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Public hearing set for Hertford power proposal

The Hertford Town Council will hold a public hearing September 21 on the proposal to discontinue purchasing electricity from the Virginia Electric and Power Company and join the North Carolina Municipal Power Agency Number 3.

Mayor and Town Manager Bill Cox said that he expects the council to vote on the proposal following the public hearing.

The proposal will be one of the most important issues this council has ever had an opportunity to vote on. The decision — either to remain with VEPCO or transfer to NCMPA 3 — will have a significant and long-term impact on the development of the county.

The NCMPA 3, a agent of 36 nor-

theastern North Carolina municipalities — 14 of them served by VEPCO, and the others by the Carolina Power and Light Company — intends to purchase from 13 to 19 percent interest in nine different CP&L-owned generating plants.

The purchase price will be \$1.2 billion, with an additional \$2.8 billion over the next 12 years for future construction costs.

The cost will be paid through electric revenue bonds issued by the agency and secured with money received through power generation. No tax revenue will be used to buy the plants, nor will the taxing power of the municipalities be used to secure the bonds. It is, in fact, illegal to do either of those things.

Independent studies of the deal project that the future savings to the member cities, through lower power rates, will be \$2.347 billion by the year 2003, about 11 percent less than the estimated costs of the staying with their present arrangement. Hertford should save about \$13.34 million by 2003.

If the proposal goes through, Hertford will begin to receive power from the agency by December.

The savings to the member municipalities will be made because the NCMPA 3 is a non-profit organization, and therefore doesn't have to pay income taxes or dividends to stockholders.

In addition, the bonds the agency issues for the purchase are tax-

exempt bonds (i.e. the return to the purchaser of the bond is not subject to federal income tax), and therefore the interest rate on those bonds will be from three to five percentage points lower than bonds issued by private companies like VEPCO or CP&L.

Finally, the agency will save money because the agency will own the generating facilities it uses, and won't have to pay for the inflating costs of new construction. Just as when a home renter becomes a home owner, the agency will have something to show for its money at the end of the year.

The professional management services for running the agency will be provided under contract by ElectricCities, which now provides

those services to all NCMPA 3 members.

Under the proposed agreement, CP&L will continue to operate the purchased plants and will transmit the power to the agency members. Agency members who are presently served by VEPCO, like Hertford, will pay a transmission charge for using VEPCO transmission lines.

Rates for NCMPA 3 power will be set by an agency Board of Commissioners, made up of representatives of the member cities. The rates will be set to recover costs of ownership, maintenance, financing, operation and administration.

VEPCO-served cities will also pay an additional cost (about one-tenth of a cent per kilowatt hour) to cover —

along with other VEPCO expenses — the \$16.5 million compensation settlement with VEPCO that allows those cities to transfer to NCMPA 3.

The agency will receive its supplemental power (power needed above the generating capacity of the purchased plants) from CP&L. VEPCO-served cities will receive supplemental power from VEPCO for the first two years of operation, and then afterwards from CP&L.

If the town can save as much money as the studies say it can, it would make this area that much more attractive to new development.

But if that is not the case — if, for instance, unexpected construction

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Dispute raised over changes at Holiday Island

By JACK GROVE and TOM OSTROSKY

After a special meeting of the Perquimans County Board of Commissioners Monday, the board decided to delay a decision on whether to allow the developer of Holiday Island to change some lots from camping sites at the resort to residential area.

The decision was delayed until the Holiday Island Property Owners Association and the Coastland Corporation, developer of Holiday Island, could work out an agreement on building and maintaining the roads needed for the plot change.

In addition, the board wanted to give the Health Department extra time to determine the present status of the sewage treatment plant — now operating without a permit — and whether the sewage system can handle the load of resort, both as presently platted and regarding the changes.

"There are no philosophical differences (between Coastland and the HIPOA) about what they want to do," said Walter Edwards, attorney for the HIPOA, adding that the issue was whether the roads and sewers could handle the proposed changes.

Edwards said that a verbal agreement had been made between the two parties concerning the roads, but he wished to have that agreement in writing.

Concerning the sewer situation, Health Department inspector Edward Pierce questioned whether under state guidelines the system could even handle the present load, not considering what effect the changes might have.

Board attorney John Matthews presented a certificate signed by the Health Department stating that the system could handle the proposed changes, but Pierce said that there had been a misunderstanding in the Health Department about the proposal. "There was a mistake in signing that," he said. "We wish we hadn't sign it."

There was some dispute between Pierce and Coastland vice-president Jack Sherrill over the state guidelines, whether the proposed changes would actually increase the load on the system. Pierce asked the board to give him two more weeks to complete his study of the system, and the request was granted.

The sections involved in the proposal are Q and S. These sections were originally platted and registered with the county as camping sites.

Coastland has listed a proposed change of the two plats to become one

section and to change from a camping to a residential (mobile homes and cottages) area.

