

MINUTES OF THE TOWN OF WAYNESVILLE TOWN COUNCIL
Regular Meeting
November 14, 2023

THE WAYNESVILLE TOWN COUNCIL held a regular meeting on Tuesday, November 14, 2023, at 6:00 pm. in the Town Hall Board Room located at 9 South Main Street Waynesville, NC.

A. CALL TO ORDER

Mayor Gary Caldwell called the meeting to order at 6:06 pm with the following members present:

Mayor Gary Caldwell
Mayor Pro Tempore Julia Freeman
Councilmember Chuck Dickson
Councilmember Jon Feichter
Councilmember Anthony Sutton

The following staff members were present:

Rob Hites, Town Manager
Jesse Fowler, Assistant Town Manager
Candace Poolton, Town Clerk
Jeff Stines, Public Services Director
Luke Kinsland, Recreation Director
Elizabeth Teague, Director of Development
Page McCurry, Human Resources Director
Misty Hagood, Finance Director
Olga Grooman, Land Use Administrator
Jonas Watts with Martin Starnes & Associates
Fire Chief Joey Webb
Police Chief David Adams
Assistant Police Chief Brandon Gilmore
Diane Robinson, Police Department Administrative Assistant
Lt. Billy Benhart
Bill Hollingsed, NCACP Director
Charam Miller, Grants Administrator

Members of the Media:

Becky Johnson, The Mountaineer

1. Welcome/Calendar/Announcements

Mayor Gary Caldwell welcomed everyone and announced that Town Offices will be closed Thursday and Friday, the 23rd and 24th, and Tuesday the 28th will be the next regular Town Council meeting.

Mayor Caldwell recognized Representative Mike Clampitt, who was attending the meeting to recognize WPD officers that completed the advanced DWI trainings. Rep. Clampitt thanked everyone and said he was proud to represent Haywood.

B. PUBLIC COMMENT

No one signed up for public comment.

C. ADDITIONS OR DELETIONS TO THE AGENDA

There were no additions or deletions to the agenda.

D. CONSENT AGENDA

All items below are routine by the Town Council and will be enacted by one motion. There will be no separate discussion on these items unless a Councilmember so requests. In which event, the item will be removed from the Consent Agenda and considered with other items listed in the Regular Agenda.

2.
 - a. October 10th, 2023 Regular Scheduled Meeting Minutes
 - b. Appointment of Kelly Allred to the Downtown Waynesville Commission
 - c. Appointment of Mandy Giust to the Recreation and Parks Advisory Commission
 - d. Budget Amendment for the Police Department
 - e. ABC official designation
 - f. Axe and Awl Holiday Night Market Special Event Permit
 - g. Hazlewood Christmas Parade Special Event Permit

A motion was made by Councilmember Feichter, seconded by Councilmember Freeman, to add the Hazelwood Christmas Parade Special Event Permit to the consent agenda. The motion passed unanimously.

A motion was made by Councilmember Sutton, seconded by Councilmember Dickson to approve the consent agenda as amended. The motion passed unanimously.

E. PRESENTATION

3. Mothers Against Drunk Driving (MADD) recognition of several WPD officers
 - David Adams, Chief of Police & Ellen Pitt, MADD representative

Ellen Pitt stated that the most important thing that any of us can do, especially elected officials, to fight crime is to support the training and professional growth of our police officers. She read the following statement: "In January 2023, as part of our Strategic Plan, the WNC REGIONAL DWI TASK FORCE decided to acknowledge officers who completed and maintained the three higher training levels that qualified them to independently

perform the specialized and complicated task of DWI enforcement. We are here tonight to salute 26 officers for their commitment to keeping us all safer as we travel, and we are happy to be doing this just before the busy holidays. Each will receive an honor lapel pin with our beautiful logo which was created by a former WPD officer. The extraordinary percentage of WPD officers who have completed this 72 hours of specialized training is the legacy of Chief Bill Hollingsed, and has been carried on by your current Chief, David Adams. The support of your board has made all this possible.”

