

Call to Order

The Town Council of the Town of Belhaven met in regular session on Tuesday, May 26, 2009 at 7:00 P.M. at the Boyette Civic Center at 257 W. Pungo Street. Mayor Adam W. O'Neal called the meeting to order with the following Council members present: Steve W. Carawan, Howard D. Moore, McKee "Mac" Pigott and Robert L. Stanley. Mayor O'Neal stated that Councilman/Mayor Pro Tem J. Nelson Guy was not present due to a conflict. Town Manager, Dr. Guinn Leverett, Finance Officer Kyle DeHaven and Town Clerk Marie J. Adams were also present.

Invocation, Pledge of Allegiance – Mr. Johnny Clark, Deacon, Hoggard's Temple Church of God in Christ

Mayor O'Neal introduced and recognized Mr. Johnny Donnell Clark, Deacon with Hoggard's Temple Church of God in Christ who gave the invocation and led the Pledge of Allegiance.

Approval of Minutes – May 11, 2009 Regular Session and Closed Session – April 27, 2009

Mayor O'Neal stated that the minutes of the May 11, 2009 Regular Session and the April 27, 2009 Closed Session were open for review and adoption. There being no corrections to the minutes, Councilman Pigott made the motion to approve the May 11, 2009 Regular Session and the Closed Session April 27, 2009 minutes. Councilman Moore seconded the motion which carried unanimously, 4 to 0.

Public Comments

Mayor O'Neal stated that the Council would hear any comments from the public at this time. There were no comments from the public.

Belhaven Historian – Mr. Russell Johnston Breakwater

Mayor O'Neal introduced and welcomed Mr. Russell Johnston, Belhaven Historian. Mr. Johnston stated that Town Clerk Adams had wanted some information on the breakwater. Mr. Johnston stated that he did not have much information concerning the breakwater, other than in his opinion; the breakwater did not do what it was intended due to the construction of the breakwater not going to the bottom of the creek. Mr. Johnston also stated that he hoped when the breakwater is reconstructed, in the near future, that the engineers take this information into consideration.

Grocery Stores Located Downtown: Before and During the Depression Era

Mr. Johnston stated that there were a large number of grocery stores located downtown Belhaven before and during the Depression Era. Mr. Johnston stated that on Pamlico Street at the present location of the Georgie's Sport and Oyster was Mr. Capps' Grocery Store; a littler further down Pamlico Street was Mr. Windley's Store; the M System and Bishop Grocery on the corners of Main and Pamlico Street; a Mr. Spruill had a meat market on Main Street along with Pender Grocery (a chain store) that went out of business during or right after the depression. The Cuthrell Family had the bakery where bread pudding could be purchased for .05. Mr. Dave Blount had a grocery store where Mr. Johnston's brother-in law, Mr. Cleve Woodward worked. The Livery Stable was near the present location of the Wachovia Bank on the corner of Pamlico and Pungo Streets where the feeding of the horses, mules, etc. was .25 per day for hay and that he, as a young boy, was paid .05 to muck out the stalls. Mr. Johnston then enlightened the audience with a joke, about horse manure, which he stated was very popular during that time period. Mr. Johnston stated that he carried newspapers during this time and it was hard to collect

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for his route (the papers were only .35 for the entire week). During that time a salesman with Wrigley Chewing Gum had a promotion, that anyone who walked in the Grocery Store (Dave Blount's store) he would give them \$1.00 if they had Wrigley's gum. Mr. Johnston of course didn't have a pack of gum but his brother in-law Mr. Woodward gave him a pack. The Wrigley salesman approached Mr. Johnston as he offered the salesman a piece of "Wrigley Gum" needless to say Mr. Johnston got his \$1.00 promotion, all thanks to his brother in-law. After the closing of Mr. Blount's Grocery Store, Mr. Woodward and Mr. Murl Brooks worked for Mr. Ernest Jefferson who had a radio shop (I guess today would be know as an electronics store). These two gentlemen would create amusement; like the time they hot wired a state pole (the only one on the street that all the dogs in town used) in front of the radio shop or the time that they had a swing in front of the store and invited people to sit and swing and then would shock them with a small battery that had been "engineered" on the swing.

