

Minutes of the 24 October 2011
Meeting of the Yancey County Board of County Commissioners
Held at 9:00 a.m. in the Commissioner's Meeting Room
Yancey County Courthouse, Burnsville, North Carolina

Present for the October 24, 2011 meeting of the Yancey County Board of County Commissioners were Chairman Johnny Riddle, Commissioner Jill Austin, Commissioner Dale England, Commissioner Marvin Holland, and Commissioner Michele Presnell. Also present at the meeting were County Manager and Assistant Clerk to the Board Nathan Bennett, Yancey County Planner Jamie McMahan, Yancey County Attorney Donny Laws and George Nero, Town of Burnsville.

Approval of the Agenda

Chairman Riddle called the meeting to order pursuant to a meeting notice posted on October 21, 2011 (Attachment A). Chairman Riddle asked for a motion to approve the agenda. The motion to approve the agenda was made by Commissioner Holland and seconded by Commissioner England (Attachment B). The vote to approve was unanimous.

East Yancey Sewer Project - General Project Update

County Planner Jamie McMahan reviewed the project and updated the Board on the current status of the project. Mr. McMahan advised the Board that East Yancey Water and Sewer District and County staff has been working since August with Town of Burnsville staff to address issues with the Town concerning operations of the sewer system. The Town approved the proposed operating agreement and option to purchase agreement at their regular meeting on October 6, 2011 contingent on approval of the Town Attorney Todd Bailey. Staff is working with Mr. Bailey on issues he needs to be clarified.

Proposed Operating and Option Agreements

The Board then addressed the proposed operating agreement and option agreement with the Town of Burnsville. County Attorney Laws advised the Board that these agreements are a vehicle to provide protections to all entities involved. These agreements were approved by the East Yancey Water and Sewer District Board previously today. Following discussion regarding these agreements, Commissioner England made a motion to approve the Agreement for Operation of the Sewer System (Attachment C) and also the Option to Purchase Agreement by and between the Town of Burnsville and the East Yancey Water and Sewer District (Attachment D). The motion was seconded by Commissioner Presnell. The vote to approve was unanimous.

There was further discussion regarding the history and creation of the East Yancey Water and Sewer District. The Board was informed that in order to further clarify creation of the District certain documents needed to be ratified and put upon the public record of the County Commission. Upon recommendation of the County Attorney, Commissioner England made a motion that this Board of County Commissioners ratify the minutes of the public hearing of the Board of County Commissioners occurring on September 24, 2002 (Attachment E); that this Board ratify the agenda dated September 30, 2002 as minutes of the Board of Commissioners (Attachment F); that this Board ratifies the resolution establishing the East Yancey Water and Sewer District adopted on September 30, 2002 (Attachment G); and orders the publication of said resolution for two successive weeks if not already heretofore published pursuant to N.C.G.S. 162A-87. The motion was seconded by Commissioner Presnell. The vote to approve was unanimous.

Treatment Plant Property

The Board then addressed a technicality regarding the ownership of the property on Wyatt Town Road where the proposed treatment plant will be located. The property is held by Yancey County. The County Attorney advised the Board that the property should be transferred to the East Yancey Water and Sewer District as an asset of the District. Commissioner Presnell made a motion to transfer title of the treatment plant property to the East Yancey Water and Sewer District and to authorize the Chairman and/or the County Manager and the Clerk to Board to execute and attest a deed to accomplish such conveyance. The motion was seconded by Commissioner England. The vote to approve was unanimous.

Approval of Minutes of this Meeting Occuring on October 24, 2011 and Adjournment

Having considered a draft of the meeting minutes of this meeting occurring October 24, 2011, Commissioner England made a motion to approve the minutes of October 24, 2011. The motion was seconded by Commissioner Presnell. The vote to approve was unanimous.

Having no further business Commissioner England made a motion to adjourn the meeting. The motion was seconded by Commissioner Presnell and the vote to approve was unanimous.

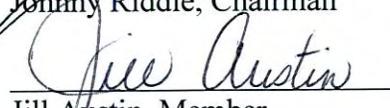
Approved and authenticated on this the 24th day of October 2011.

Attest:

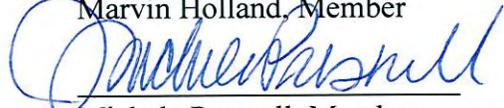

Nathan R. Bennett
Assistant Clerk to the Board



(county seal)


Johnny Riddle, Chairman

Jill Austin, Member

Dale England, Member

Marvin Holland, Member

Michele Presnell, Member

Attachment A

COUNTY MANAGER
Nathan Bennett



COMMISSIONERS
Jill Austin
Dale England
Marvin Holland
Michele Presnell
Johnny Riddle

YANCEY COUNTY

110 Town Square, Room 11 • Burnsville, North Carolina 28714
PHONE: (828) 682-3971 • FAX: (828) 682-4301

Notice of Special Meeting of the
Yancey County Board of County Commissioners
Scheduled for 24 October 2011

PLEASE TAKE NOTICE that the Yancey County Board of County Commissioners shall, pursuant to NC Gen. Stat. 153A-40(b) and NC Gen. Stat. 143-318.12(b)(2), hold a special meeting at the following designated place and time:

Date of Meeting: Monday, 24 October 2011

Time of Meeting: 9:00 a.m.

Place of Meeting: Commissioners' Meeting Room,
Yancey County Courthouse,
Burnsville, North Carolina

Purpose of Meeting: To Review and Approve Agreements and Documents Necessary to
Begin Construction of the East Yancey Sewer Project

This the 21st day of October 2011.

Johnny Riddle, Chairman /s/
Jill Austin, Commissioner /s/
Dale England, Commissioner /s/
Michele Presnell, Commissioner /s/
Marvin Holland, Commissioner /s/

Posted as required by NC Gen. Stat. 153A-40(b) and NC Gen. Stat. 143-318.12(b)(2) on this the 21st day of
October 2011 at 4:55 o'clock p.m.

J. Jason Robinson, Clerk to Board

Attachment B

COUNTY MANAGER
Nathan Bennett



COMMISSIONERS
Jill Austin
Dale England
Marvin Holland
Michele Presnell
Johnny Riddle

YANCEY COUNTY

110 Town Square, Room 11 • Burnsville, North Carolina 28714
PHONE: (828) 682-3971 • FAX: (828) 682-4301

AGENDA
YANCEY COUNTY BOARD OF COUNTY COMMISSIONERS
SPECIAL MEETING
October 24, 2011
9:00 a.m.

1. Call to Order – Chairman Johnny Riddle
2. Approval of Agenda
3. East Yancey Sewer Project – General Project Update
4. Proposed Operating Agreement
5. Proposed Option Agreement
6. Treatment Plant Property
7. Discussion of other sewer project related matters
8. Adjourn

Attachment C

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

East Yancey Water and Sewer District Finance Officer

Town of Burnsville, Finance Officer

Yancey County Finance Officer

STATE OF NORTH CAROLINA

AGREEMENT

County of Yancey

This AGREEMENT made this 6 October 2011 by, between, and among, the EAST YANCEY WATER AND SEWER DISTRICT, a body politic and corporate created and established under Article 6 of Chapter 162A of the North Carolina General Statutes (hereinafter "District"); the TOWN OF BURNSVILLE, a municipal corporation under Section 160A-11 of the North Carolina General Statutes (hereinafter "Town"); and YANCEY COUNTY, a body politic and corporate under Section 153A-11 of the North Carolina General Statutes (hereinafter "County"), thus,

RECITALS:

County has established District in order to alleviate a threat to the public health resulting from failing in-ground septic systems, straight piping of sewer water, and standing water due to poor soil conditions in the Windom and Micaville Sections of Yancey County, for the purpose of obtaining funding for and constructing a sewer system and wastewater treatment plant to serve the District;

District has obtained funding, acquired easements for, has prepared plans and specifications for, and intends to construct a sewerage system and wastewater treatment system to collect and treat wastewater originating in the area served by the District which system and treatment plant shall be referred to herein as the "EYWSD Sewerage System" or the "sewerage system;"

Town owns and operates a system of interceptor and collector sewers and a wastewater treatment plant and has experience and expertise in the operation and maintenance of sewer systems and wastewater treatment plants;

County and District desire that the EYWSD Sewerage System shall be operated and maintained by Town and the parties set forth their agreement for the operation and maintenance thereof, as follows:

AGREEMENT

1. Establishment of Sewerage System. District will construct and install the EYWSD sewerage system in operable condition and in compliance with all applicable laws and regulations and apply for, obtain, and maintain in its name, all licenses, permits, and other necessary permissions for the continued operation and maintenance of the EYWSD sewerage system and maintaining discharge capacity for the sewerage system, except for all licenses for the operator responsible in charge, which shall be the responsibility of the Town.

2. Contract and Term. District contracts with Town for the operation and maintenance of the sewerage system. Town will operate and maintain the sewerage system as an independent contractor of the District from the date the sewerage system is operable. Town will continue to serve until the expiration of the fiscal year at which time the contract shall automatically renew for each succeeding fiscal year unless the parties otherwise agree or unless notice is given as provided in the next sentence. Either party may cancel this Agreement upon giving one hundred and twenty (120) days advance written notice to the other in which event, except for accounting and relinquishment of control, the sewerage system shall be the sole responsibility of the District.

3. Duties of Town. During the term of this Agreement, the Town shall operate and maintain the sewerage system in a reasonable manner for the provision of services in the district served, including but not limited to:

- a. Billing and collecting tap fees, CDI fees, monthly revenues, and other monies due from the operation of the sewerage system, according to schedules of rates, fees, and charges adopted by the District and provided to the Town;
- b. Operating, maintaining, and expanding the sewerage system and associated equipment in a reasonable manner to provide service to customers within the area served by District to the fullest extent reasonably practicable;
- c. Hiring or providing employees or subcontractors to carry out its duties hereunder;
- d. Regularly advising District concerning equipment and funding necessary for the operation and maintenance of the sewerage system; and
- e. Accounting to District for revenues and billing for costs, expenses, and services of Town as hereinafter provided.