The proposal would change the sections from 265 small lots to 54 larger lots. The revised plat was presented to the county Planning Board and the county Board of Commissioners at their September 8 meeting.

At that meeting representatives of the HIPOA's Board of Governors objected that they had not been fully informed about Coastland's plans. In light of this objection, the board asked the developer to meet with the HIPOA board prior to last Monday's special meeting.

Last Thursday, Sherrill and James Johnson, president of Coastland, met with the HIPOA board.

Sherrill outlined the proposal which includes:

- 54 mobile home or cottage lots — each lot to consist of a minimum of 12,000 square feet.

- 1,400 lineal feet of roads, 20 feet wide and with a rock or marl surface.

- 1,400 lineal feet of water lines.

- Hookup of the lots to the existing sewage treatment system at Holiday Island — the lines were already in place throughout Q and S.

The main items of concern voiced by HIPOA centered around future overloading of the sewer system and damage to the road system during the course of construction.

Sherrill assured the association that the sewage system was designed to handle all platted sections associated with it.

He went on to say that dropping the number of lots from 265 to 54 would reduce the demand on the system by some 50 percent or more in Q and S.

Holiday Island has a sewage treatment plant and system which currently serves three camping sections. The system includes six comfort stations and sewer hookups

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Holiday Island meeting

Health department inspector Edward Pierce discusses the sewage system problem at

Holiday Island with members of the Perquimans County

Board of Commissioners and the developers of the resort.

At far right is board chairman Joe Nowell.

School opening a success, said Harrell

In his report to the Perquimans County Board of Education on Tuesday of last week, School Superintendent Pat Harrell described this year school opening as "smooth, organized," displaying none of the transportation and scheduling problems usually seen during the first week of school.

"The teachers came in August 17 (two weeks before school opened) and they've worked extremely hard," Harrell said. "They should be commended."

Harrell reported that there was a decline in school enrollment this year, the county schools losing some 120 students. "A large number of people left the county over the summer," he

noted. A more detailed report of the first ten days of school will be issued sometime this week.

The Board approved the transfer of 11 kindergarten students from Perquimans Central Grammar School, where the two classes are too large, to Hertford Grammar School, where they are too small. The transfers, who will stay at Hertford Grammar for the 1981-82 school year only, will be taken from volunteers and from the last 11 students to enroll at Perquimans Central Grammar.

The Board also approved a new salary schedule for bus drivers this year. First year drivers will be paid \$3.43 per hour, and drivers with one or more years experience will receive

\$3.58 per hour. This is to meet the state guideline of an average of \$3.50 per hour for all bus drivers.

Drivers will now be paid in a monthly fee, determined by the estimated distance and time of travel each school day. Formerly, drivers' pay was determined on their day-to-day hours.

The Board also approved to submit board member Clifford Winslow's name for the annual Raleigh Dingman Award for outstanding boardmanship. Winslow is the former state president of the School Board Association. "He's shown outstanding leadership at both the state and local level," Harrell said.

In other action, the Board:

- Discussed the possible reimbursement of travel expenses for teachers who must work at more than one school during the day.
- Discussed joining the North

Carolina School Boards Association Sponsored Insurance Program, which would grant liability insurance for school board members and their staff.

- Approved a motion to deny providing non-education related groups with the names of school employees. These groups often ask for employees names and use them for unsolicited sales.

- Approved new plans and guidelines for the Perquimans Union School physical education program.

- Approved completion of the King Street roof project for \$2,640; the bathroom renovations at Perquimans Central Grammar School; roof repair at Perquimans Union School; and agreed to cooperate with the Perquimans Union Student Council in replacing the carpet at the school library.



A spill

A man prepares to tow away the pickup truck driven by Frankie Lawrence Harris of Elm City. Harris tried to pass another car about five miles

north of Hertford on U.S. 17 early Monday morning. The other car pulled out to pass also, and Harris swerved and

hit a mailbox before tumbling over in a ditch. He and another passenger were slightly injured.

New editor named at Perquimans Weekly

The PERQUIMANS WEEKLY announces a change in its editorial staff, which took place last week.

Tom Ostrosky, 23, has been named the new editor of Weekly. He replaces Mildred Allen, who left earlier this month.

Ostrosky, a native of Fairfax, Va. (a suburb of Washington, D.C.), previously worked as the sports and general assignment reporter for the DAILY ADVANCE.

He attended George Washington University in Washington, where he graduated with a B.A. in journalism.

Ostrosky intends to make his home in Hertford.



Ostrosky

This week

Rev. Carl Yow is among the right kind of people in Belvidere. For a little reminder of how good people can really be, turn in page three.

The Perquimans Pirates face another long road trip this week, maybe without the help of quarterback Dennis Parker. See page 20.

Weather

Summers today, with fair weather Friday and Saturday. High in the lower 80s and low in the lower 60s.