

**REQUEST FOR BOARD ACTION
HENDERSON COUNTY
BOARD OF COMMISSIONERS**

MEETING DATE: December 5, 2016

SUBJECT: CANE CREEK WATER & SEWER DISTRICT MINUTES

PRESENTER: Terry Wilson

ATTACHMENTS: YES
1) October 3, 2016 draft minutes

SUMMARY OF REQUEST:

Staff request approval of minutes from a previous meeting of the Cane Creek Water & Sewer District.

BOARD ACTION REQUESTED:

Staff suggests approval of minutes.

SUGGESTED MOTION:

I motion that the Board convene as Cane Creek Water & Sewer District Board.

SUGGESTED MOTION:

I motion that the Board approves the Cane Creek Water & Sewer District minutes of October 3, 2016 minutes.

SUGGESTED MOTION:

(ONLY NECESSARY IF GOING BACK INTO SESSION AS THE BOARD OF COMMISSIONERS)

I motion to adjourn as the Cane Creek Water & Sewer District Board and reconvene as the Henderson County Board of Commissioners.

DRAFT

10.5.16

MINUTES

**STATE OF NORTH CAROLINA
COUNTY OF HENDERSON**

**CANE CREEK WATER & SEWER DISTRICT
MONDAY, OCTOBER 3, 2016**

The Henderson County Board of Commissioners met for a regularly scheduled meeting at 5:30 p.m. in the Commissioners' Meeting Room of the Historic Courthouse on Main Street, Hendersonville.

Those present were: Chairman Tommy Thompson, Vice-Chairman Charlie Messer, Commissioner Grady Hawkins, Commissioner Mike Edney, Commissioner William Lapsley, County Manager Steve Wyatt, Assistant County Manager Amy Brantley, Attorney Russ Burrell and Clerk to the Board Teresa Wilson.

Also present were: Management Assistant Megan Powell, Director of Business and County Development John Mitchell, Engineer Marcus Jones, Finance Director J. Carey McLelland, Sheriff Charlie McDonald, Senior Planner Autumn Radcliff, Planner Kyle Guie, Assessor/Tax Collector Darlene Burgess, DSS Director Jerrie McFalls, Land Records Supervisor Pam Carver, Data Base Administrator Ed Parker, Assistant County Engineer Natalie Berry and PIO Kathy Finotti – videotaping, Deputy Ken McCraw and Deputy John Tankersley as security.

CALL TO ORDER/WELCOME

Chairman Thompson called the meeting to order and welcomed all in attendance.

Commissioner Hawkins made the motion for the Board to convene as Cane Creek Water & Sewer District Board. All voted in favor and the motion carried.

MINUTES

Draft minutes were presented for CCWSD Board review and approval of the following meeting(s):

August 17, 2016

Commissioner Lapsley made the motion to approve the minutes of August 17, 2016 as presented. All voted in favor and the motion carried.

**FOLLOW UP ON FLETCHER ACADEMY'S 2ND OFFER - MUD CREEK INTERCEPTOR
PHASE 2 PROJECT**

Marcus Jones stated on August 17, 2016, the Board directed staff to pursue grant funding for the Mud Creek Interceptor, Phase 2 project to supplement the offer from Fletcher Academy Inc. (FAI) of \$1,025,000. The following time sensitive information is presented to update the Board on this project:

- This project will not be competitive for grant funding from the NC Connect bond due to our strong economy as compared to other jurisdictions in the State, see attached letter from WGLA Engineering.
- In order to remain compliant with NC Department of Environmental Quality, Fletcher Academy Inc. move forward with this project or pursue their separate, private Wastewater Treatment Plant.

Fletcher Academy President/CEO Gary Carlson and Engineer Will Buie were in attendance.

The contribution from FAI will allowing the District to construct its number one priority project at a cost savings of 40%. With the pending, possible consolidation with MSD, FAI's offer will not be viable due to MSD's policy for extending their system. FAI's offer and the construction of this project is very time sensitive. A ruling from the State Supreme court could come as soon as Sept 23, 2016.

APPROVED:

Staff recommend approval of a development agreement with FAI based on their \$1,025,000 contribution to the project.

Marcus Jones noted this project would eliminate a package plant in Henderson County and the timing is right. The total cost is between \$3.5 and \$3.6 million.

Commissioner Messer felt the Board should hold off until after the Supreme Court decision.