4. Duties of District. During the term of this Agreement, the District shall:

- a. Establish schedules of rates, fees, and charges for connecting to and discharging into the sewerage system and adopt an annual budget to pay the town for its services and other expenses of the sewerage system;
- b. Pay expenses for all equipment, including but not limited to generators, saws, vehicles, pipes, backhoes, and all other items reasonably necessary for the operation and maintenance of the sewerage system; and
- c. Pay all expenses of the sewerage system, including personnel, subcontractors, and the services of the Town as hereinafter provided.

5. Accounting of Revenues and Compensation of Town. It is agreed that regularly, and at least quarterly, that:

a. Town shall account to District for revenues as billed and collected in the operation of the sewerage system;

b. Town shall report to and account to District for any expenses and liabilities incurred directly and for that portion of expenses and liabilities incurred indirectly in association with the operation and maintenance of the sewerage system whether for labor materials, or others, including its cost for treatment of sludge at the Town's facility, which shall be charged to the District;

c. District shall initially deposit with Town the sum of \$60,000.00 to which money Town shall add revenues collected and shall deduct and pay all expenses and liabilities for the operation and maintenance of the sewerage system, including its direct and indirect costs and liabilities. Upon each accounting to the District, the Town shall remit any funds in excess of the expenses and liabilities reported by the Town for that period and the District shall, within seven (7) calendar days, deposit with the Town any additional funds required to maintain the deposit with the Town in an amount equal to the expenses and liabilities reported by the Town for that period. Notwithstanding the monies deposited, District remains liable to the Town and others for all costs, expenses, and liabilities incurred in the operation and maintenance of the sewerage system, whether incurred by District or by Town;

d. District may question or challenge any revenue or cost, expense, or liability reported by Town, within thirty (30) days, and unless the parties resolve any differences with respect thereto, the parties agree to arbitrate their differences informally before an arbitrator serving the 24th Judicial District Court under the rules of arbitration for that court, whose decision of the arbitrator shall be binding. District shall pay all sums billed by Town and shall be entitled to a refund or appropriate repayment or credit for any item challenged and awarded in arbitration within seven (7) days of the Order; and

e. That any charge added to the schedule of rates adopted by the District which is specifically designated as a "capital improvement fee" shall be segregated into a separate fund by the Town which said fund shall remain intact and available to the District for the expansion and/or repair and improvement of the sewerage system and the proceeds of such capital improvements fund shall not be used for any other purposes, including, without limitation, the payment of any of the District's obligations to the Town as set forth hereinabove.

6. Equipment. Except for equipment belonging to Town and casually or incidentally used in the maintenance and operation of the sewerage system, all equipment purchased for the sewerage system, whether purchased by the District or charged as a cost or expense of the Town shall belong to and remain with the District. The District may provide equipment through lease or purchase and Town shall communicate with the District in advance of obtaining equipment whenever practicable.

7. Employees. All employees and subcontractors used in the operation and maintenance of the sewerage system under this Agreement shall be employed by or be agents of the Town. The Town shall charge all salaries, benefits, worker's compensation

insurance and other costs and liabilities of employees serving full time in the sewerage system and the costs of subcontractors operating exclusively in the sewerage system to the District. The costs and expenses for any employees or subcontractors whose service is not exclusive to the sewerage shall be charged to the District as provided in Section 5 according to a reasonable manner or formula.

8. Consultation on Personnel and Purchases. The Town shall consult with the District and obtain input from the District prior to the Town taking any of the following actions with respect to the sewerage system:

a. Setting the compensation of personnel or hiring any subcontractor whose employment or services are exclusive to the sewerage district; or

b. Undertaking any expenditure for maintenance of the Sewerage System in an amount in excess of \$5,000.00 or purchase and/or lease of equipment in excess of \$5,000.00; provided, however, any expenditure in excess of that authorized by this subsection that the Town reasonably believes is necessary may be made in any emergency situation requiring immediate action if there is not time or the Town is not able to obtain approval.

In the event that after consultation between the Town and the District a dispute arises regarding any of the items set forth in subsections "a" and "b" herein, then in addition to any other cancellation provisions, either party may cancel this agreement upon giving thirty (30) days advance written notice to the other party, in which event, except for accounting and relinquishment of control, the sewerage system shall be the sole responsibility of the District; provided, however, during any period prior to cancellation and relinquishment of control, subject to the provisions for arbitration in Subsection 5.d., the Town may incur and pass on to the County any expenses reasonably necessary to operate and maintain the sewerage system.

9. Funding. To the extent revenues may be insufficient to cover costs, expenses, and liabilities of the District during the term of this Agreement, County agrees to appropriate and fund any deficiency to the District.

10. Service Limitation. In addition to other provisions of law, it is agreed that the District will not provide service to any property not lying within the currently existing East Yancey Water and Sewer District boundaries.

10. Liability. Except for liability or damages as a proximate result of any direct action of the Town constituting gross, wanton, or willful negligence, all expenses, costs, and liabilities in the operation and maintenance of the sewerage system shall be borne solely by the District and the District agrees to defend, indemnify, and hold Town harmless from any cost or liability therefor.

11. Notice. Any notice, report, or communication required or permitted under this Agreement shall be given in writing in person or by mail as follows:

As to County and District:

As to Town:

County Manager
Courthouse, Room 11
Burnsville, N.C. 28714

Town Clerk
P. O. Box 97
Burnsville, N.C. 28714

With Copy to:
County Planner
Courthouse, Room 11
Burnsville, N.C. 28714

With Copy to:
Public Works Director
P. O. Box 97
Burnsville, N.C. 28714

12. Sole Agreement. The parties agree and acknowledge that, except for an Option to Purchase of even date herewith, this Agreement is the sole agreement or understanding between or among the Town and any other party with respect to the District and its sewerage system and that the terms hereof replace and supersede any other prior agreement with respect thereto, whether written or oral.

IN WITNESS WHEREOF, the parties have executed the foregoing Agreement in triplicate by their respective chief officers or the chair of their governing boards, and attested by their respective clerks, pursuant to authority of their respective governing boards duly given.

East Yancey Water and Sewer District

Yancey County

Town of Burnsville

By

Johnny Riddle, Chair

10/24/2011

by

Johnny Riddle Chair

10/24/2011

by

Danny McIntosh, Mayor

Attest:

Attest:

Attest:

Clerk

Clerk to Board

Town Clerk

Attachment D

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

East Yancey Water and Sewer District Finance Officer

Town of Burnsville, Finance Officer

Yancey County Finance Officer

STATE OF NORTH CAROLINA

OPTION TO PURCHASE

County of Yancey

This AGREEMENT made this 6 October 2011 by, between, and among, the EAST YANCEY WATER AND SEWER DISTRICT, a body politic and corporate created and established under Article 6 of Chapter 162A of the North Carolina General Statutes (hereinafter "District"); the TOWN OF BURNSVILLE, a municipal corporation under Section 160A-11 of the North Carolina General Statutes (hereinafter "Town"); and YANCEY COUNTY, a body politic and corporate under Section 153A-11 of the North Carolina General Statutes (hereinafter "County"), thus,

RECITALS:

District has been established in order to alleviate a threat to the public health resulting from failing in-ground septic systems, straight piping of sewer water, and standing water due to poor soil conditions in the Windom and Micaville Sections of Yancey County, for the purpose of obtaining funding for and constructing a sewer system and wastewater treatment plant to serve the District;

District has obtained funding, acquired easements for, has prepared plans and specifications for, and intends to construct a sewerage system and wastewater treatment system to collect and treat wastewater originating in the area served by the District which system and treatment plant shall be referred to herein as the "EYWSD Sewerage System" or the "sewerage system;"

Town owns and operates a system of interceptor and collector sewers and a wastewater treatment plant and has experience and expertise in the operation and maintenance of sewer systems and wastewater treatment plants;

County provides funding to the District and County, District, and Town have entered a separate agreement for the operation of the sewerage system and the administration of a grant in anticipation and in partial consideration of this Option Agreement:

OPTION

The parties hereto, do hereby enter into this Agreement, intending to be legally bound hereby, and do so for themselves, their successors and assigns, in consideration of the following:

a. An Agreement by the Town to transfer a three (3) million dollar grant (identified as CG&L Project Number E-SRG-T-05-0141 from NCDENR, DWQ) from the Town to the District for administration of the grant by the District, said transfer to be made by a letter from Town attached hereto as Exhibit A; and

b. Payment of the sum of \$85,000 by the Town to the District over the term of this option on the same terms and schedule as set forth in an agreement between the District and Winterstar Corporation, a copy of which has been delivered to Town and District); and if option exercised, at closing, assumption of the remaining \$85,000 on the same terms and schedule: and

c. District continuing to act and function in lieu of Town, as previously intended, in completing the financing of the construction of the sewerage system by obtaining a separate grant of \$3 million from the Rural Center and providing a portion of the matching funds required by said grant;

In consideration of the foregoing, a., and b., and c. collectively constituting the Option Consideration and being the total Purchase Price, District and County grants to the Town, its successors and assigns, the exclusive right and option to purchase property described in paragraph 1 on the terms and conditions hereinafter set forth.

1. Property. All assets of the District, including but not limited to real property (including the Micaville treatment site on Wyatt Town Road to be conveyed from Yancey County to the District), easements, infrastructure, equipment, supplies, vehicles, inventory, funds and accounts designated as capital improvement, all to be conveyed with clear title and unencumbered, with the exception of equipment and vehicles which can demonstrably be shown to have been acquired with funds paid by the District outside of grants (including any matching funds pertaining to said grants) or revenues of the District. Town will collect and remit to District accounts receivable earned prior to conveyance. District will be responsible for accounts payable incurred prior to conveyance. County will remove the District Board members and appoint Town Council or Town's designees to the District Board, will allow Town to join the East Yancey Water Sewer District Authority with authority to appoint members, and/or the County will withdraw from and/or dissolve the Authority, whichever option, or combination of options shall be in compliance with any statutory or regulatory restrictions governing the same with the intent that the Town will have governing authority over the District.

2. Option Period. This Option shall be in effect for a period of four (4) calendar years measured from the expiration date of the one-year construction warranty given to the District upon completion of the sewerage plant construction project. District shall notify Town in writing of the date upon which the one-year warranty period begins. This

notification shall be given within thirty (30) days after the beginning of the said one-year warranty period.