Some years later, Mr. Johnston had the occasion to join the Navy and was aboard the USS Duncan, which was sunk. Mr. Johnston and other survivors then boarded the USS San Francisco where the survivors were matched with men who appeared to be the same size so that dry clothing could be shared. At this point he met a gentleman who asked Mr. Johnston where was he from. Mr. Johnston replied "a small town in N.C." The gentleman inquired "what small town" Mr. Johnston replied Belhaven, NC. The gentleman asked him did he know Murl Brooks from Belhaven, Mr. Johnston replied "yes"; the gentleman informed him that Mr. Brooks had recently died in a lifeboat while in his arms after the ship they were on sank (USS Neoshoe). Mr. Johnston stated that this was pretty amazing that he paired up with a gentlemen who knew someone from Belhaven in the middle of the ocean after surviving your ship sinking – "fate"?

Oyster Houses and Boats

Mr. Johnston stated that Reubin Williams, the Hodges Brothers and Mr. Oscar Muir had oyster houses on Water Street with Mr. Muir's business (going out of business) in the 1930s. Mr. Johnston stated the skipjacks (sail boats) where used to oyster with because you could not dredge for oysters with power boats. He stated that it was a pretty site to look at six or seven skipjacks boats coming into dock after oystering.

The Council thanked Mr. Johnston for the information which he presented. Councilman Pigott stated that during his time in the seafood industry he had a can of oysters packed by Hodges Oysters.

The audience applauded Mr. Johnston's presentation.

ElectriCities – Renewable Energy Development and Service Agreement

Mayor O'Neal stated that the Town had previously discussed the Renewable Energy Development and Service Agreement with Mr. Ken Raber with ElectriCities. Mayor O'Neal stated that the Town had reviewed options for this mandated bill and that this would be the most feasible way to implement this mandate. Mayor O'Neal asked for a motion. Councilman Pigott made the motion to adopt the following Renewable Energy Development and Service Agreement with North Carolina Eastern Municipal Power Agency. Councilman Stanley seconded the motion which carried unanimously, 4 to 0.

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NORTH CAROLINA
EASTERN MUNICIPAL POWER AGENCY

RENEWABLE ENERGY DEVELOPMENT
AND
SERVICE AGREEMENT

Witness this Agreement, dated as of the ____ day of _____, 2009, by North Carolina Eastern Municipal Power Agency, a joint agency organized and existing under the provisions of Chapter 159B of the General Statutes of North Carolina (“Power Agency”), and the municipality of the State of North Carolina which has executed this Agreement (the Municipality”).

WHEREAS, Power Agency, pursuant to that certain Supplemental Power Sales Agreement between Power Agency and the Municipality, dated as of the 30th day of July, 1981, provides All Requirements Bulk Power Supply (as that term is defined in the Supplemental Power Sales Agreement) to the Municipality; and

WHEREAS, also pursuant to the Supplemental Power Sales Agreement, Power Agency, for purposes of carrying out its rights and obligations under the Supplemental Power Sales Agreement, has been designated and appointed by the Municipality as the Municipality’s sole agent to fullest legal extent that such agency may be established for such purposes; and

WHEREAS, in 2007, the North Carolina General Assembly adopted legislation in the form of Senate Bill 3 (codified in N.C.G.S. as §62-133.8 et. seq., and referred to herein as the “Legislation”) which, among other things, requires all “electric power suppliers” (as that term is defined in the Legislation) in the State of North Carolina, including, among others, municipalities that sell electric power to retail electric customers, to meet certain Renewable Energy and Energy Efficiency Portfolio Standards (“REPS”) set forth in the Legislation; and