Attorney Russ Burrell made clear the next court ruling would not be until December 9th at the earliest.

Chairman Thompson stated the (CCWSD) Cane Creek Water and Sewer District fund has approximately \$1m balance. If the Supreme Court rules in favor of MSD, we lose those funds to them.

Marcus Jones agreed the rate structure is out of line, but this item will not affect the rate and is a totally separate issue.

Commissioner Edney stated if the curts decide that Henderson County remains CCWSD, the Board could negotiate the rates with MSD or build our own treatment plant.

Commissioner Messer made the motion to defer consideration. The motion failed 1-4 with Commissioners Thompson, Edney, Lapsley and Hawkins noting nay.

Commissioner Lapsley made the motion that the Board directs staff to develop an agreement with Fletcher Academy based on their second proposal to contribute \$1,025,000 to the District's Mud Creek Interceptor project from Riverstone subdivision to Fletcher Academy campus. The motion passed 4-1 with Commissioner Messer voting nay.

Chairman Thompson noted his nay vote at the August 17 meeting was because of the motion contingent upon receiving grant money.

Commissioner Lapsley made the motion to adjourn as the Cane Creek Water & Sewer District Board and reconvene as the Henderson County Board of Commissioners. All voted in favor and the motion carried.

Attest:

Teresa L. Wilson, Clerk to the Board

Thomas H. Thompson, Chairman



Christian Businesses for Christian Education

September 13, 2016

Marcus Jones, P.E., Director of Engineering
Henderson County Government
1 Historic Courthouse Square
Hendersonville, NC 28792

Dear Mr. Jones:

Fletcher Academy, Inc. would like to thank Steve Wyatt, Marcus Jones, and the County Commissioners for considering the proposal made by FAI at the recent CCWSD Board meeting on August 17, 2016. I understand that the motion made and voted was favorable to the proposed contribution by FAI to the Mud Creek Interceptor project, but only if CCWSD was able to obtain grant dollars from the state to help defray the County's overall project costs. We also understand that any of these specific grant monies would not reduce the proposed contribution by FAI.

Subsequent to that meeting we understand that Will Buie with WGLA Engineering has explored the criteria for obtaining grant dollars for Henderson County. We understand that Henderson County would likely not be eligible for grant funding.

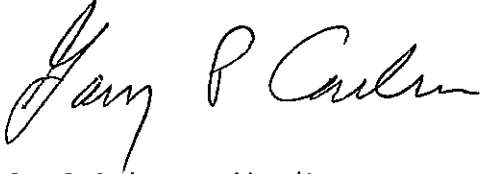
In light of this new information FAI respectfully requests that CCWSD consider revisiting our proposal of August 11, 2016 and moving forward without these grant monies. FAI is still interested in partnering with CCWSD per the proposal submitted, however, because we need to move ahead with a solution for our WWTP, we need to know in the next 30-60 days if this joint project will be approved. If CCWSD does not see a way forward with the project, we need to move ahead on our own internal solution.

Taking all of this into consideration, FAI still believes it is in our best interest and the best interest of the greater community to connect to the public system at the previously proposed amount of \$1,025,000.00. This does not include the estimated connection fees of \$286,000.

Please understand that this proposal, combined with the connection fees, is a significant financial commitment for FAI, but we do believe it is the best solution for all involved. If this proposal is reconsidered and acceptable, FAI would like to meet with County and CCWSD staff to establish the financial arrangements and details of the agreement.

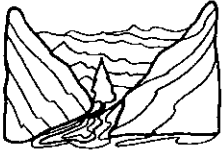
Thank you for your consideration of this proposal. If you have any questions or need more information, don't hesitate to contact my office. My direct line is 828-209-6701.

Sincerely,

A handwritten signature in cursive script that reads "Gary P. Carlson". The signature is written in black ink and is positioned above the typed name.

Gary P. Carlson, President/CEO

CC: Will Buie, P.E.
G. Landon Davidson, P.G.



WGLA Engineering, PLLC
Consulting Civil Engineers and Land Planners

August 25, 2016

Mr. Marcus Jones, P.E.; County Engineer
Henderson County
1 Historic Courthouse Square, Suite 6
Hendersonville, NC 28792

Re: Mud Creek Sewer Extension
Possible Funding Sources

Dear Mr. Jones:

Following the County Commissioner's meeting last Wednesday, I contacted Landon Davidson from the Asheville Regional Office of NCDEQ about possible funding sources for the Mud Creek sewer project. Based on our conversation, I understand the NC Connect bond funds for water and sewer projects are being administered through the Water Infrastructure Division of DEQ. The funding is being incorporated into the current funding programs. Applications are due September 30th for the next review cycle. The awards would be made in likely be announced in January 2017.