3. Exercise. At any time during the Option Period, Town may exercise this Option by giving District a written notice thereof, which exercise is effective upon delivery.

4. Contract. Upon Exercise. Upon the exercise of this Option, District shall convey the Property to Town within 120 days from the date of said exercise under Deeds, Conveyances, Bills of Sale, and such other documents reasonably necessary or required to effectively transfer clear and unencumbered title of said Property to Town. Town will assume in this transfer from District the payment of any amount then remaining due to Winterstar on the original \$170,000 loan from Winterstar to District created before the execution of this Agreement. Should the District materially breach its obligation to convey the assets upon exercise of this option, it is agreed by and between the parties hereto that this transaction is a unique transaction by its terms, and that the Town would have no other adequate remedy at law, and therefore the parties do hereby covenant and agree that the Town would be entitled to specific performance of this Option against the District such that the District may be compelled at law to carry out the obligations imputed to it hereunder.

5. Application of Option Money. If this Option is exercised, the Option money shall be applied to the purchase price at closing. If the Town elects not to exercise this Option, the Option Money shall be retained by District.

6. The considerations first above enumerated are not merely recitals or preamble, but are an integral part of the Agreement between and among all of the parties hereto.

7. Notice. Any notice required or permitted under this Agreement shall be given in writing in person or by mail as follows:

As to County and District:

County Manager
Courthouse, Room 11
Burnsville, N.C. 28714
With Copy to:
County Planner
Courthouse, Room 11
Burnsville, N.C. 28714

As to Town:

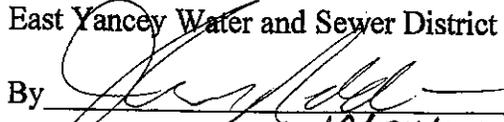
Town Clerk
P. O. Box 97
Burnsville, N.C. 28714
With Copy to:
Public Works Director
P. O. Box 97
Burnsville, N.C. 28714

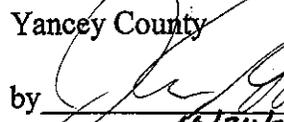
IN WITNESS WHEREOF, the parties have executed the foregoing Agreement in triplicate by their respective chief officers or the chair of their governing boards, and attested by their respective clerks, pursuant to authority of their respective governing boards duly given.

East Yancey Water and Sewer District

Yancey County

Town of Burnsville

By 

by 

by _____

Johnny Riddle, Chair

10/24/2011

Johnny Riddle Chair

10/24/2011

Danny McIntosh, Mayor

Attest:

Attest:

Attest:

Clerk

Clerk to Board

Town Clerk

Attachment E

PROPOSED EAST YANCEY WATER AND SEWER DISTRICT MEETING MINUTES

Tuesday, September 24, 2002
5:30 p.m. – Yancey County Courthouse

Please note disclaimer at end of this transcription

The following people were signed the sign-up sheet at the podium. There were numerous other citizens present for this meeting:

Mr. Ivan Randolph	Yancey County Schools Superintendent
Mr. Art Kramer	Property Owner
Mr. Anthony Robinson	Property Owner
Mr. Sam Cook	Property Owner
Mr. G. E. Freeman	Property Owner
Ms. Helen F. Ray	Property Owner
Mr. Kevin McGraw	Hickory Springs/PEDC
Ms. Gwen Harris	Chairman, EPC
Mr. Mike Black	Property Owner
Ms. Gail Crisp	Property Owner
Mr. Mike Robinson	Property Owner
Ms. Bobbie Tomberlain	Property Owner

The following people were present representing Yancey County:

Mr. Keith Presnell	Chairman of Commissioners
Mr. John Renfro	Commissioner
Mr. Randy Ollis	Commissioner
Ms. Michele Lawhearn	County Manager
Mr. Harry B. Buckner, PE	McGill Associates, PA, Consulting Engineers

Michele Lawhearn, the County Manager, called the meeting to order and apologized about not being able to use the courtroom space as originally planned. Court ran over that day so the space was unavailable.

Mr. Harry Buckner opened the comments by thanking everyone for being there. He stated that the purpose of the meeting was to gather input from the people attending as the meeting and would not be a monolog from him. He explained primary purpose for being there was to answer their questions. He showed the map he had brought, which was the District Boundary map with the proposed project phases to be constructed to serve the whole District. The intent of the first

project is not to sewer the entire District, that project is just too large and too expensive to happen at one time.

There is a very good opportunity for Yancey County to obtain about 3 million dollars in grant money from the NC Rural Economic Development Commission. So what we have done we have looked at the overall system and tried to identify where the needs are and create a 3 million dollar project that can take advantage of this grant money while meeting the most important needs. So that is basically Phase 1 and what this specific project is. He asked if anyone had any questions.

Michele Can you describe the different rural center programs that are available?

Harry There are 3 grant programs available. A year ago we (the County) submitted a grant application to what is called the Capacity Building program at the Rural Center, and they were successful in receiving a grant for us to put together this application and for us to study the needs in the area as well as to develop feasible ways to serve the area with sewer. This current project represents the culmination of a \$40,000 grant from the Rural Center to look at doing this project and the Town only had to come up with \$4,500 to do this. The County is trying to be good stewards of their tax money by leveraging as much as they can against Grant funds.

As many as you know, Yancey County is not necessary flush with a great deal of money so we are trying to take advantage of every opportunity that we can get to provide this service to the areas that need it. This is a little bit of background for you, but the primary purpose of the meeting is for public input.

Michele We would like to begin the question session now, and please walk up to the podium and everyone that speaks please sign their name when they come up to speak:

Harry One question that has not been asked of me is just the creation of the district in itself, why is that needed, why can't the County just decide they want to do this on their own and why do we have to create this district and why is that required. The primary reason is it creates a entity that is available to manage those infrastructure facilities that will be created when we do this project and it basically serves as a management entity only for those areas that served. Because of the vast terrain of the entire County it is not technically feasible for us to create a sewer district to serve the entire County at once, it is just too large. Creating the District allows us to be focused on meeting the needs of the community. This need for sewer service in East Yancey has been identified for about 10 years, in an area that could really benefit from public sewer; both from a public health standpoint and an economic development standpoint. This District poses a feasible way to provide sewer service to this portion of the County. Being in the district doesn't necessary mean anything specific one way or the other. The intent of the District is any users that use the sewer system are going to pay for the sewer system, it is not intended to be a district that taxes, only an organizational entity that allows for financial planning, for grant money opportunities and that type of set up, that is basically why we are looking at creating a district. It just creates a good way to provide sewer service to the area.

Michele Harry, I would also like to explain that Phase 1 is basically along highways 19E and 80 and that service is optional, not mandatory.

Harry Yes. To give some more specifics about the phasing plan that we have and the reason why it is phased, again, phase 1 was created primarily to try to leverage as much of the County's money with grant money and so what we have basically done is to try to identify the needs and try to figure out how to serve the most needy areas for the project in the price range that we can maximize the grant money. This basically involves construction of a WWTP in Micaville, and a collection system that basically runs Highway 80 and Hwy 19-E, South to Hickory Springs and West along Little Crabtree Creek to the current Burnsville Elementary and East Yancey Middle schools. This is basically Phase 1.

Beyond Phase 1, we have identified 5 subsequent phases that we think practically can be built over the next 20 years. We don't know for sure if they will be built 1, 5, 10, or 15 years down the road. Basically what we are going to do is to attempt in subsequent years to leverage more grant money in different phases to maximize the efficiency of getting the system constructed. We are not committing to any additional phases, other than this initial phase and we are not presupposing the County is committing any additional funds. Connection to the sewer system is merely a voluntary thing if there are needs. No one will be showing up to your house requiring you to hook on. You are not going to be committed to a sewer bill or anything like that, unless you connect, and this is a voluntary effort and that is basically the gist of the first phase.

Michele This system is completely independent of the Burnsville system, it is not connected at all?

Harry This is correct. Phase one is a completely independent system, no interconnections, the schools Yancey Middle and Burnsville Elementary have private systems that the School Board maintains and we would be allowing them to abandon their pumping system that they have right now. But as far as a connection to the Town of Burnsville there is not one now.

A gentleman from the crowd commented and asked a question – he said he was in favor of this project but was concerned about when you have extremely low water flow is that going to have a negative impact on water quality.

Harry This is a very good question and I am glad you asked it. In the preliminary work we have already contacted the Division of Water Quality and told them we were considering building a treatment plant on this creek and we want to know what type of level you are going to require us to treat the wastewater to before you will allow us to put it in the creek. They have a very sophisticated model that determines low flows, fish in the creek and all the impacts on the treated wastewater discharge would have on this creek and they issue a statement that indicates that we should very easily be able to discharge. We did this when we were looking at this before; we ran it at 300,000 gallons a day, which is our maximum design flow. We went ahead and ran it at

500,000 gallons a day and they did issue limits on both of those flow levels. From the Division of Water Quality stand point they don't perceive this as being a technical problem.

Basically when you look at all 6 phases and you look at the flow that is generated, it approaches about 275,000 gallons a day at total build-out. Phase 1 is not that large, it is only approximately 150,000 gallons per day and that is all we are committing to by submitting this grant application, 150,000 gallons a day. I would like to note that currently there are 2 permitted discharges on Little Crabtree Creek. Taylor Togs has a wastewater treatment plant that can discharge up to 10,000 gallons per day in this creek. They are obviously smaller than what we are proposing. Mountain View Motel also has a 2,500 gallon per day system, so the current discharge to Little Crabtree Creek is a total of 12,500 gallons a day.

Michele I understand that this facility will not have a sludge treatment component right now?

Harry That is correct. I am not familiar with how much history that this group as a whole has. The Commissioners, the Town board, and numerous other groups have identified this project area as an area that is in need of a centralized wastewater system. So we have actually attempted pursuing grant funds in the past and have got some financial commitments in the past but not enough to construct the whole system. As part of those funding opportunities, we were actually able to spend that money that was earmarked for sludge treatment here in this area over in Burnsville for their WWTP. This particular project will involve transporting sludge, not treating it, back over to the Town of Burnsville.