WHEREAS, Power Agency believes that the least cost method for all municipalities to whom Power Agency provides All Requirements Bulk Power Supply to comply with the REPS can be accomplished through a program developed and coordinated by Power Agency, together with the input and cooperation of all of such municipalities; and

WHEREAS, the REPS require, among other things, that certain specified percentages of municipalities’ retail sales of electric power be supplied, beginning in 2010, in accordance with the provisions of the Legislation, which provisions include, among others, that such electric power be supplied from renewable energy resources (including, but not limited to, wind, solar, animal waste, landfill gas and hydro), from the purchase of renewable energy certificates, or from energy savings through demand-side management and energy efficiency measures; and

WHEREAS, the Legislation also sets forth certain maximum per-account annual charges that electric power suppliers are permitted to charge their respective retail customers for compliance with the REPS, and further provides that the electric power supplier shall be deemed

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to be in compliance with REPS if the aggregate of the maximum per-account annual amounts is expended by the electric power supplier in a given calendar year; and

WHEREAS, Power Agency is willing to undertake the development, coordination and administration of a REPS compliance program on behalf of each of the municipalities in accordance with the terms and conditions set forth in this Agreement (the “REPS Compliance Program”).

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, and such other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, IT IS AGREED:

1. Power Agency Undertakings.

Power Agency shall:

- i) assist the Municipality in determining, developing, coordinating and administering a REPS Compliance Program for the Municipality;
- ii) obtain, to the extent deemed appropriate by the Board of Directors of Power Agency, supply-side renewable resources, the output of which would be available for sale at wholesale to the Municipality as part of its All Requirements Bulk Power Supply;
- iii) coordinate, administer and, to the extent necessary, develop demand-side management and energy efficiency measures;
- iv) coordinate renewable resources and demand side management and energy efficiency measures owned, operated or undertaken by the Municipality with and into the REPS Compliance Program for the Municipality and for other municipalities entering into a Renewable Energy Development and Service Agreement, to the extent deemed feasible and appropriate by Power Agency;
- v) account for and document the Municipality’s compliance with the REPS;
- vi) prepare and file annual Compliance Plans and Reports, on behalf of the Municipality, required to be filed with North Carolina Utilities Commission (the “NCUC”) pursuant to the rules and regulations promulgated by the NCUC pursuant to the Legislation; and
- vii) impose and collect a monthly fee, to the extent adopted by the NCEMPA Board of Commissioners and Board of Directors, to be determined with respect to the overall compliance obligations of the Participants and taking into account each individual Participant’s compliance activities; in the form of a billing rider (the “REPS Rider”) to carry out its undertakings herein and the Municipality’s obligations under the Legislation.

2. **Municipality's Undertakings.**

The Municipality shall:

- i) participate in all or a part of the REPS Compliance Program to comply with REPS;
- ii) permit Power Agency to coordinate, and assist Power Agency in its coordination of, renewable resources and demand side management and energy efficiency measures owned, operated or undertaken by the Municipality with and into the REPS Compliance Program for the Municipality and other municipalities entering into a Renewable Energy Development and Service Agreement;
- iii) permit Power Agency to allocate the Municipality's contract SEPA output in the manner deemed most efficient by Power Agency in connection with Power Agency's administration of the least cost REPS compliance on behalf of the Municipality and other municipalities entering into a Renewable Energy Development and Service Agreement;
- iv) timely pay to Power Agency the monthly REPS Rider adopted by the Board of Directors;
- v) report to the Power Agency the number of its residential, commercial and industrial retail electric customer accounts that the Municipality reported to the Energy Information Administration for the previous calendar year not later than April 30 of each year during the term of this Agreement; and
- vi) keep and maintain accurate records of, among other things, its annual retail sales of electric power (in MWs), its number of residential, commercial and industrial electric customer accounts per year, and the savings (in MWs) achieved by the Municipality as a result of its use of demand-side management and energy efficiency measures.;
- vii) account for and keep and maintain accurate records of all costs associated with the Municipalities efforts to comply with REPS, including, but not limited to, labor, materials, overhead, expenses and other miscellaneous costs; and
- viii) provide Power Agency with any and all information reasonably requested by Power Agency in connection with Power Agency's obligation to prepare and file the annual Compliance Plans and Reports.