The following officers were recognized:

- | | |
|----------------------------|------------------------------|
| -Lt. Billy Benhart | -Master Officer Bryan Reeves |
| -Lt. Josh Schick | -Master Officer Tyler Howell |
| -Sgt. Dee Parton | -St. Officer Michael Whitley |
| -Sgt. Ryan Craig | -Sr. Officer Dave Clancey |
| -Sgt. Matthew Cogburn | -Sr. Officer Derek Emblar |
| -Sgt. Eric Dickey | -Officer Devon Holtzclaw |
| -Sgt. Jason Reynolds | -Officer Cameron Gasperson |
| -Master Officer Tim Carver | -Officer Ian Miller |
| -Officer Richard Johnson | -Officer Chelsea Parton |
| -Officer Jason Singleton | -Officer Brittany Brown |

4. Promotions: Sergeant Josh Schick to Lieutenant and Detective Jason Reynolds to Sergeant
- David Adams, Chief of Police

Chief David Adams swore in Jason Reynolds as Sergeant of the T.A.C. Unit.

Chief David Adams swore in Joshua Schick as Lieutenant of Special Operations.

Chief Adams added that Lt. Schick placed 6th nationally in the recent SWAT competition.

5. Employee Appreciation for Discovery Tax Billing Volunteer Efforts
- Jesse Fowler, Assistant Town Manager

Assistant Town Manager Jesse reported that on October 10, 2023, the Town received 869 discovery tax records from the Haywood County Tax Assessor’s Office. Typically, he said the Town receives approximately 30 discovery tax records every year. These records require manual entry into the financial management software, Munis. In order to allow customers to pay their discovery tax bills, Mr. Fowler said that these records have to be entered into Munis in order to update the General Ledger. He said the process of manually inputting 869 discovery tax records would take a single person approximately 27 days to complete. We found this unreasonable due to the fact that customers were already attempting to pay their bills and the town cannot process these payments until the records are updated in the General Ledger. Mr. Fowler said the solution was to put a call out for volunteers to assist with the process and many employees responded. Roy McDonald, Chief Webb, AC Mehaffey, Esther Coulter, Sharon Agostini, Rory , Aleigh Cagle, Robin Evans, and Sabrina Caldwell all assisted and were able to complete all record inputs in three days. Mr. Fowler expressed his gratitude to these employees and said the town is very proud of every person’s discipline, their attitudes, and their ability to assist the larger Waynesville team in the face of adversity that was caused by forces we could not control. He presented these individuals with a certificate of appreciation, as well as credit towards their respective Career Tracks.

6. Presentation of the June 30, 2023 Audit Report and Financial Statements

- Jonas Watts with Martin Starnes & Associates

Jonas Watts with Martin Starnes & Associates presented the audit for June 30th, 2023. He mentioned how much he enjoyed working with Misty, Dean, and the finance team. Some of the audit highlights that Mr. Watts presented are as follows:

- Had an unmodified opinion, staff was cooperative, no audit findings or questioned costs.
- General Fund Revenue: Overall revenues increased \$1.4M (9%), Overall expenditures decreased \$808k (-5%), expenditures exceeded revenues by \$269k. These figures do not include transfers and other financing sources of \$1,242,142. The total net change in fund balance is \$972,989.
- Top three revenues of the General Fund: Property taxes, Other taxes and licenses, and misc. (grants, permits, fees, etc.), totaling \$15.2 million.
- Ad valorem taxes increase, 2023 was \$7,143,249, due to the higher tax collection rate (99.25%), tax rate itself did not increase. Town of Waynesville was above average compared to other municipalities in the state.
- Other taxes and licenses, local sales tax: Increased by \$366k (9%) due to inflation
- Sales and Services: Increased by \$223k (19%) and consists of recreation fees, sanitation fees, police contracts, and other sales and services
- Top 3 expenditures in the General Fund: Public Safety, Transportation, and Recreation. Salaries and wages increased, and the purchase of a new fire truck led to the increase.
- Total fund balance of the General Fund increased by \$972,989.
- The Available fund balance is defined by the Local Government Commission (LGC). The available fund balance has increased since 2022 in the amount of \$687,251 and is currently \$10,417,549
- Fund Balance-General Fund FBA as a % of net expenditures is 60.1%, which is above average compared to other municipalities in the state.
- Water Fund-all positive cash flows
- Sewer Fund Cash flow, quick ratio for Water and Sewer combined is 1.71
- Electric Fund 7.12-what contributed to the decrease was transfers out of \$1,275,600 contributed to negative change in net position. Income before transfers was \$786,201
- General performance indicators: General Fund fund balance available %, enterprise fund quick ratios, timely audit submission, and stable property tax valuation and collection percentage.
- Capital assets condition ratio was 0.33. This is an indication of the age of the system and the need for near-future capital improvement/repairs to replace fully depreciated assets that may be nearing the end of their useful life. The major sewer project in progress will improve this ratio once placed in service. Response to LGC is due within 60 days of presentation and must be signed by the majority of Council, town manager, and finance officer. It is uploaded to the LGC website.