In the initial phase of the project we are not talking about having anywhere near 150,000 gallons a day, and we are not anticipating 100% hook up of people that can connect, we are assuming about 50%. We have good reason to believe that most of our industries will connect, our schools will connect, and then there are some businesses along 19 that will connect. We are anticipating those first year flows not to exceed 50,000 gallons a day. What we are trying to do is build excess so that when new businesses move in or as others need the service there will be enough capacity for them to have the ability to connect on.

Man from Crowd Is this a pressurized system or a gravity system?

Harry This is a gravity system. There is one pump station and one force main in the system at the lower end. We will have to collect some flow down around the Silver Bullet and pump it back up to the treatment plant site

Man from crowd Will the people that are connecting into the system, need to have pump stations.

Harry The plans are for the system to be a gravity type that will flow by gravity to that larger pump station and folks that are connecting to that system that feeds that pump station will do so just like everyone else with a gravity collector line.

Man from Crowd Since you are in negotiations you, may not be allowed to tell us where the site is but I am assuming it is in Micaville

Michele We had hoped to know for sure this evening but we give our apologies that we don't know for sure yet the location.

Anthony Robinson This shouldn't be the last meeting for this.

Harry We need to remember this is step one in the entire process. There is a whole set of permitting processes that we have to go through over the next 2 years before we can even get a discharge permit. The State mandates a specific process to follow for getting the required permits. We are not here to make final decisions today. This meeting today is to get public input on whether or not we are going to submit the application for the grant. This is not the last meeting, there is another one on the 30th for this issue. If the grant is successful, the first step will be to apply to the State for a discharge permit. I still contend that this is not the last meeting for this.

Anthony Robinson The meeting that is going to take place on the 30th should not take place at 8 AM in the morning, it seems that people that work hard for a living can't make it.

Michele The reason we have to have it at 8:00 is the way the law is written and the way the statute is written and all these required steps, all the different notices have to take place. This particular meeting had to be held no sooner than 20 days after it was advertised, which in order to meet the grant application deadline forced us to meet on the 30th. We could have worked around that by advertising in the Asheville paper, and it would have been legal, but that is not what we consider our local paper.

Man from crowd I don't even know where the meeting is going to be held.

Michele The reason we don't know the exact treatment plant site is just that they were trying to find a location that is going to be the least impact, a natural shield so to speak with trees where you wouldn't notice it so much. The sludge treatment facility is where there is a lot of the odor from the sewer facility and there won't be one at the plant initially.

Three or four people began talking at once – I couldn't understand any of them.

A man is talking and I can't understand what he is saying, baby talking and coughing also. Some man is asking questions, but I can't understand him and Harry is answering his questions.

Some lady is talking and I can't understand her either.

Man from Crowd How did you determine the proposed district boundary?

Harry We just tried to identify the needy locations based on help from the Health Department and the location of the current manufacturing businesses that expressed an interest. If we decided to add an area to the District this could be done at the direction of the Commissioners.

Keith If you included a new area, would you need to take out some of the area that is not very populated currently in the District?

Harry No, we have tried to size all of the facilities with enough capacity to handle even areas outside the District.

Mike Black
Man from Crowd Why was Bill Allen Branch not included in the District? You already have 60 houses that are already there, shouldn't that be counted?

Harry Yes, you are right, we tried to make a boundary that made sense, there is nothing at all that excludes us from adding areas where there is a need. We certainly tried to include all of the areas possible in our flow calculations.

Everyone talking at once, can't understand.

Art Kramer at podium

My name is Art Kramer, I live in The Reserve, I wonder about project cost and whether or not there will be an installation cost as well as on going service.

Harry Yes we have put together cost estimates for the first 6 phases and those were handed out to the Commissioners. Basically for phase 1 (backbone) we are anticipating the cost to run \$3,340,100.00 for Phase 1. Phase 2, George's Fork Area, is estimated to be about \$850,000, Phase 3, West Windom (19E to Burnsville) is estimated at about \$1.5 million, Phase 4, Cane Branch Road is estimated at \$700,000, Phase 5 is Bear Wallow Road and estimated to be about \$600,000, and the last phase is The Reserve, estimated to be 670,000. The total if we tried to build all phases today is about \$7.7 million

Art Kramer How will those costs be broken out into the residential individuals?

Harry Grant opportunities are what we will try to identify so the costs won't be passed along to those that are served by the line. Right now the economics are working out so that we can keep the same rates and tap fees as the Town of Burnsville outside rates. During the initial phase if you happen to live along that sewer line

Ivan Randolph at podium

My name is Ivan Randolph and I am superintendent of schools in Yancey County. The school system is very much in favor of the sewer line extension; it will benefit us in several ways, doing away with the pumping stations. But most importantly would be the Micaville School situation. At Micaville we have the septic tank type system and the system is very old and we are concerned if we had any problems with that system. We have very few options if this system

fails. We could shut those pumping stations down and tap onto this system that would save money.

Anthony Robinson at podium

My name is Anthony Robinson. I paint a more sinister picture of what is going on with this sewer system than the people that have done spoke today. Folks, I believe that the new sewer proposal system is for the wealthy non-manufacturing developers, which want taxpayers to fund projects so that they won't have to themselves. In other words, the rich are selling millions of dollars of real estate and the poor tax payers and the rest of the County is going to have to pick up the bill for services with much higher taxes because I don't think we are going to get near the funding that has been talked about tonight and once they get their toe in the door that that is going to be it and the rest of the County is going to have to fork over the load in taxes because the Federal Government and the State of North Carolina is millions of dollars in the hole right now for this year. Talk about a fox in the hen house, McGill Associates and their survey is trying to convince us that Micaville is a disaster and needs a sewer system. They are also the ones that stand to get the multi-million-dollar contract to building the system if it goes through. I believe that the truth of the matter is that we have not been told the whole story. Micaville is not unique and from what I have been told it is probably cleaner than most areas of NC. I also believe you can go up any creek or any holler and get worse results than this survey. From what I assume, the statistics on water quality (because I have been involved in fighting the buffers for a year or so now), but the water quality has been getting better in these areas. When a dwelling gets put in, by law they must have adequate septic systems which most of us have already paid for and should not be asked to pay for another sewer system that we do not need. People for the sewer system claim that Micaville needs it for small stores and businesses, the truth of the matter is from Mitchell County line to Burnsville on 19E 4 stores have gone out of business, 4 is for sale and 3 are not functional stores any more. None of these stores went out of business because they had no public sewer system, the big retail stores like Wal-Mart has pretty well done the small stores. There were 4 manufacturing plants in Yancey County, 2 in Burnsville, which have City sewer hookups, and 2 in Micaville, which do not. From what I have been hearing is that the plants in Micaville are thriving and hiring people while the plants in Burnsville are not doing too good. Burnsville in just the past few years has lost OMC and 2 large sewing factories, and they had sewer and water hookups, what I am trying to say is sewer has not been a factor in manufacturing development in this County. Now as far as the Schools and as far as the Taylor Togs and Hickory Springs I do sympathize with them because my job depends on manufacturing. If the people are not making money they can't spend it at my business of auto parts but I think it would be a whole lot cheaper, like a few hundred thousand dollars, and that would be it, and you wouldn't have to worry about millions of dollars down the road, to help these places have their own system like two other places that have been mentioned. Another thing is I think there has been a lot of deception here lately, I think the last commissioners meeting was held up one day so it could not get into the newspaper. The regular meeting is held on Tuesday, this one was held on Wednesday for some reason or other. Another thing, too. No mention of a sewer plant and I think that is very deceptive and like we have mentioned before we still don't know where the plant is going to be and I know you have talked about it before. Rumors going on are that people that have been involved in another development, millions of

dollars worth, are thinking about making this the next big project in real estate. I think this system is going to benefit the rich and wealthy and we poor people are going to pay for it. Another thing is environmental concerns; if we have another flood like we have had in the past it needs to be built high up. Taxpayers could lose their land and the rich will get a hold of it.

Sam Cook at Podium

My name is Sam Cook with Taylor Togs and I am not going to say we need water and sewer to create jobs because we operate our own WWP. Over the years the cost has grown dramatically. We operate a plant in Bakersville and the sewer cost us \$100 bucks a month, in Micaville we are talking about \$1,200 a month for just sewer cost. The way the State goes they can just move you up a grade by just marking it down. We moved up from a grade 1 to a 2. To maintain the jobs we need sewer. Later on we need water there too because we operate our own wells, our own sprinkler systems and it is hard for a small business like that to try to put those cost in.

G.E. Freeman at podium

My name is G. E. Freeman and I represent myself as a landowner. I am neither for nor against the sewer plant at this time. I am ignorant of this project and I just moved back here, I just heard of this last night and I am here to just ask questions. All I am going to do is ask questions, simple questions as follows: First of all I think I know where the WWTP is going and if I am right it is going to affect what could be at some time in the future my retirement because I feel that property value where I plan to retire is going to bottom. Water and sewer are nice until they hit you in the pocket. When these lines were established and you live across a major highway and across a creek and across whatever else, I am not so sure this is going to be as easy as saying I want to be hooked up and they say okay.

Harry It probably will not be that simple because basically it will be if the line is adjacent to your property it will be easy to hook up, if you are not adjacent to the property then it will require a public sewer extension.

Mr. Freeman: You said while ago that all of the hook ups to the water and sewer would be optional and you have speculation there would be 50% hook up and that would meet the financial needs that you have speculated upon. What if you had a 10% hook up, what if you build this 3 million dollar deal and only have a 10% hook up, what are you going to do then? So the sign ups are before it is put in?

Harry Yes.

Mr. Freeman So before the system is built you will know what your percentage of hook up will be at the minimum.

Harry Yes, one of the benefits that makes this practical is that we have some relative large users that will help to establish adequate income.

Mr. Freeman I noticed the line follows south of 19E, if you live a little north up some of these little hollers, what is going to be the difficulty in hooking up?

Harry As the need arises in these area what would have to happen would be those people would have to identify the need, we would have to go out and look at it and design it so they could hook up to it.

Mr. Freeman You were talking about an initial hook up being \$500 for a tap, I assume you mean water and sewer.