3. **Power Agency is the Municipality's Agent.**

The Municipality hereby appoints the Power Agency as its agent, to the fullest extent permitted by law, to develop, coordinate and administer a REPS Compliance Plan and to take all acts, on behalf of the Municipality, as are necessary to develop and implement a REPS Compliance Plan that will enable the Municipality to meet the REPS.

4. **Modification and Uniformity of Agreements.**

This Agreement shall not be amended, modified or otherwise changed, or rescinded, except by agreement of the parties hereto. If any other Renewable Energy Development and Service Agreement is amended or replaced so that it contains terms and conditions different from those contained in the Agreement, Power Agency shall notify the Municipality and, upon timely request by the Municipality, shall amend this Agreement to include such similar terms and conditions.

5. **Term.**

The term of this Agreement shall be coterminous with the term of the Supplemental Power Sales Agreement, and the rights of the Municipality and the Power Agency to terminate this Agreement shall be the same as the rights to terminate set forth in the Supplemental Power Sales Agreement.

6. **Applicable Law; Construction.**

This Agreement is made under and shall be governed by the law of the State of North Carolina. Headings herein are for convenience only and shall not influence the construction hereof.

7. **Severability.**

If any section, paragraph, clause or provisions of this Agreement shall be finally adjudicated by a court having jurisdiction over the parties hereto and the subject matter to be invalid, the remainder of this Agreement shall be unaffected by such adjudication and all of the remaining provisions of this Agreement shall remain in full force and effect as though such section, paragraph, clause or provision, or any part thereof so adjudicated to be invalid, had not been included herein. In the event of any such invalidity, the parties hereto shall promptly negotiate in good faith valid and new provisions, if necessary, to restore the agreement to its original intent and effect.

8. **Assignment of Agreement.**

This Agreement shall inure to the benefit of, and shall be binding upon, the respective successors and assigns of the parties to this Agreement; provided, however, that neither this Agreement nor any interest herein shall be assigned or transferred or sold by the Municipality without the written consent of Power Agency.

9. **Entire Agreement.**

This Agreement shall constitute the entire understanding of the parties hereto, superseding any and all previous undertakings, oral or written, pertaining to the subject matter contained herein. No party hereto has relied, or will rely, upon any oral or written representations or oral or written information made or given to such party by any representative of the other party or anyone on its behalf.

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IN WITNESS WHEREOF, the parties hereto have executed this Renewable Energy Development and Service Agreement all by authority of their respective governing bodies duly given.

Executed the 26th day of May, 2009.

Town of Belhaven

By: _____
Adam W. O’Neal, Mayor

ATTEST:

Marie J. Adams, Town Clerk

(SEAL)

Executed the ____ day of _____, _____.

NORTH CAROLINA EASTERN
MUNICIPAL POWER AGENCY

By: _____

ATTEST:

Assistant Secretary-Treasurer

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Councilman Pigott stated that mandates such as this, Senate Bill 3, will cause the cost of electricity to increase in the future for the Town and its' citizens.

Payment in Lieu of Taxes – Water and Sewer Funds – Resolution of Policy Adoption

Mayor O'Neal stated that the Town needed to set a policy in order to appropriate funds from the Water and Sewer Funds, in lieu of taxes. Mayor O'Neal explained that if the water and sewer facilities were privately owned then taxes for these properties would be paid to the Town therefore the adoption of this policy would allow the allocation of funds to be transferred from the Water and Sewer Department in lieu of taxes. Mayor O'Neal stated that Town Manager Leverett had spoken with the Local Government Commission (LGC) concerning this issue and that the LGC gave their affirmation of this policy. Town Manager Leverett stated that the same property tax rate would be used and that the Electric Fund was already using this procedure for that department in "lieu of taxes". Councilman Carawan made the motion to adopt the following "A RESOLUTION ESTABLISHING A FORMAL POLICY ON PAYMENT IN LIEU OF TAXES FROM WATER AND SEWER DEPARTMENTS". Councilman Pigott seconded the motion which carried unanimously, 4 to 0.