Councilmember Dickson thanked Sharon for getting the tax collection rate up to 99%.

F. **PUBLIC HEARING**

7. Public Hearing to consider a request for Annexation for one (1) unaddressed parcel off Russ Avenue, PIN 8616-37-5048 (0.81 acre).

- Olga Grooman, Land Use Administrator

A motion was made by Councilmember Sutton, seconded by Councilmember Dickson, to open the public hearing at 6:46pm. The motion passed unanimously.

Land Use Administrator Olga Grooman reported that the Town received the a “Petition for Annexation for a Non-Contiguous ‘Satellite’ Area” from Nicholas B. Osborne DMD PLLC, the owner of the property. She said the annexation request is for one (1) unaddressed parcel off Russ Avenue, PIN 8616-37-5048 (0.81 acre). She added that the property is a future site of a proposed dentist office. Ms. Grooman said the property is within the Town’s extra-territorial jurisdiction and is zoned Dellwood Residential Medium Density Mixed-Use Overlay (D-RM-MXO).

The staff submitted that this proposed noncontiguous annexation meets the statutory standards of the NCGS, Chapter 160A, Article 4A, Part 4. Annexation of Noncontiguous Areas. 160A-58.1- Petition for annexation; standards:

1. The nearest point on the proposed satellite corporate limits must be not more than three miles from the primary corporate limits of the annexing city: the property is approximately .25 miles from the primary corporate limits (per Haywood County GIS).
2. No point on the proposed satellite corporate limits may be closer to the primary corporate limits of another city than to the primary corporate limits of the annexing city, except as set forth in subsection (b2) of this section: the closest town to this parcel is Waynesville.
3. The area must be so situated that the annexing city will be able to provide the same services within the proposed satellite corporate limits that it provides within its primary corporate limits: The Town can provide water, sewer, and sanitation services for the abovementioned parcel, and the utilities availability letter from the Public Services Director is attached.
4. If the area proposed for annexation, or any portion thereof, is a subdivision as defined in G.S. 160A-376, all of the subdivision must be included.- it is not a subdivision.

There was no public comment.

A motion was made by Councilmember Sutton, seconded by Councilmember Dickson, to close the public hearing at 6:51pm. The motion passed unanimously.

A motion was made by Councilmember Sutton, seconded by Councilmember Freeman, to adopt the attached ordinance to approve the annexation of described property (PIN 8616-37-5048). The motion passed unanimously.

8. Continuation of a Public Hearing to consider the text amendment to define and regulate cryptocurrency mining and data centers as land uses in the Land Development Standards (LDS).
 - Olga Grooman, Land Use Administrator

A motion was made by Councilmember Sutton, seconded by Councilmember Freeman, to open the public hearing at 6:51 pm. The motion passed unanimously.

Land Use Administrator Olga Grooman reported that the purpose of this text amendment is to mitigate the negative impacts of cryptocurrency mining operations and data centers by defining and regulating these uses. Ms. Grooman said that crypto mining facilities are loud, offer no local jobs, and pull too much power and water. She said that the Planning Board discussed concerns with crypto-mining and data centers at their July meeting and directed staff to draft a definition and ordinance based on their discussion. The staff presented the text amendment to the Planning Board on September 18, 2023 and Town Council on October 10, 2023. The Council directed staff to distinguish the definition of data centers from the definition of cryptocurrency mining facilities. Ms. Grooman presented, on behalf of the staff, the revised definitions, as directed. She added that the text amendment also includes the updated Table of Permitted Uses in the LDS where cryptocurrency mining will be prohibited across all zoning districts, and data centers will be allowed only in the Commercial Industrial district. Ms. Grooman read for the record the definitions as follows:

Cryptocurrency Mining Facility: A facility that exists for the purpose of operating computer equipment in order to mine or store crypto currencies or the data associated with mining or storing of crypto currencies. The individual use of personal computers for the mining of cryptocurrencies is not included in this definition. This definition does not limit the use of computer equipment for personal or commercial purposes of a permitted land use.