Harry No this project is for sewer only, and a water extension is not a part of this project.

Mr. Freeman So there is no water coming out as a part of this project?

Harry Not at this time. When the project originally started about 10 years ago, water was a part of the project, but due to the source of the grant funds, water projects cannot be funded with the money. The Commissioners have discussed making water service a priority in the next 5 years.

Several people were talking at once and couldn't be heard very well.

Mr. Freeman As I understand the discussions tonight, there will not be sludge treatment at this plant.

Harry Yes, there will not be any sludge treatment at this WWTP at this time.

Mr. Freeman Are there plans for this to be a need in the future?

Harry I cannot say that there will never be sludge treatment at this plant, but in the beginning, the plant flows will be low enough to allow the sludge to be hauled to the Burnsville treatment plant for ultimate disposal.

Mr. Freeman How much odor do you get off of a non-sludge treatment plant.

Harry I have decided that I am not be the best one to ask this because I visit sewer plants all the time and am not a good judge to answer that. I am somewhat accustomed to the odors at plants, so my judgment is somewhat skewed. If the plant is operated properly, the odors should not cause a significant problem.

Man from crowd You live in Micaville, have you ever smelled the Taylor Togs plant? Or visit Yancey High School. It backs right up to the Burnsville plant, which has sludge treatment.

Everyone had a discussion and was talking at once and laughing.

Sam Cook At times you can smell it., but most times you can be right next to it and not have an offensive odor.

Some man was talking and I could not hear him something about a buffer.

Harry Because of the concerns for odors, one of the goals that we have is we would like to buy a large piece of property so we could have a large buffer.

Mr. Freeman One last question, on a seemingly unrelated topic. Is the road going through or not?

Michele The last indication that we had from NCDOT was that the road is planned for right-of-way-acquisition beginning in 2004, and construction in 2006. As far as ther County knows, it is definitely coming through.

There was a lot of talking and I could not hear her, they were talking about right of way and construction and I could not understand them.

Helen Ray at podium

My name is Helen Ray and I live on Boone Branch in Micaville and have a business on 19E and I have questions about when you said you were talking to several pieces of property to place this treatment plant, and you are doing Phase 1 now. Of those 3 properties, are you going to pick one place to serve phase 1 through 6 so once that decision is made that will be the treatment plant for all of the phases as it is added to that one treatment plant? Whether it goes up Boone branch or not, is it mandatory that you hook onto it if you live on Boone Branch, if other people want to? Right now we are not included on it.

Harry About your first question, there will be one treatment plant site to serve all of the phases. There is not a need for multiple sites. As far as the second question, in order for those folks not adjacent to the line, for them to hook on the State will require that we extend the public sewer system with its own permit. Each of the community needs need to be addressed one at a time.

Ms. Ray If you needed enough land to have a buffer around the treatment plant, how much acreage would that take?

Harry We have recommended that the County consider a size of 5 to 7 acres at minimum.

There were some discussions and I could not hear them, something about purchasing right of ways for the sewer line and could the county potentially condemn property for right of way, and what are the necessary boundaries.

Harry Some Towns will offer free sewer taps and some will actually pay for easements, while there are some property owners that will not negotiate and the right-of-way must be condemned. It is way too early in the game to say how these may be acquired for this project, and all I can do is tell you what I have seen other Town's do.

Kevin McGraw at podium.

My name is Kevin McGraw, I am the Director of Engineering for Hickory Springs building division, which includes Micaville and 3 other facilities. So I need to speak to you from that point of view but also I am currently the chair from the Planning and Economic Development Commission of Yancey County so I have some concerns from the standpoint of future economic development, and I guess I have some personal opinions about this project as well. I'm not originally from this area, so I can't take you and show you where my grandpa lived and tell you that's where I grew up. I'm originally from Henderson County. I have a son that goes to Mountain Heritage and another son that goes to East Yancey, and a daughter that goes to Micaville Elementary, so that makes Yancey County closer to my heart than Henderson County ever will be, so I do have some personal thoughts here, too. Starting with Hickory Springs, a number of years ago, I think 7 years, we added an addition to the Micaville facility, about 60,000 square feet. I guess it was ignorance, we assumed everything was going to go in all right and smoothly and what we found out was that before we could put the buildings on, which we intended to use for warehouse space, when we went to get the sewer system permit for the addition, what we found out was we needed to go through a sewer qualification system. With the number of employees we had we had to go to the State people and they said we could not do this. They said, "You can't add on to this building." So we had the soil scientist come out, which is required by law, and they said, "You can't put a system on-site, either." So here we were trapped, and what we finally got an agreement from the state on was that we could have the building, but there could be no water fixtures in the building at all, we could use it however we saw fit, as long as we didn't add additional employees for that building. The State limited the number of people we could employ to the maximum we had before the building was added on. We've had McGill Associates involved for a little over a year with this, taking a look at what other opportunities there are. What the State has said is that if you can prove to us beyond a shadow of a doubt that there are no other options available, we may consider letting you put in a small package plant and put it in Aylers Creek. What we have discovered is that there is a possibility that we can put it on the mountain right behind the plant. And like I said McGill Associates has been working with us to see if the state will actually let us do that or not. If they do we will get out from under some of these constrictions we have. Right now we are very limited and people have different opinions of this. As Anthony alluded to, we are doing quite well right now. For some reason we are kind of inverse to the economy. From a personal standpoint to be quite honest with you, it kind of puts me in a difficult position because I am responsible for looking at different processes and where to put them and I dread the time that I am going to have to say we need to put that up in Wisconsin because we can't do anything in Micaville. I don't want to see that, and I don't think anyone here wants to see that. Like I said, we are sitting on about 150 employees, and I am not here speaking for those employees, because they have their own opinions, too. I think it is certainly something that needs to go through. From a personal standpoint and from the standpoint of the PEDC, and as I have talked to Michele and Keith at least, if this system goes through, and Hickory Springs is not on it, I still want to see the project put in. I think we need it. From the standpoint of PEDC, and this goes back to my children because I want them to have a chance to come back here if they choose to after they get out of school, I see too many young people that I am afraid do not have that option,

particularly after OMC closed down. That was one of the most amazing things to me when I moved here 20 years ago was that people told me if you couldn't find a job in one of the local plants, then you would have to move off to live. As much as we love this area, for Pete's sake, lets figure out a way to let our kids stay here if they want. From the PEDC standpoint, if someone comes in here and their looking for a site, and the OMC building is not what they want, and believe me it is not what everyone would want, its too big for some and too small for others. If I can't show them a site, or if Gwen Harris can't show them a site that has sewer available to it right away, they are going to ask me "Why are you wasting my time. I've got a hundred other counties in North Carolina and 49 other states to look at, and I can't be here wasting my time." I can tell you from experience that you can't go to the State and say, "Hey we've got a real hot prospect with 100 jobs. Can I get a sewer real quick" because they are going to take their time. If the sewer system at Micaville School or Hickory Springs fails, the State would expedite some repairs, but even those are going to be expensive and difficult. As Sam said, what industry is facing is a set of regulations that is ever expanding. On the water side of this issue, we used to spend about a hundred dollars per year testing our water system, now we spend several thousand dollars per year, and we have to have a certified water system operator. The sewer system is apparently going to be even worse. This is an issue that we need to be concerned about and it is an area that concerns how businesses feel about coming in. They've got to want to come to Yancey County and they are not going to appreciate the same things we appreciate. For an industry, their ideal world is the intersection of I-77 and I-85, adjacent to an international airport. And Yancey County is a long way away from that, and I'm glad it is, but we've got to help them out if we can, and again, if Hickory Springs is not on it, I am still for the project.

Gwen Harris at podium.

My name is Gwen Harris and I am the Director of the EDC as of August 1st. I was in a meeting on Saturday, and, I have not read this statistic so it is hearsay but it makes sense to me. For every plant that wants to relocate there are 17,000 communities in the US that want it. I think we have to have water and sewer to attract these industries. It's going to be our young people that leave. If we don't have industries our young people are going to leave. I'm retired, and I'm not going to have to leave, but the young people between the ages of 18 and 45, they are the people who are out of work, they are the people that are going to have to find a job. We are going to lose our young people if we can't be competitive and attract some industry. Kevin is right, OMC is a huge facility, and its a good facility, but its about all we have to offer. And we need to have sewer and water in that area so that it opens it up to industry. We need to have sewer and water for industry.

Some man was talking and I could not hear him, people laughing and very noisy.

Mr. Freeman Yancey County desperately needs help. We desperately need economic development here. And I say "we" because wherever I go I'm probably going to end up here. I'm not originally from this county but I've known about this County for 38 years now, so I guess I've got my papers by now. I love this County; if I ever call any place home this is probably going to be it. My greatest concern in the last few years has been the fact that I believe there has been a great discouragement to businesses coming in here. And I guess the thing that

bothers me the most is that in the last little bit, and I don't know who is against it or for it, and if you're against it I'm sorry, but the thing that concerns me the most is that a relatively small minority has been able to thwart or almost stop this new road. And we need this new road. Whether or not we get a five lane or four line, it really doesn't matter. But I think we need the road and it's being held up by a very small minority.

Michele Do you think that that also applies to all infrastructure, that all infrastructure is needed to encourage economic development?

Mr. Freeman Well, I see where you are going, and like I said earlier, I am neither for nor against it. I'm trying to learn, and I'm going to reserve my right to stay that way, but I am for development of this area.

Keith I think that the bottom line is that you need reasonable people working on reasonable problems to find the best answers you can. I appreciate all of the input that has been given tonight, but it's getting late and we want to try and have everyone speak that wants to.

Anthony Do you have a map with the treatment plant site located?

Michele Yes, we have a map with the general area where we have been trying to negotiate a piece of property for the plant. But what is on here right now is just to show you the general area we are considering.

Anthony When will you have a site located and let us know?

Michele I don't know, but when we do we will have a map with a big, red "X" with a big arrow showing the site.

Anthony Good, 'cause that is what I want to see.

Harry We will be required to have further meetings when we have the site selected as a part of the permitting process. It is not our decision whether or not to have the meetings, the State requires us to do that.

