

**DECEMBER 18, 2012, CITY COUNCIL MINUTES  
SPECIAL MEETING  
CAPITAL PLANNING SESSION**

The City Council of the City of Clinton, North Carolina, met in a special capital planning meeting at 6:00 PM on December 18, 2012, in the City Hall Auditorium. Mayor Starling presided. Councilmembers Strickland, Turlington, Becton, and Stefanovich were present.

Mayor Pro Tem Harris was absent.

Also present were City Manager Connet; Assistant City Manager – Finance Director Shawn Purvis; Police Chief Jay Tilley; Fire Chief Adon Snyder; Public Works Director Jeff Vreugdenhil; Planning and Community Development Director Mary Rose; and City Clerk Elaine F. Hunt.

Human Resource Manager Lisa Carter and Parks and Recreation Director Jonathan Allen were absent.

Also present were Chris Berendt, of The Sampson Independent; Dan Boone, P. E., and Chris Thomson, Project Manager, of The Wooten Company; John Swope, Executive Director, of the Sampson County Economic Development Commission; Paolo Carollo, Executive Vice President, William Sisk, Senior Project Manager, and Jeff Taylor, Vice President of Technology, of Chemtex USA.

Councilmember Becton blessed the meal and hereafter, the session began.

Mayor Starling called the meeting to order and City Manager Connet welcomed and thanked everyone for coming to the special meeting. City Manager Connet stated that agendas have been distributed to everyone showing what the meeting will entail. He stated that first on the agenda is a review of the Chemtex Ethanol Project and he introduced Mr. Paolo Carollo, Executive Vice President of Chemtex USA.

Mr. Carollo briefed everyone on the history and origination of Chemtex USA. He stated that the company was founded in 1947. He informed City Council of the various locations of the plant to include Wilmington, North Carolina. He gave an overview for the proposed facility in Clinton, NC. He stated that BB&T is a strong supporter of Chemtex.

He stated that the proposed site will be located off Hwy 24. He stated that the approximately 166 acres here are owned by two property owners. He stated that the proposed facility would be a 20MMgpy facility using energy crops; such as, switchgrass and sorghum and grown on low productivity and marginal land. He further stated that approximately 20,000 acres would be utilized for Phase I. These 20,000 acres belong to different farmers throughout the region. It is to be understood that Chemtex will not own these 20,000 acres. Mr. Carollo stated that for Eastern NC, this project will be a \$200 million capital investment; \$6

million new annual wage income for employees; 65 new refinery jobs; and 280 new indirect jobs. It was stated that there will be an onsite wastewater treatment plant.

Mr. Carollo told City Council that on August 22, 2012, they received a conditional commitment for a \$99 million loan guarantee under the USDA 9003 Bio-refinery Assistance Program. He concluded by stating that Fall 2013 will be the starting of site work and late Fall 2014 should be the time of completion of the facility.

Councilmember Stefanovich expressed concerns regarding the usage of the City's drinking water. He questioned the recycling of the water. Chemtex representatives agreed that they have underway an engineering study investigating ways to reduce water usage at the facility.

Councilmember Stefanovich questioned whether or not plastic will be produced at this proposed facility. Mr. Carollo responded that only ethanol will be produced here.

Mr. Chris Thomson stated that a wastewater preliminary study is in progress. He stated that they are proposing to build a pump station that will serve Chemtex and eliminate the two current stations—the Fontana Street lift station and the County Complex station. He stated that this proposed station will handle 500,000 gallons of wastewater. He further stated that this station will have a 12,000 ft. force main and a pump capacity of 1,525 GPM.

City Manager Connet stated that Mr. Thomson will explain ways to pay for this proposed pump station. Mr. Thomson stated grants are available; such as EDA funds.

### **WATER AND SEWER FUND**

Assistant City Manager – Finance Director Shawn Purvis presented the attached Water & Sewer Fund Annual Debt Service which is incorporated by reference and hereby made part of these minutes notated as ATTACHMENT I. Mr. Purvis stated that the numbers showing only include debt, costs, and revenues expected for the water plant expansion and the additional tower. He further stated that revenues will begin approximately 2017.

Mayor Starling questioned whether or not the City will run out of water. Mr. Dan Boone, of The Wooten Company, stated that a regional study has determined that presently within the City of Clinton, there is a surplus of groundwater—approximately 20 million gallons per day and usage daily is approximately 13-14 million gallons. Mr. Boone stated that there is not an unlimited supply of water. It was stated that Chemtex can run off of approximately 50% of reclaim water.

City Manager Connet asked City Council to grant him permission to continue to seek grant opportunities.

Mr. John Swope stated that in the future, the City of Clinton will yield millions of dollars from water and sewer services and the annexation of Chemtex.

City Manager Connet revisited the water tank project which includes the adding of six (6) new wells. It was stated that the waterline design is approximately 90% complete and the proposed expansion will be complete in 2014. Total project cost is approximately \$1,770,000. Mr. Connet asked permission from City Council to pursue financing of this project.

No action was taken.

### **GENERAL FUND**

City Manager Connet revisited another item brought to City Council previously—New Police Headquarters. He stated that architectures have provided four options for City Council's review. He stated that they looked at the former RUS site as an alternative site. The following options were presented to City Council:

<b><u>Option</u></b>	<b><u>Description</u></b>
1	Existing site using part of building and parking in front
2	Existing site until a new site is built; then, remove existing site
3	Relocate Police Department behind Graham House
4	Master Facility Plan (one large facility and include Planning and Zoning Department in this facility)

City Manager Connet distributed ATTACHMENT 2 for in-depth information which was incorporated by reference and hereby made part of these minutes. He asked for direction from Council.

It was the consensus of Mayor Starling and City Council that City Manager Connet continues exploring opportunities to build this new facility.

### **CITY COUNCIL**

Upon a motion made by Councilmember Stefanovich, seconded by Councilmember Becton, it passed unanimously to adjourn this special Capital Planning Session at 8:06 PM.

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Elaine F. Hunt, MMC, City Clerk

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Lew Starling, Mayor