Data Center Facility: Facilities that exist for the sole purpose of storing, processing, or sharing data or applications. Such facilities may include computers, servers, routers, storage systems, firewall, and other similar components. These establishments may provide complete processing and preparation of reports from data, cloud services, automated data entry services, data storage, file sharing, virtual communication services, artificial intelligence, or make data processing resources available to clients on an hourly or timesharing basis. This definition does not include data centers that are necessary or incidental to the function of permitted land uses within the same property.

Councilmember Sutton thanked staff for working with him on the definitions.

No public comment.

A motion was made by Councilmember Dickson, seconded by Councilmember Freeman, to close the public hearing at 6:59pm. The motion passed unanimously.

A motion was made by Councilmember Sutton, seconded by Councilmember Feichter, to find that the Ordinance is consistent with the 2035 Comprehensive Plan and that it is reasonable and in the public interest in that it continues to promote smart growth principles in land use planning and zoning by encourage infill, mixed-use and context-sensitive development and promotes conservation design to preserve important natural resources and protects and enhances Waynesville's natural resources, protects rural lands, iconic views and mountain vistas, and continues to engage in and promote best management practices related to energy use, efficiency and waste management. The motion passed unanimously.

A motion was made by Councilmember Sutton, seconded by Councilmember Feichter, to adopt the Ordinance as presented and that it creates opportunities for a sustainable economy and encourages creatively designed, mixed-use, walkable centers and commercial districts that appeal to residents and visitors. The motion passed unanimously.

G. NEW BUSINESS

9. Approve changing the Town's payroll system by creating a one-week lag between the end of the payroll period and the issuance of the employees' checks. Approve the budget amendment to cover a one-time supplement.

- Page McCurry, Director of Human Resources

Director of Human Resources, Page McCurry reported that as it stands, the processing of over 200 employee paychecks is done in only one day, which does not allow administration adequate time to review payroll for accuracy. Ms. McCurry said that the inadequate time to review payroll creates friction with employees because they are occasionally incorrectly compensated. She said that the standard process in other organizations is a one week lag, which is what the Town would like to do beginning in February. She mentioned that the Rec Center employees are already on a one week lag.

Ms. McCurry recognized the impact of changes to this system on the employees. She said that most employees in America live from paycheck to paycheck, so changing to a new system would deprive them of a week's pay on a one-time basis. To mitigate this inconvenience, we recommend using savings from underspending our previous year's budget and a small fund balance contribution to provide a \$500 "payroll supplement" for full-time employees and a \$250 "payroll supplement" for part-time employees. She said that staff will notify all employees of this payroll change and make them aware that they will receive a "one-time" supplement to help them through the "lag week." Once through the lag period, Ms. McCurry added that employees will begin to be paid on the same bi-weekly schedule as they have before.

Ms. McCurry outlined the proposed steps as follows: February 15th-21st, they will run a short pay period. Staff would be paid on February 29th for that short pay cycle. By February 22nd-March 6th, everyone would be on the same pay cycle. The pay period ending on March 6th would be paid to staff on March 14th.

Councilmember Freeman mentioned that her organization enacted a payroll lag and stipend and it worked very well. Councilmember Feichter agreed that this is a great idea, and asked if anyone talked about it with staff? Ms. McCurry said they wanted to wait to enact the payroll lag until February to give them time to work with staff on financial planning. She added that February is ideal because the holidays are over and most people get their tax refunds at this time, which would help provide an additional cushion to the \$500 stipend provided by the Town.

A motion was made by Councilmember Sutton, seconded by Councilmember Dickson, to approve the change in payroll policy and appropriate the recommended funds for the "Payroll Supplement." The motion passed unanimously.

