

ADJOURNED MEETING CITY COUNCIL
August 26, 2008

The City Council of the City of Albemarle met in an adjourned session on Tuesday, August 26, 2008, at 7:00 p.m. at the Tuckertown Water Treatment Plant. Mayor Elbert L. “Whit” Whitley presided and the following Councilmembers were present, to wit: Troy E. Alexander, Martha Sue Hall, Judy Holcomb, Jeanette M. Napier, Jack F. Neel, T. Ed Underwood and T.E. White. Absent, none.

The City Council met with the Handy Sanitary District to discuss the possible sale of water by Albemarle to the District.

Mayor Whitley began by reviewing the drought situation in North Carolina and the City’s water capacity at its two plants. He said the City currently makes an average of 7 mgd with a current capacity of approximately 16 mgd. With plant expansion, that figure could double. With that in mind, he asked the representatives of the Handy Sanitary District what they would like to see.

Mr. Jamie Justice, Contract Manager for the Handy Sanitary District, indicated they are interested in the possibility of purchasing bulk water from the City of Albemarle. He said they are interested in possibly up to 500,000 mgd. This would meet needs that at times cannot be met by their current supplier of water, the Town of Denton, and it would secure an interconnection to another water system for protection in times of emergency. He noted the District is applying for a North Carolina Rural Center Grant to study the future of their water system.

Mayor Whitley indicated the City continues to work with the City of Concord on the sale of water because Albemarle does have the capacity and desire to sell water. He suggested that the staffs of the City and the Handy Sanitary District meet to work out further details for the consideration for the Boards.

Councilmember Holcomb said that when the two Boards met a few years ago to discuss this very issue that she supported it at that time and still supports further investigation of water sales to Handy.

Councilmember Neel said the City built its water plant infrastructure to serve business and industry that was creating a demand. That industry and

demand is not what it once was, but the City can still use its water capacity as an economic incentive and would not want a customer of the City of Albemarle to use water to lure a potential business away from locating in Albemarle. He said language prohibiting this is in the agreement the City has with the County of Stanly and other bulk customers and would need to be integrated into any agreement with the Handy Sanitary District. Mr. Ron Niland indicated the Handy Sanitary District is not a city or county government and does not have the same interest in creating tax base.

It was the consensus of the Boards that the matter be pursued further and that the staffs of each organization meet to determine some of the specifics of a possible agreement, including potential rates.