

REGULAR MEETING
BOARD OF ALDERMEN
TOWN OF WAYNESVILLE
MARCH 24, 1998
TUESDAY - 7:00 P.M.
TOWN HALL

The Board of Aldermen held a regular meeting on Tuesday, March 24, 1998. Members present were Mayor Henry Foy, Aldermen Gary Caldwell, J. Kenneth Moore, Sam Wiggins and James Williamson. Also present were Town Manager A. Lee Galloway, Town Clerk Phyllis McClure and Town Attorney Michael Bonfoey. Mayor Foy called the meeting to order at 7:00 p.m.

Approval of Minutes of March 10, 1998

Alderman Caldwell moved, seconded by Alderman Moore, to approve the minutes of the March 10, 1998 meeting as presented. The motion carried unanimously.

Amendment to the Optional Coverage Relocation Benefits Policy of the Community Development Block Grant

Mayor Foy announced that this item has been removed from the agenda. At the last meeting Town Manager Galloway said that the Town has encountered a special circumstance in which an individual is living in a home inside the corporate limits of Waynesville in which the structure was too dilapidated and the lot too small to build upon without the granting of several variances to the setback requirements. It was proposed that the Town use a ½ acre parcel owned by the Town located on Shingle Cove for the relocation of this individual, with stipulations in the amendment that would allow the Town to receive the parcel and the dwelling unit upon the death of the displaced person to lease or sell the house and lot to a low/moderate income family. It has been discovered that the individual has refused to move from their current location. Mayor Foy said that he would speak with Mountain Projects and the Department of Social Services to seek other solutions. No action was necessary.

Lease of Property - Shingle Cove - Intention to Rent Lot

Mayor Foy announced that this item has been removed from the agenda since the proposed amendment to the Optional Coverage Relocation Benefits Policy of the CDBG was no longer needed. No action was necessary.

Resolution Authorizing Town Manager to be Designated Agent for Town on FEMA Matters

As a result of the snow storm on January 27 and 28, 1998 the Town of Waynesville was declared a disaster area and became eligible for funds from the Federal Emergency Management Agency (FEMA) to assist with some of the costs incurred as a result of the snow storm. Representatives of

the Town worked with FEMA in early February and it was determined that the amount of money that the Town can recover is \$27,731. Mayor Foy said that all the paperwork required by the State to authorize disbursement of this money has been completed except for the adoption of a resolution authorizing the Town Manager to act as the agent for the Town on FEMA matters.

Alderman Moore moved, seconded by Alderman Caldwell, to adopt a resolution authorizing Town Manager Galloway to act as the agent for the Town on FEMA matters. The motion carried unanimously. (Res. No. 4-98)

Final Plat - Pinnacle Ridge Subdivision - Lots 12 - 39

Town Manager Galloway said that Pinnacle Ridge Partnership has submitted a major subdivision plat for a 58.442 acre tract located on Piney Mountain Road. Approval of lots 12 - 39 was recommended for approval by the Planning Board at their meeting on March 16, 1998. Water will be provided via well systems, and each lot will have a septic tank. The subdivision meets or exceeds Town standards, and Town staff recommends approval. Manager Galloway said that the first 11 lots were approved by the Board of Aldermen at a previous meeting.

Alderman Moore moved, seconded by Alderman Williamson, to approve lots 12 - 39 of the Pinnacle Ridge Subdivision as presented. The motion carried unanimously.

Electric Deregulation

Town Manager Galloway summarized a report prepared by Director of Public Works/Utilities Fred Baker and himself regarding electric deregulation. Manager Galloway said in the late 1970's, 51 power agency cities decided to share in the cost of constructing a nuclear power plant. At that time these 51 cities felt that it was a good decision to participate, while Waynesville and other non-power agency cities were comfortable with continuing to purchase their power on a wholesale basis from investor owned utilities, CP&L or Duke Power. Today, nearly 20 years later, the unpaid debt on those bonds totals approximately \$6 billion, more than one-quarter of all public debt in North Carolina.

Town Manager Galloway said that there are many unknowns regarding electric deregulation. However, there is an assumption that electric deregulation will result in much greater competition on electric rates. This causes a great deal of concern from power agencies that customers will be lost to companies offering lower electric rates. If these power agency cities lose customers and experience a decline in revenues, they will have fewer funds available to pay their annual debt payments on the \$6 billion in bonds. There is concern that these cities will not be able to afford to pay their bond debt and, possibly go bankrupt, possibly causing significant increases in interest rates for other local governments in North Carolina in obtaining loans for fire trucks, recreation centers or schools.

The power agencies have been spending considerable time selling the idea that any attempt to address electric deregulation must address the issue of "stranded costs." The opinion of Electricities is that the stranded costs should be spread over all electrical customers in North Carolina; otherwise,

the power agency cities risk economic failure. It has been mentioned that an assessment of one cent per kilowatt hour for five years be added on all customers in North Carolina as a means of covering these stranded costs. Some of the non-power agency cities which belong to ElectriCities have adopted resolutions in opposition to the position taken by ElectriCities. They feel that it is unfair to burden their customers with an additional one cent per kilowatt hour to pay this stranded debt.

The Study Commission is holding public hearings across the State to gather input from citizens on the electric deregulation issue. Manager Galloway said that these public hearings will be held in Statesville on April 8, Boone on April 9 and Asheville on April 16 and that the Mayor and Board of Aldermen may want to attend and take a formal position for the Town on this matter.

It was a consensus of the Board that no action should be taken at this time. However, some board members may attend one of the public hearings.

Mayor Foy - Upcoming Meetings

Mayor Foy said that a Champion Employee Buy out Meeting will be held on Thursday, March 26 at 10:00 a.m., in Canton.

The Council of Government Meeting is scheduled for Thursday, March 26 at 7:00 p.m. Town Manager Galloway said that all board members interested in attending could meet at Town Hall at 6:40 p.m. and ride together to the meeting.

Adjournment

With no further business, Alderman Williamson moved, seconded by Alderman Moore, to adjourn the meeting at 7:35 p.m. The motion carried unanimously.

Phyllis R. McClure
Town Clerk

Henry B. Foy
Mayor