into the Broad River basin and it's probably the biggest transfer out. To the extent that this were to happen, Polk County begins to supply water to Saluda, we would actually free up a little bit of capacity in another part of our county. That doesn't do any good to the Green River portion or south end of the county but most of our growth and most of the water use we presently have is in the other river basin. Commissioner McGrady stated that the classification that the State is suggesting here, as he understands it, would not have massive land use effects in Henderson County at this time based on our present zoning. The topography of the land would suggest that this area would not be where we get our growth in our county near-term. His big concern is making sure if Henderson County, in the future, needs water here that whatever has occurred on Lake Adger doesn't in some way prevent that. He imagines that there will be another impoundment built on the Henderson County side, other than Lake Summit.

Much discussion followed regarding drought conditions and how the drought impacts our community and our businesses, land use and agriculture uses.

Commissioner Young asked to be on record that we would be able to expand or to use Lake Summit as a water reservoir for us as we may have to use water out of Lake Summit for the southern end of the county. He also questioned how this watershed classification would affect land values.

Commissioner McGrady stated that watershed classification doesn't impact agriculture as best evidenced by Mills River. He raised the question "How can we assure water usage in the Green River basin ... in the future if that's where we see our growth?"

Chairman Moyer stated that one thing Henderson County has done is to tentatively approve having a Water Supply Distribution Advisory Committee. All the municipalities have agreed to participate. This group will study our watersheds starting in the southern end of the county so that we will be in a better position to make these decisions going forward. At our next Board meeting we will likely set the composition for that Committee.

Henderson County has a comprehensive land use plan. Anthony Starr stated that we do not have specific growth projections. Historically this area of the county has been a low growth area, partly due to the proximity to key services and topography. We already have lower density than the WS III classification requirements. Currently we have 80% impervious surface limit. Under the WS III classification it would be a 24% limitation; however, you could do up to 10% of the drainage basin in our jurisdiction (which would be about 5,000 acres), that could be designated for up to 70% impervious surface. Chairman Moyer stated that in the Mills River watershed we've used a lot of that allocation already.

OPTIONS: One of the next steps would be to look at the safe yield below Lake Summit, reserving Lake Summit for Henderson County for water OR guarantee Henderson County so many gallons per day.

Chairman Moyer explained that the Henderson County folks had decided to have this discussion and get everything out on the table and then go back and have a workshop of Henderson County Commissioners and staff, receive public input, and try to form a position and get back to the Polk County Commissioners.

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Polk County Chairman Melton said that Polk County wants to reach across county lines and tell Henderson County that they will do whatever they can within reason of sanity to protect Henderson County and give Henderson County the consideration of water. They wish to work with Henderson County and be good neighbors and be able to improve the situation, not only in Polk County but also in Henderson County. They wish to maintain a spirit of cooperation. He hopes this will be a win/win for Polk County and Henderson County.

Polk County had a motion to adjourn and voted to do so.

ADJOURN

Commissioner McGrady made the motion to adjourn the (Henderson County) meeting at 8:05 p.m. All voted in favor and the motion carried.

Attest:

Elizabeth W. Corn, Clerk to the Board

William L. Moyer, Chairman