Man from crowd So regardless of whether or not we say we like the site or not, surely to God we can say we want to try for the money. Isn't that what we are here for tonight?

Randy We've got what we want tonight which is a lot of people in the community that have come out in support of the project. I mean, its just like Keith said, we've got to do something for the kids to get started on, because anywhere you go in the State of North Carolina you need infrastructure. There are 1500 empty facilities in the State of North Carolina, all right, if there are 17,000 people trying to get that one plant, we've got a real problem.

Anthony Well all of those jobs have gone to Mexico, that's what the real problem is. That is what is stifling business and what not. All the businesses are moving to Mexico because the requirements here are too stringent.

Multiple people talking and laughing - cannot understand.

Mike Black at podium.

Mike Black Well, I've just got a few questions to ask and I guess I'm shooting myself in the foot because I have worked for half of you in this room at one time or another, and I install septic tanks for a living. It is becoming a real problem getting a septic system in the County laid out. Because the lots are getting smaller, Bob can vouch for that since he's in real estate, and it's taking larger systems to get them in, and its getting to be a real problem. There are a lot of people that have land that would love to develop it or sell it or put their son behind their house and give them a piece of land but they can't because there's just not enough land to get a piece of sewer in there. As far as the sewer goes, anybody, that would give a right of way for the sewer line, I think it will only help your property. I don't really think its going to take it down in value because if you've got a piece of property and its an acre and its not big enough because its got a creek on one side and you can't get far enough off the creek to get a septic tank in, you can do something with it if you've got sewer. If you have to drill a well and put a sewer system in on an acre lot, its getting almost impossible. Down the road I think its going to be a problem for this County. I'm not talking about the rich developers, I'm talking about your average Joe that's got five acres of property and he's worked his whole life to get it and his kids can't afford to get five acres, and he'd like to put them on it, but he can't get them on it without a sewer system.

(Tape 1 ends)

Mr. Black What happened to the ten acres that the County supposedly had bought years ago.

Michele Because of the controversy the last time we threw that one out of the running. Looking at this concept and this proposal and looking at it this way is going at it a different way. Quite frankly it is a lot cheaper and we can extend a lot further and have the potential of serving more customers. Before we didn't have the possibility of regional rate increases in the initial phase and this time we do. This is a much more efficient system.

Man from crowd It is not mandatory that you hook onto a public sewer system.

Harry Not as long as you have a sewer system that is approved by the State.

Anthony Who approves it?

Harry The County Health Department.

Mr. Black In Phase I, if this is going to be done to help the County as a whole, and bring jobs and whatnot, wouldn't it make a lot more sense to take Phase I all the way up 19, to include a lot of places business could go but can't, instead of going just to East Yancy?

Harry One of the big reasons why we just decided to go ahead and run on up 19 is, in working with the Town, we have identified a possible funding source, a separate funding source, that will allow us to fund that stretch from the end of Phase I westward along 19. That is why we have got that Phase identified because we have already got some possible receipt of funds to do that in the future.

Mr. Black Roughly \$5M from East Yancy to where?

Harry No, \$5M total.

Mr. Black All I am hearing is how we are doing this to help the County, but taking it all the way to 19. How fast is that helping the County at all, and it is Phase 2, right?

Harry: Again, that is just the more logical order that we think we can find grant funds to pay for this. If there is a need or there is a funding source that becomes available and allows us to do 19 & 80, we are going to do 19 right hot on the heels of doing Phase 1.

Mr. Black I think anyone knows anything about it, will tell you right quick that 19 is definitely where your need is. Spring Heights where the restaurant used to be – they have to have a pumping station, the Ford place had to have a pumping station. This is costing these businesses and it is just not logical for them to set up here. I think what you will see more of is the small to medium shops.

Harry: We are looking at Phase 1 as the starting block so that we can address these needs, because until we get this system in there is no other progress. Phase 1 is the backbone and then the County has the ability to pursue this project and any more that they want to. I would encourage that as they can get other people to pay for them. Get grants to pay for them. This is our idea, just based on past experience, with the water that we think these grant funds will come through. We are not locked into doing this, we can do these in any order that we want to.

Michele Is there any question that these grant funds are available?

Harry We did look at that and in our discussions with Region D, they felt very confident that we would be able to pursue a CDBG grant and that that would come very quickly on the heels of Phase 1. We have the Clean Water Bond money that the Town is looking at potentially for Phase 3. And it is purely just a seamless thing and in reality when you look at the whole thing it is just one right after the other.

Randy Whoa! Slow down there are too many acronyms for everyone to understand.

Harry: Sorry about that. For Phase 2, which is the George's Fork area, we discussed serving this area with the Council of Governments, which is an economic development group that works for seven counties from Ashe westward. They basically work for all counties and their job is to find funding sources for needed projects for the counties. We work real closely with them because obviously they find vehicles to help us pay for these things. So that ultimately the user doesn't have to pay for them or the taxpayer doesn't have to pay for them through higher rates or taxes. We have gone up and looked at the George's Fork area and they said that it appears that that area may be eligible for what we call a Community Development Block Grant because of the density of the homes and the income level and potential failing of septic systems in that area. For Phase 3, we made application to the Clean Water fund and the High Unit Cost grant program to try and fund that project. So as you can see, we are calling these phases, but they are really "short-term" long-range plans.

Michele Do you have a schedule for the Clean Water Bond?

Harry: I do not. It appears that it is going to happen; it is just a matter of when. This is actually falling outside of the normal funding cycles and represents returned money from projects that were originally funded, but had contingency money left over that has been returned back. When it builds up they set down and just go down the list and start making offers with these funds.

Michele The funds would be approximately 50 percent of the original requested funding?

Harry: That's correct. We have had some verbal discussions but we don't have anything in writing so I am not standing here telling you it's a done thing, but it is possible resource.

Mike Black

Person from crowd You said you are going to get the grant for Phase 1. How is this going to impact the taxpayers that are not in this District? How is it going to affect taxes county-wide? Is it going to affect it at all?

Michele The grant is for \$3M and there is a local match of \$340K. The town is going to pay half of it and the county is going to pay half of it. We will each pay \$170K. These funds will come from the unappropriated fund balance.

Mike

Person from crowd You are expecting the hookup fees to take care of operating costs? You are not planning to pull money out of the taxes that they pay – who is not getting any benefit from it?

Michele That's right.

Person from crowd If we continue to right through to the school and the school is shut down and we have to take the school out of the District, it is cheaper to do this then build another school.

Harry: As part of the backup documentation and requirements of the grant application, part of that is to make sure we don't create some entity out there that can't survive on it's own. So we have done a full planning analysis that there is no problem with that system being sustained off the revenues generated by the users of the system and not by other folks that are not on the system.

Bob Wellington

Person from crowd What if some road is not in the plans today and down the road we say it needs to be in the plans. It is going to be very expensive to bore under the new road. Would that cost be accepted as the cost of the County doing that? Or, would the people on the new line have to fund that?

Harry We see it happening all different ways. Obviously, if it's a public health threat or if it's a serious need then a lot of times we have seen whatever the entity is having to fund that out of their own money balance. Part of the financial analysis I was telling you about requires the establishment of what is called a Capital Reserve Account. That's a fancy term for a bank account for any money that is left over after we have paid for operating the system or paid people to run it. Any money left over is put in that bank account and that bank account is used for extensions like that. Most of the grant opportunities are structured for public health need or economic development. That's basically the two ways to get grant monies. I would like them to see any future extensions as a serious public health threat or economic development need and that we would be able to pursue some grant funds for this specific problem.

Person from crowd You can't charge these people a pipe fee without getting a pipe to them to tap.

Harry That's right.

GE Freeman

Person from crowd From an engineering standpoint if we know there is a new highway coming in, why wouldn't it be feasible to bury a pipe under that road on every one of these pipe branch roads then you wouldn't have to dig it up.

Harry The construction of this system and the construction of the road project are going to be on parallel tracks. Certainly, any opportunity we have to coordinate plans eliminates multiple easements and eliminates having to approach property owners. Good planning effort is needed as we review these plans from DOT (like the ones on the back wall there) and certainly we need to coordinate the systems. In order to cross the roads, sewer pipe has to be laid on a fixed grade in order to work, and you put what is called an encasement pipe in and then the sewer pipe is put in the encasement pipe. We have found that DOT is very willing to work with us because they had rather put in the encasement pipes while the road is under construction than for us to do it after the fact. I think that coordination on this particular issue is extremely important.

Michele That is one reason to have a County Planner in place, too, because it is a little bit of land use planning to that you think ahead instead of waiting.

Jamie Silvers

Young man in back of room What about hunting and fishing and swimming in the river. Can I still do all of that?

Harry This project wouldn't impact it at all. We will have a discharge permit that requires us to treat the wastewater that comes to the plant to a level that wouldn't have any impact on any of these activities.

Jamie Silvers

Young man Even if you got in and swallowed a bunch of water?

Harry Even if you got in and swallowed a bunch of water. A good example of that is in Asheville. There are all kinds of river rafting businesses that are thriving now below the MSD wastewater plant. That plant has a capacity of 40 million gallons per day, and they discharge somewhere around 20 million gallons per day to the French Broad River every day.

Michele And you say that we will only be discharging about 42,000 gallons per day?

Harry During the initial phase, that's right. Still, the French Broad is much bigger than Little Crabtree Creek, but our flows are much smaller, too, but the State requires that there not be any detrimental impacts.

Man from crowd Yes, and there are a lot of creeks that are dried up right now, too.

Gail Crisp at podium

I'm Gail Crisp, I'm a property owner in some of the areas we are talking about. I am also a public health nurse. I see a need for a sewer system in my job. I think, probably in the last two months I have had 5 or 6 people I am working with move out of this state for jobs. They are having to move because they can't get jobs or can't find housing because we have a big housing problem in Yancey County too. The property that I bought, I was sort of ignorant when I bought it because I didn't know exactly what I was getting into, but I wanted to build on to it and can't build. And so, that's why I'm here. I appreciate all the work that all of you have done, Michele you and the Board. I think you have done a great job and I don't think any of you are in cahoots with anybody who's got a lot of money to get this sewer system in. But, I sit here and I've been involved with grants in my work and stuff a whole lot and it seems that these folks have a plan for every one of these stages. They have a plan of some way to get money and I think that you have done a great job at doing it and I sure hope that we can continue with this first phase because it is really important to a lot of people that are in Celo that need septic.