A motion was made by Councilmember Sutton, seconded by Councilmember Dickson, Approve the budget amendment as presented. The motion passed unanimously.

10. Creation of Billing and Collections Supervisor in the Finance Department and Budget Amendment
- Misty Hagood, Finance Director

Finance Director Misty Hagood requested that Council approve the creation of a new position in the Finance Department that will oversee the Utility Billing Tech, Tax Collector, and Customer Service Representatives. She said the position is needed to take some responsibilities off of the Assistant Finance Director so that position will be able to assist her and focus on more of the technical accounting tasks. Ms. Hagood said that the Assistant Finance Director spends the majority of his time working with customers and researching and troubleshooting complaints and unusual issues. She said she needs the Assistant Finance Director to assist with implementing and keeping us in compliance with all the ever-changing GASB standards so the Town can maintain a clean audit. Ms. Hagood said that the new position can focus on the collection of outstanding balances as well. She added that having the new position would allow her and Mr. Trader to focus on creating an email billing system.

Councilmember Sutton said that Ms. Hagood has elevated finance and wants Ms. Hagood to have the chance to grow, as well as Mr. Trader.

A motion was made by Councilmember Dickson, seconded by Councilmember Feichter, to add a Billing and Collections Supervisor to the Pay and Class as a Grade 68. The motion passed unanimously.

A motion was made by Councilmember Dickson, seconded by Councilmember Feichter, to approve the budget amendment. The motion passed unanimously.

11. Increase of \$4,877,100 in State Revolving Loan for Wastewater Treatment Plant Project
- Misty Hagood, Finance Director

Finance Director Misty Hagood said the town received a letter from the State that they had approved the WWTP project as eligible to receive a loan increase of up to \$4,877,100 repayable at 0% interest. Ms. Hagood said the increase will bring the total loan amount for the project to \$29,423,000. She said that this will need to go to the LGC in January, but first they need to approve the ordinances and resolution presented. She added that sewer funds are there to cover this and the loan increase will cover the full cost of the project.

A motion was made by Councilmember Sutton, seconded by Councilmember Dickson, to approve the resolution accepting the \$4,877,100 loan increase. The motion passed unanimously.

A motion was made by Councilmember Sutton, seconded by Councilmember Dickson, to approve the amendment to the project budget. The motion passed unanimously.

A motion was made by Councilmember Sutton, seconded by Councilmember Dickson, to approve budget amendment to the sewer fund for loan fees. The motion passed unanimously.

12. Endorsement of the Town Applying for Sustainability grant under the DOE LEAP Program

- Rob Hites, Town Manager

Town Manager Rob Hites reported that during their 11/2/23 meeting, the “Environmental Sustainability Board” reviewed a grant opportunity offered by the Department of Energy. After reviewing the program, the Board moved to request the Council to endorse the Town applying for a grant that would involve facilitating sustained community-wide economic empowerment through clean energy, and improved local environmental conditions. He said the grant would also offer technical assistance to selected communities that meet low to moderate income thresholds up to \$50,000, which is coincidentally the same area that the CDBG Grant impacts. The application is due on December 14, 2023.

Councilmember Dickson said they are working on finding a community organization to partner with to help them carry out the grant and help meet the needs of the community.

A motion was made by Councilmember Dickson, seconded by Councilmember Sutton, to approve the Town partnering with a “community organization” and applying for a LEAP grant. The motion passed unanimously.

H. OLD BUSINESS

13. Endorsing the Federal “Affirmatively Furthering Fair Housing Plan”

- Rob Hites, Town Manager

Town Manager Rob Hites reported a condition of receiving the \$1,097,000 CDBG Infrastructure grant is to endorse and promote several Federal Programs. One of the programs is the “Fair Housing Act”. He said the resolution stipulates that the Town hereby “endorses an Affirmatively Furthering Fair Housing Plan that ensures equal opportunity and fair housing for all persons to rent, purchase, obtain financing and enjoy all other housing attributes, that is affordable, safe, decent, free of unlawful discrimination and accessible as required on a non-discriminatory basis. In addition, the Town will take meaningful actions that taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially or ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with the civil right a fair housing laws”. Mr. Hites said the other resolution outlines a fair housing complaint procedure.

