

**MINUTES – SPECIAL MEETING
BOONE TOWN COUNCIL
August 22, 2016**

CALL TO ORDER

A special meeting of the Boone Town Council was called to order Monday, Aug. 22, 2016, at 5 p.m. in the Council Chambers located at 1500 Blowing Rock Road. Mayor Rennie Brantz presided. Council members present were Mayor Pro Tem Lynne Mason, Loretta Clawson, Charlotte Mizelle, Jennifer Teague and Jeannine Underdown Collins. Town Attorney Allison Meade was in attendance. Staff present were Town Manager John Ward, Assistant Town Manager Jim Byrne, Town Clerk Christine Pope, Public Works Director Rick Miller and Finance Director Amy Davis.

Mayor Brantz noted there was a sign-up sheet available for anyone who wished to speak during public comment regarding the purpose of the meeting.

DISCUSSION OF RAW WATER INTAKE PROJECT

Town Manager John Ward advised Council that the purpose of the special called meeting was to consider and potentially approve certain items relating to the water intake project construction bids, including possible award of bids, approval of contractor negotiations, approval of recommendations from the engineer, and approval for submitting a letter to USDA requesting additional funds. Mr. Ward presented Council with a packet of information including the recommendations from W.K. Dickson for award of bids, a memorandum of negotiation for Division 4 and a spreadsheet summarizing project costs (**Meeting packet located in August 2016 meeting file**). Mr. Ward reviewed the cost of construction from the bids received as well as the contingency funds and other miscellaneous costs expected, bringing the total project cost to \$42,307,028. He added that staff requests Council's consideration to request additional funds from the USDA in the form of a revenue bond totaling \$12,000,000 at a 2.25% interest rate, noting that doing so would not require an increase in tax rates or water and sewer rates, but would come from revenue calculated at the existing rates.

Council Member Clawson voiced her concerns, stating she felt this was a tremendous project for the Town to take on and did not believe it needed the additional water based on the Town's usage. Ms. Clawson wondered how the Town would be able to pay for older infrastructure that needs to be repaired or replaced if a portion of the Water/Sewer Reserve Fund is to be used toward payment of a revenue bond instead. Discussion ensued regarding how water usage is calculated as well as the repairs needed for the existing treatment plants. Public Works Director Rick Miller advised that when calculating the average water usage in addition to the water allocated by the Town for the old high school property and the County, the previously approved projects and those expected to come forward in the near future, the total exceeds 3 million gallons per day. He added that this project includes upgrades to the treatment plant, which have been put off in anticipation of this project moving forward. In response to Council Member Mizelle's question regarding repair of the current intake site, Mr. Miller advised that the current intake was built in 1982, and per the US Army Corps, the Town can pull a maximum of 3 million gallons per day total from both locations. He added that it is anticipated that the current site, if re-evaluated, would only be able to pull approximately 0.88 million gallons per day.

PUBLIC COMMENT

Mayor Brantz opened the public comment period.

Deborah Greene spoke regarding the future cost of the wastewater treatment plant and the previously calculated water usage, and objected to the bidding process. She provided Council with a printout of an e-mail previously sent to them regarding her concerns (**Handout located in August 2016 meeting file**).

Karen Carter stated the Town was unnecessarily trying to reach out into a rural area to take valuable resources from the community, and felt it was disrespectful toward this community.

Frank Packard spoke regarding the latest local water supply plan submitted by the Town, noting that the treatment plant would only be able to treat 4.5 million gallons per day, and felt the project was based on misinformation.

Pam Williamson voiced her concern with the amount of money to be spent on this project, noting that the Town was stripping the Water/Sewer Reserve Fund to get it. She requested that Council go back to the citizens to ask for borrowing the additional \$12,000,000.

Glenn Weaver stated he has never seen interest rates this low and does not anticipate them to stay at this rate, and if there was ever an infrastructure project that was appropriately needed, this would be one to be considered. He also spoke briefly regarding a small town he has worked with that restricts growth.

POSSIBLE ACTION REGARDING RAW WATER INTAKE PROJECT

In response to Council Member Mason's question regarding the financing, Town Manager John Ward advised the first loan is through a general obligation bond that required a citizen vote, and the second loan would be a revenue bond that requires pledging of revenue currently brought in toward making the payments. Council Member Clawson wondered who would be required to pay the debt back if the state chose to establish a regional water authority. Mr. Ward advised that the Town would be left to pay under the general obligation bond. Council Member Mason reiterated that the financing would not be supported by a tax increase, but would be supported by the Water/Sewer Fund.

MOTION

Council Member Mason stated she felt there is a well-documented need for an additional water supply, and while the Town's conservation program has made a difference, it won't sustain the Town long-term. She added that the Town is responsible for providing a safe water supply to the residents, and doing so is an investment in the future at the best financial terms the Town is eligible for. Ms. Mason stated that she is disappointed the cost is more than initially anticipated, but it is because it has taken over 11 years to get here, which is at least twice as long as most communities. She reiterated that the Town can do this without further impacting the tax rate, and without an increase in water and sewer rates.

Upon a motion by Council Member Mason, seconded by Council Member Underdown Collins, Council moved to approve the award of bids as recommended from the Town's engineer, approve the contractor negotiations, and approve the submittal of a letter to USDA requesting additional funds for the Town's water intake project.

RESULT:	APPROVED [4 TO 1]
MOVER:	Lynne Mason, Mayor Pro Tem
SECONDER:	Jeannine Underdown Collins, Council Member
AYES:	Mizelle, Collins, Mason, Teague
NAYS:	Clawson

ADJOURNMENT

MOTION TO ADJOURN

Upon a motion by Council Member Mizelle, seconded by Council Member Clawson, Council moved to adjourn the special meeting at 5:48 p.m.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Charlotte Mizelle, Council Member
SECONDER:	Loretta Clawson, Council Member
AYES:	Mizelle, Collins, Clawson, Mason, Teague

Christine Pope, Town Clerk

Rennie Brantz, Mayor