Bobbie Tomberlin at podium

I am Bobbie Tomberlin and I live on 19. I think I am on the left side of this situation too. I have already been told that the road is going to take my house. So, you see I have quite a bit invested in this. At my age you don't look forward to going through all of this but I don't know where the Lord's plan or whatever is going to be. But I do know that even if we get a nice 5-lane road or 4-lane, we've have people coming in to look for a place to build a plant or give our people employment. We've got this good road — why can't you come? Then they ask about our sewer.

Things have not gotten anywhere. So, I think we need this desperately and I think we need to help Taylor Togs and Hickory Springs – these plants that we have. If we don't help them do you think these new plants or these new people are going to say, you tell me you are going to help me but why don't you help these people that you've already got? And I know that they can hire more people if they had the facilities, the water and sewer, to do it. So, I say we need it desperately myself and I don't think it would hurt anyone anymore than it would hurt me because, like I say, I am on the north side of this situation and I know that they scheduled that if we get the road they will take our homes. So, I am going to be looking for another place to live and I don't think I can afford to buy ten acres of land to build a house on so that I can get a sewer system in. So, there is just a lot to do with it. I think we need to do this and consider this and not consider it in a selfish way. We need to look at the overall way in our whole community and our young people especially—that we need to consider them. They would like to stay at home too. Most of us here are already settled in our home. We can stay here but what about your children and your grandchildren.

Mark Robinson at podium

My name is Mark Robinson. Once this thing is put in place what is going to stop the large development five miles away from hooking up to it and overloading it? Then industry, there ain't going to be no room for industry to fit into it. You can't say anything because it has already happened.

Keith You are saying a subdivision that is already out of this district.

Mr Robinson: You know what I am saying.

Keith That would have to come before the Board of Commissioners at that time, whenever that issue comes up.

Harry: Normally, what you would do and what we have seen in other places is where you have a rather large subdivision come in – they would come in and ask for what is called a flow allocation. They would want to take up, or reserve, a certain amount of flow in that plant. So normally, whoever owns that system assesses what is called an impact fee, and basically those dollars are taken in now to allow that plant to expand at a future date so when they need that extra capacity they buy it. So, technically that is normally how we have seen other towns handle that situation.

Harry Again that is the reason why we would really like to get as much property as possible, you know, 5 to 7 acres. If you go to Burnsville's wastewater treatment plant I can't imagine that they may be on three or four acres down there, and yet their capacity is 800,000 gallons per day.

Lady from crowd That could be a possibility at a later date if you acquire enough property so the plant can be expanded without getting more land.

Harry Once you get the basic foot print of the plant constructed, with good planning, the plant can be expanded easily if need be. It is definitely an advantage to anyone that owns a treatment plant to own as much land as possible to allow for future things that need to be done at the plant.

Lady from crowd Is it possible that the plant or sewer service could be provided along 19E east of Micaville.

Harry It is technically possible but because of the terrain, multiple pump stations would be required. It would be a very expensive system and not practical unless there was a large need in the area.

Keith There are no plans to serve this area at this time.

Lady from crowd What about serving the area north of 19E. Are there any plans to serve this area at this time?

Keith There are not any plans at this time to serve these areas, although there are a few small roads or coves that could be served fairly easily, but they are not included at this time.

Lady from crowd I was just curious if this was a start to trying to provide sewer service to the whole County or not.

Harry I mean certainly wherever the need is that's where I am assuming this commission would want to go, to meet the needs of its residents. If there was an area that was identified with a need, that is the nice thing about a system like this is that it allows you to adapt to where the need is and as the situations in your community change.

Mr. Black I think its pretty well black or white, if we don't get the sewer system now, we won't have to worry about it because there won't be anyone here to use it. There won't be enough people stay around here in the next twenty years that need it anyway.

Anthony Well, if we could have some job guarantees, you know, it may be different. If we had three manufacturing plants that we could fill up and needed water and sewer. But we have two good-sized sewing factories that had water and sewer and they are empty now. And we got OMC empty now, so I think we need to focus on filling what we have that is empty now.

Lady in crowd Will this project serve the OMC plant?

Harry OMC currently has service by the Town of Burnsville.

Man in crowd I have a question concerning the property that the County owns down on Whitetown, and you all mentioned that it was stalled, why should we go and buy more land when we already have that that is down there?

Keith Its because it wouldn't work there with the amount of money that is available.

Harry The Whitetown property is about a mile downstream of 19E, so the construction of the gravity line in that area is very expensive and does not really serve anyone. At that time we were looking at a different funding opportunity that had multiple people at the table with more money. Some of you all that were aware of the previous project, you know, it was in the 5 million dollar range, 6 million dollar range, That project included water, too and that added costs, but there was also significant added costs to put an interceptor all the way down to the South Toe did drive the overall cost of the project up.

Keith Any other comment, we are trying to keep this as short as we can.

Sam One other comment. You may have been on the board when we, Taylor Togs, approached the County, the Town of Burnsville, and Mitchell County about needing a million and a half or 2 million gallons of water a day, plus sewer. Nobody here could do that so We built a plant in Taylorsville because they had the water and sewer available to take care of everything down there. So we currently truck everything down to Taylorsville finishing and we ship from there. We can't guarantee jobs. We are what we are and we are and we are just fighting to cut costs and stay competitive. And this sewer is a way to do that.

Harry Now don't let me put words in your mouth, but as I recall, we had a commitment on the table from you to bring those jobs to Yancey County if we could get a project to bring you water and sewer.

Sam Yes, within a specific time limit. Because in business, you have to act when the need is there, not five years from now. You know we may have a six-month window of need and we can't wait for things to work out.

Harry You know that hurts, because as I understand it that was a dying or bleaching operation, and I don't know how many people you employ in Taylorsville today, but, do you have any idea?

Sam If I remember correctly about 40 to 50

Harry So that was 40 or 50 jobs that could have been Yancey County jobs that are now Alexander County jobs? So the County Commissioners just want to be positioned to not miss another opportunity like that.

Michele What about job retention now. And, like Hickory Springs, you know, you've been told that you cannot add any more employees because of your on-site system. So depending on how the economy does, you know you would like the opportunity to add more jobs, if the opportunity does arise. But right now the Health Department just won't let you.

Harry I know that Mr. Randolph is not here right now, but I'm sure that if you add some more residential development down in Micaville that requires them to need to add a classroom or requires them to do anything, they won't be able to.

Multiple people talking.

Man from crowd We've been talking about manufacturing jobs, and the businesses along Highway 19, but you know if we can't get the manufacturing jobs, maybe we could get a couple of hotel chains or chain restaurants or anything like that, any jobs would be better than hat we have, because they can't do anything without water and sewer. It's just not feasible.

Man from crowd And I think that anyone that has seen the impact of the road widening, you know, they can see the impact of a road widening is huge, granted its causing traffic jams, but there is an awful lot of stuff built along the highway.

Multiple people talking, meeting broke up and turned informal.

DISCLAIMER

This transcript is not purported to be wholly accurate and without fault. Difficulties in recording the meeting caused some comments not made at the podium to be missed. Every effort has been made to have statements made at the podium transcribed as accurately as possible. For complete accuracy, the actual recordings should be consulted.

Attachment F

Agenda

Yancey County Board of Commissioners Meeting

September 30, 2002

8:00 a.m.

Call to Order

✓ Open Public Hearing regarding creation of the East Yancey Water and Sewer District

✓ Enter Minutes / Comments from September 24 Meeting

✓ Open floor to other comments

✓ Move to close public hearing

3. Introduce prepared resolution regarding creation of the District
- Move to approve resolution

After passage, the Board needs to close the commissioners meeting and reconvene as the Board of Directors of the East Yancey Water and Sewer District.

1. Motion to appoint the County Manager as the authorized representative of the District
2. Introduce prepared resolution to adopt the sewer use ordinance
 - Move to adopt the ordinance
3. Introduce prepared resolution to adopt the water conservation plan
 - Move to adopt the plan
4. Introduce operation and maintenance contract for District facilities (includes rate structure)
 - Note contract is signed by Mayor of Burnsville
 - Move to authorize the execution of the Contract
5. Introduce prepared resolution to adopt the Capital Improvement Plan
 - Move to adopt the resolution
6. Enter resolution to authorize submittal of grant application.
 - Move to adopt the resolution

(J) There will be add'l apps + Regs for public input - Today is clearly only about Creating the District - (R)? If fail, can we in dist for future...? - [A] Yes - + (Anthony) ? - would we take Helen How picked (Ludimer) - Little Crab Tree Creek - talk to Cliff - he will get the Cap to come in look - need to deepen the river w/ out tea (Helen) RE: Dda - (Anthony) ? Cost Over Run?

Attachment 6

Yancey County, North Carolina

**RESOLUTION TO CREATE THE
EAST YANCEY WATER AND SEWER DISTRICT**

WHEREAS, The North Carolina General Statute 162A, Article 6 provides that any county may create a water and sewer district; and

WHEREAS, As required by the statute, the Yancey County Board of Commissioners has caused to be published a notice of a public hearing regarding the establishment of the East Yancey Water and Sewer District on three separate weeks; and

WHEREAS, A public hearing was held regarding the establishment of the East Yancey Water and Sewer District on September 30, 2002 at 9:00 a.m. at the Yancey County Administration Building; and

WHEREAS, No part of the proposed East Yancey Water and Sewer District lies within the corporate limits of any city or town; and

WHEREAS, The Yancey County Board of Commissioners make the following findings:

- (1) There is a demonstrable need for providing sewer service in the proposed East Yancey Water and Sewer District;
- (2) The residents of all of the territory to be included in the District will benefit from the District's creation; and
- (3) It is economically feasible to provide the proposed service in the District without unreasonable or burdensome annual tax levies.

NOW THEREFORE BE IT RESOLVED that the Yancey County Board of Commissioners do hereby create the East Yancey Water and Sewer District as described below and the Yancey County Board of Commissioners will serve as the Board of Directors of the East Yancey Water and Sewer District and may exercise all power and authority contained in North Carolina General Statute 162A, Article 6.