Councilmember Sutton suggested to make two corrections so that the resolutions read, “The Fair Housing Act (Act) declares a national policy of fair housing throughout the United States, making illegal any discrimination in the sale, rental and financing of housing, or making dwellings, and in other housing-related transactions, because of race, color, religion, sex, ***sexual orientation, gender identity***, familial status, national origin or disability.”

A motion was made by Councilmember Sutton, seconded by Councilmember Feichter, to approve the Federal “Affirmatively Furthering Fair Housing Plan” and to adopt the “Fair Housing Complaint Procedure” as amended. The motion passed unanimously.

I. COMMUNICATION FROM STAFF

14. Manager's Report

- Town Manager, Rob Hites

Town Manager Rob Hites reported that the EV chargers are working. Councilmember Sutton mentioned that the slow charge is free, but it pulls as much power as a hair dryer and takes hours to fully charge a car. Mr. Hites said the new fast charger costs \$0.32 a kW. Mr. Hites said that if people begin using the charger space as a parking space, Council may have to consider a fee after a car is plugged in for so much time.

Mr. Hites introduced Charam Miller, the new Grants Administrator.

DWC Director Beth Gilmore reported that Christmas parade applications are coming in. She added that the Ice Fest in Maggie Valley saw about 10,000 visitors, so this year the Haywood TDA is encouraging other towns to have activities that same weekend. She said that downtown Waynesville have an ice sculpture trail that Friday night.

J. COMMUNICATIONS FROM THE MAYOR AND COUNCIL

Mayor Gary Caldwell congratulated Town Council on the election and said he is honored to serve another four years. He also requested staff to blow leaves on Main Street.

Councilmember Sutton read a letter Requesting Aide for Critical Waynesville Community Projects to Rep. Mark Pless for the record:

“Dear Representative Pless:

We want to thank you for your offer to seek aide from the Legislature for critical projects that impact the citizens of Waynesville and those of its service area. Waynesville provides full time fire and first response medical service for the Town and nine Fire Districts including Lake Junaluska. It also provides water and sewer service for much of the urbanized County. The Council has reviewed its capital needs over the next decade and has targeted these priorities as critical areas where we hope you can be of assistance. We will face at least a five-cent ad valorem tax increase to fund the replacement of the obsolete Hazelwood Fire Station and the thirty-two-year-old ladder truck. As you know, we have been forced to raise sewer rates over fifty five percent to fund State Revolving Loans. Should you be able to help fund these needs, you would be instrumental in saving the citizens of Waynesville and its service areas considerable long-term costs. Let me outline our requests in more detail below.

FIRE STATION IN HAZELWOOD

The majority of the Town's fire and first response medical calls are being dispatched from an outdated fire station located in the old Hazelwood Town Hall. Originally built as a volunteer station, the Town's growth has rendered the station obsolete. The bays are too low to handle modern fire apparatuses and the claustrophobic

bunk room does not meet ADA standards. The Hazelwood Fire Station serves not only the western sector of the Town of Waynesville, but also nine other fire districts. It is truly a regional fire station.

The Town purchased 3.3 acres adjacent to Giles Chemical for \$400,000 in order to construct a new 13,000 sq. ft. three bay station. We estimate the station will cost approximately \$6,000,000. The Town will need to raise property taxes approximately 4.2 cents per \$100 in order to repay the loan necessary to fund the station. We will also have to request the County Commissioners to increase the fire tax on the nine Service Districts that are served by the Hazelwood Fire Station. Given that the Hazelwood Fire Station is our busiest station, and serves nine regional fire districts, the Town Council requests that you assist in the funding of the project by sponsoring a State legislative grant of \$6,000,000 to cover the cost of design and construction.

REPLACEMENT OF 1994 LADDER TRUCK AND 1998 FIRE ENGINE

NFPA guidelines recommend that a ladder truck be on scene for every structure fire. The Waynesville Fire Department operates a single 1994 Sutphin ladder truck which has 85,006 miles and 8,583 hours of service. Due to its age and hours of use, the truck must be replaced in the near future. Fire Chief Webb estimates the replacement cost of the truck to be \$2,000,000. In order for the Town to purchase a replacement, we will be required to borrow funds. The annual payment on this truck will equal 1 cent on the Town's tax rate.