**A RESOLUTION ESTABLISHING A FORMAL POLICY
ON PAYMENT IN LIEU OF TAXES FROM WATER AND SEWER
DEPARTMENTS**

WHEREAS, if water and sewer services had been provided by an investor-owned utility instead of the Town's Water and Sewer Fund, such utilities would have paid municipal ad valorem taxes to the General Fund of the Town and would have been entitled to a return on investment;

WHEREAS, BE IT RESOLVED by the Town Council of the Town of Belhaven, North Carolina, that the following policy regarding payments in lieu of taxes and operating transfers from the Water and Sewer Funds are hereby adopted:

Payment in Lieu of Taxes. The Town shall budget annually a payment in lieu of taxes amount from the Water and Sewer Departments to the General Fund that approximates the amount of ad valorem taxes that would have been paid had the water and sewer services been provided by investor-owned utilities. The payment in lieu of taxes amount shall be calculated by multiplying the gross fixed assets of the Water and Sewer Fund reported in the Town's most recent audited financial statements by the Town-wide tax rate per \$100 for the General Fund included in the Town's most recent budget ordinance. The payment in lieu of taxes amount calculated under this section shall be reported as an expense of the Water and Sewer Funds and as revenue of the General Fund.

Adopted this the 26th day of May, 2009.

Adam W. O'Neal, Mayor

ATTEST:

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Marie J. Adams, Town Clerk

Presentation of Proposed Budget for Fiscal Year 2009/2010; Set Public Hearing Date and Budget Workshop

Finance Officer Kyle DeHaven distributed the proposed budgets for the Town of Belhaven Fiscal Year 2009/2010. Mayor O'Neal stated that a budget workshop would be needed to review the proposed budget. Following some discussion, Councilman Pigott made the motion to set the budget workshop for Monday, June 1, at 6:00 P.M. at the Boyette Civic Center at 257 W. Pungo Street. Councilman Stanley seconded the motion which carried unanimously, 4 to 0. Councilman Pigott also made a motion to hold a public hearing on Monday, June 8, 2009 at 7:00 P.M. prior to regular session at the Boyette Civic Center at 257 W. Pungo Street. Councilman Stanley seconded the motion which carried unanimously, 4 to 0.

Town Manager's Report

Town Manager Leverett stated that the Wynne's Gut Dockage plan had been submitted to CAMA for approval.

Miscellaneous Council/Mayor Comments Concerns

Councilman Pigott stated that the water and sewer departments along with the other departments are doing an excellent job, but that he was concerned with the amount of time spent in the Pantego area due to sewer problems. Mr. Pigott explained that these out of town calls cost the Town and its' citizens money. Councilman Carawan stated that he appreciated the responsibility that the water and sewer departments have taken on in trying to clarify the out of town sewer discrepancies. Councilman Carawan asked if the roof was complete at the Fire Department. Town Manager Leverett stated that the roof at the fire department was complete and that a new exterior (façade) would be forthcoming. Mayor O'Neal stated that the Public Works Compound (Garage) needed painting and asked that bids for painting be sought and brought back at the next Council meeting. Councilman Pigott stated that he would be meeting with Fire Chief Myers to determine their wishes for the department and with the improvements made at the Fire Department.

Adjournment

There being no further business, Mayor O'Neal declared the meeting adjourned at 7:25 P.M.

Respectfully submitted,

Marie J. Adams, CMC
Town Clerk