The boundaries of the East Yancey Water and Sewer District are as follows:

EAST YANCEY WATER AND SEWER DISTRICT BOUNDARY DESCRIPTION

BEGINNING at the intersection of HWY 19E and HWY 197 North; thence in an easterly direction with the centerline of HWY 19E to the northeastern corner of (0830.03-04-0052.000); thence south along the east border of (0830.03-04-0052.000) to the centerline of Little Crabtree Creek; thence east along the centerline of Little Crabtree Creek to its intersection with (0830.03-23-6637.000); thence south along the west border of (0830.03-23-6637.000) and east along the south border of (0830.03-23-6637.000) to the centerline of Allen Branch Road; thence south with the centerline of Allen Branch Road to the

south western corner of (0830.03-33-6059.000); thence west with the southern boundary of (0830.03-33-6059.000) to the common corner of (0830.03-33-6059.000) and (0830.03-42-5315.000); thence south along the western and east along the southern border of (0830.03-42-5315.000) to the northeast corner of (0830.03-41-7762.000); thence along the west boundary of (0830.03-41-7762.000) to its intersection with (0830.03-41-6191.000); thence west along the north border and south along the west border of (0830.03-41-6191.000) to (0830.03-40-4388.000); thence west along the north border and south along the west border of (0830.03-40-4388.000) to (0739.00-39-3549.000); thence east along the north border and south along the east border to (0739.00-64-1353.000); thence south along the west border and east along the south border and north along the east border of (0739.00-64-1353.000) to (0739.00-93-5658.000); thence east along the south borders of (0739.00-93-5658.000) and (0749.00-02-9965.000) and (0749.00-12-4953.000) to the southeastern corner of (0749.00-12-4953.000); thence north along the east borders of (0749.00-12-4953.000) and (0749.00-13-4249.000); thence east along the south border and northeast along the southeast border of (0749.00-23-5711.000); thence east along the south border of (0749.04-54-5229.000) to (0749.00-63-2560.000); thence south along the west borders of (0749.00-63-2560.000) and (0749.04-64-8477.000) and (0749.00-51-9650.000) and (0749.00-51-7276.000) and (0749.00-50-8484.000) to the southern point of (0749.00-50-8484.000); thence north along the east border of (0749.00-50-8484.000) to (0749.00-61-5506.000); thence east along the south borders of (0749.00-61-5506.000) and (0749.00-61-7520.000); and (0749.00-61-8326.000) to the center of NC HWY 80; thence along the centerline of NC HWY 80 north to (0749.00-71-2676.000); thence along the south, east and north borders of (0749.00-71-2676.000) to the centerline of NC HWY 80 to (0749.00-71-4808.000); thence along the south, east and north borders of (0749.00-71-4808.000) to the centerline of NC HWY 80; thence north along the centerline of NC HWY 80 to (0749.08-89-5016.000); thence northeast along the southeast borders of (0749.08-89-5016.000) and (0749.08-89-7109.000) and (0840.20-90-2492.000) to the east corner of (0840.20-90-2492.000); thence northwest along the northeast border of (0840.20-90-2492.000) to the centerline of HWY 19E; thence west along the centerline of HWY 19E to the center of the intersection of HWY 19E and SR 1307; thence north along the east boundary of (0840.20-81-2463.000) to the northeast corner of (0840.20-81-2463.000); thence west along the northern boundaries of (0840.20-81-2463.000) and (0840.20-71-9393.000) and (0840.20-71-7165.000) and (0840.20-71-5175.000) and (0840.19-71-3018.000) and (0840.19-71-1202.000) to the centerline of HWY 19E; thence west along the centerline of HWY 19E to (0840.00-22-0818.000); thence north along the eastern boundaries of (0840.00-22-0818.000) and (0840.00-22-3917.000) and (0840.00-23-2145.000) and (0840.00-23-0331.000) and (0840.00-13-8436.000) to the northeastern corner of (0840.00-13-8436.000); thence east along the northern boundary of (0840.00-13-8436.000) and (0840.00-13-6572.000) to the centerline of SR 1321, thence south along the centerline of SR 1321 to the eastern corner of (0840.00-13-3765.000); thence north along the eastern boundary and west along the northern boundary of (0840.00-13-3765.000) to (0840.00-04-8289.000); thence west along the northern boundary and south along the western boundary of (0840.00-04-8289.000) to (0840.00-03-7919.000); thence east along the northern boundary of (0840.00-03-7919.000) to (0840.00-04-2020.000); thence north along the eastern and northern boundary of (0840.00-04-2020.000) to

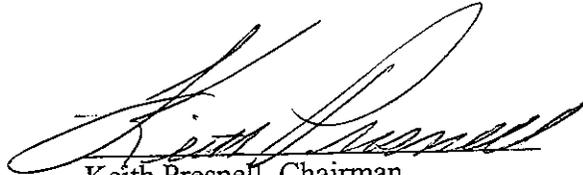
(0830.04-94-8352.000); thence north along the eastern boundary and west along the northern boundary and south along the western boundary of (0830.04-94-8352.000) to the centerline of HWY 19E; thence west along the centerline of HWY 19E to the intersection of HWY 19E and SR 1323; thence north along the centerline of SR 1323 to the northeast corner of (0830.04-84-0279.000); thence east along the northern border of (0830.04-84-0279.000) to (0830.04-74-7642.000); thence northwest along the northeastern borders of (0830.04-74-7642.000) and (0830.04-74-0869.000), to the northern corner of (0830.04-74-0869.000); thence southwest along the northwest border of (0830.04-74-0869.000) to (0830.04-64-5992.000); thence west along the northern borders of (0830.04-64-5992.000) and (0830.02-65-4103.000) to (0830.02-65-1466.000); thence north along the eastern border and west along the northern border of (0830.02-65-1466.000) to (0830.02-55-9309.000); thence west along the northern borders of (0830.02-55-9309.000) and (0830.02-55-6484.000) and (0830.02-25-4530.000) to the centerline of SR 1326; thence south along the centerline of SR 1326 to (0830.01-45-9335.000); thence east along the northern borders of (0830.01-45-9335.000) and (0830.03-44-7614.000) to (0830.03-34-5784.000); thence north along the eastern border and west along the northern border and south along the western border of (0830.03-34-5784.000) to the northeast corner of (0830.03-34-0767.000); thence west along the northern border and south along the western border of (0830.03-34-0767.000) to (0830.03-24-7912.000); thence north along the eastern border and west along the northern border of (0830.03-24-7912.000) to (0830.01-25-5089.000); thence north along the eastern border of (0830.01-25-5089.000) and west along the northern borders of (0830.01-25-5089.000) and (0830.03-24-3947.000) to the center of SR 1328; thence south along the centerline of SR 1328 to (0830.03-24-0494.000); thence west along the northern boundaries of (0830.03-24-0494.000) and (0830.03-14-9479.000) to (0830.03-14-7794.000); thence north along the eastern borders of (0830.03-14-7794.000) and (0830.01-15-7256.000) to the northeast corner of (0830.01-15-7256.000); thence west along the northern borders of (0830.01-15-7256.000) and (0830.01-15-4169.000) and (0830.01-15-2262.000) and (0830.01-15-1221.000) and (0830.01-05-9361.000) and (0830.01-05-8387.000) and (0830.01-05-8430.000) and (0830.01-05-7242.000) and (0830.01-05-6325.000) and (0830.01-05-5425.000) and (0830.01-05-2230.000) and (0830.01-05-1159.000) and (0830.12-95-9302.000) to the centerline of HWY 197N; thence south along the centerline of HWY 197N back to the point of BEGINNING.

BE IT FURTHER RESOLVED that the District's rate structure must provide for rates that will provide adequately for the general operation and maintenance of the system and provide for coverage of administrative costs associated with the operations and maintenance and provide for a capital reserve fund; and therefore the following schedule of rates and charges will be put in place upon project completion:

The schedule of rates and charges to be adopted is attached herein by reference as Exhibit A.

BE IT FURTHER RESOLVED THAT all property owners that have underground septic systems that are deemed by the Yancey County Health Department to have failed, are failing, or are otherwise determined to out of compliance with applicable North Carolina and Yancey County regulations will be required to connect to the sewer system during the initial construction period.

APPROVED BY THE YANCEY COUNTY BOARD OF COMMISSIONERS this the 30TH day of SEPTEMBER, 2002


Keith Presnell, Chairman

Attest: Brandi Adkins

The foregoing resolution was adopted by the Yancey County Board of Commissioners on the 30TH, day of SEPTEMBER, 2002 and was first published on the 11TH, day of SEPTEMBER, 2002. Any action or proceeding questioning the validity of this resolution or the creation of the East Yancey Water and Sewer District of Yancey County or the inclusion of any of the territory described in the resolution must be commenced within 30 days after the first publication of this resolution.

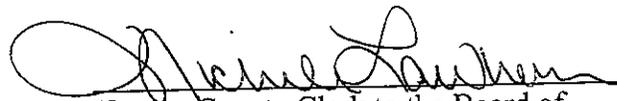

Yancey County Clerk to the Board of
Commissioners

EXHIBIT A

EAST YANCEY WATER AND SEWER DISTRICT

SEWER RATES AND TAP FEES

Effective September 30, 2002

RATES

Gallons	Charge
0-3000	\$22.00
3001-4000	\$27.00
4001-5000	\$32.00
5001-6000	\$37.00
6001-7000	\$42.00
7001-8000	\$47.00
8001-9000	\$52.00
9001-10,000	\$57.00
10001-150,000	\$3.75 each additional thousand over 10,000
Over 150,000	\$4.00 each additional thousand over 150,000

Residential Connection \$22.00 (if public water is not available)
Large Business or Industrial \$3.75 per 1000 gallons (if public water is not available)
(Determination of connection type to be made by District)

TAP FEES

User must be at existing line.

4-inch	cost plus 20%	minimum of \$1,000.00
6-inch	cost plus 20%	minimum of \$1,500.00
8-inch	cost plus 20%	minimum of \$2,000.00