SEWER FUND RELATED NEEDS

STATE MANDATED RENOVATION OF THE TOWN'S WASTE TREATMENT PLANT

The Town provides wastewater treatment to its residents, the Town of Clyde, Haywood Community College, Haywood Regional Hospital, Lake Junaluska, and the Junaluska Sanitary District. The State Department of Environmental Quality (DEQ) required the Town, through a binding "Special Order of Consent", to completely renovate its aging waste treatment plant. Over three funding cycles, DEQ has approved a \$29,423,000 State Revolving Fund Loan (SRF) to fund the plant's construction. This loan has required a 55% increase in sewer rates for the customers of our system. The Town requested that much of this loan be provided through grants, however, DEQ did not recognize Waynesville as an "At Risk Community". After further study DEQ notified the Town that it did, in fact, qualify and should have been considered under the "Community Viability Program". Since the plant has been funded through loans, we no longer qualify for grant funding. We believe that the Town was shortchanged in its effort to be awarded grant funding for the plant renovation. We were excited to hear, in your recent comments, that you would work to replace the State Revolving Loan with a legislative appropriation. The citizens of the Town and those of its service area would be excited if you could make this come to pass.

STATE MANDATED INFLOW/INFILTRATION REDUCTION

DEQ mandated, through their "Special Order of Consent", that the Town reduce the amount of ground and creek water that is entering its wastewater treatment plant through inflow/infiltration. Compliance with DEQ's mandate from entering our sewer lines will be a tremendous and expensive program. We have conducted approximately thirty miles of testing and have identified several million dollars in replacement work. While DEQ mandated that the Town reduce its inflow/infiltration, they failed to provide any funding sources for the

Town to leverage in order to achieve compliance with their regulation. We have explained to DEQ that their mandated wastewater treatment plant improvements have required the Town to enact over 55% in sewer rate increases to fund the \$29,423,000 in SRF Loans, mandating the Town to reduce our inflow/infiltration with no State participation will result in additional rate increases to our customers. As we stated above, DEQ did not provide funding for the plant improvements through the "Community Viability Program". After being labeled "At Risk" in August, we have applied for \$6 million in funding to comply with DEQ's Inflow/Infiltration mandate. We hope that you can use your influence to help the Town fund this mandate.

We know that you understand the financial strains facing many residents in our service area, and we know that you recognize the financial impact that replacement of Waynesville's obsolete fire buildings and equipment and its wastewater treatment system will have on its citizens. We hope that you will partner with the Waynesville Town Council in helping reduce the burden that these projects will place on our residents. We have been impressed by your ability to leverage funds through your contacts in the State Legislature and look forward to working with you on the need of our constituents.

We wish to thank you for considering our needs and helping Waynesville to receive aid in these areas. Do not hesitate to contact me should I be able to help you with these projects."

A motion was made by Councilmember Feichter, seconded by Councilmember Dickson, to accept the letter and formally request Rep. Pless's assistance with funding these critical needs. The motion passed unanimously.

Mayor Caldwell also mentioned he was able to thank Congressman Edwards for coordinating the fly over for Captain Fred Hall's funeral service.

K. CLOSED SESSION

15. To enter into closed session under NC General Statute § 143.318.11(a)(5)(i) to discuss the potential acquisition of property.
- Rob Hites, Town Manager

A motion was made by Councilmember Dickson, seconded by Councilmember , to enter into closed session under NC General Statute § 143.318.11(a)(5)(i) to consider the price or other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange or lease at 7:58pm. The motion passed unanimously.

A motion was made by Councilmember Sutton, seconded by Councilmember Dickson, to go back into open session at 8:08pm. The motion passed unanimously.

L. ADJOURN

A motion was made by Councilmember Dickson, seconded by Councilmember Feichter, to adjourn at 8:08pm. The motion passed unanimously.

ATTEST:

Gary Caldwell, Mayor

Robert W. Hites, Jr. Town Manager

Candace Poolton, Town Clerk