Based on further research I learned that grant awards are based on affordability criteria that look at property valuation per capita, population change, poverty rate, median household income and unemployment as compared to the North Carolina averages. To qualify for grant funds, a community must be below the State thresholds for at least three of the categories listed above. Based on Henderson County's position in these categories, the County would not qualify for grant funds and would only be eligible for low interest loans. I have attached a copy of the LGU numbers for Henderson County.

Finally, I spoke with Ms. Anita Reed with NCDEQ Water Infrastructure. She confirmed that Henderson County would only be eligible for loan funds. She also confirmed that the NC Connect funds are being funneled to the existing funding programs through NCDEQ.

If you have any questions or need additional information, don't hesitate to contact our office.

Sincerely,
WGLA Engineering, PLLC

William R. Buie, P.E.

*Unemployment is for the county in which the LGU resides. Yellow areas indicate LGUs that cross county lines and where averages of the counties involved have been taken.

**Use the 2014 population to calculate property valuation per capita for your LGU.

Property Valuation per Capita 2014 North Carolina State Benchmark:	\$104,432
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***Use the appropriate county rate for CDPs.

	Population (2014)**	Percent Population Change (2010-2014)	Poverty Rate (2014)	Median Household Income (2014)	% Unemployed (2014)*
North Carolina State Benchmarks	9,750,405	5.17%	17.6	\$46,693	6.4
Harnett County, North Carolina	121,789	11.70%	18.2	\$44,417	7.2
Haywood County, North Carolina	59,012	0.71%	15.8	\$41,795	5.5
Henderson County, North Carolina	108,642	4.58%	14.8	\$46,257	4.8
Hertford County, North Carolina	24,460	0.31%	26.3	\$32,201	7.2
Hoke County, North Carolina	50,034	13.38%	22.2	\$43,754	7.9
Hyde County, North Carolina	5,757	0.63%	21.1	\$44,425	8.9
Iredell County, North Carolina	162,999	5.41%	13.4	\$51,889	6.1
Jackson County, North Carolina	40,598	3.71%	22.3	\$36,705	6.4
Johnston County, North Carolina	175,343	9.13%	16.4	\$49,799	5.5
Jones County, North Carolina	10,184	1.23%	18.8	\$37,288	6.4
Lee County, North Carolina	59,096	6.33%	18.7	\$46,309	8.1
Lenoir County, North Carolina	59,095	-0.36%	23.7	\$35,687	7.0
Lincoln County, North Carolina	79,041	4.42%	15.6	\$48,664	5.9
McDowell County, North Carolina	44,982	0.87%	20.2	\$36,271	6.5
Macon County, North Carolina	33,840	1.16%	20.7	\$38,491	5.8
Madison County, North Carolina	20,951	1.96%	18.2	\$38,251	7.7
Martin County, North Carolina	23,947	-2.14%	22.5	\$36,132	6.3
Mecklenburg County, North Carolina	968,500	9.71%	15.5	\$56,472	5.9
Mitchell County, North Carolina	15,380	-1.91%	19.6	\$37,487	7.5
Montgomery County, North Carolina	27,626	0.05%	26.2	\$32,715	6.4
Moore County, North Carolina	90,579	5.43%	16.3	\$50,393	5.9
Nash County, North Carolina	95,174	0.82%	17.8	\$43,341	7.9
New Hanover County, North Carolina	209,586	6.24%	18.1	\$49,582	5.8
Northampton County, North Carolina	21,310	-3.84%	26.2	\$31,468	7.9
Onslow County, North Carolina	182,921	8.10%	14.7	\$46,141	5.9
Orange County, North Carolina	137,275	5.95%	16.8	\$57,261	4.4
Pamlico County, North Carolina	13,062	-0.08%	13.3	\$44,762	6.5
Pasquotank County, North Carolina	40,233	0.16%	19.5	\$45,664	8.0
Pender County, North Carolina	54,218	7.88%	18	\$44,526	6.9
Perquimans County, North Carolina	13,507	3.18%	18.8	\$45,391	7.6
Person County, North Carolina	39,303	0.93%	19.9	\$43,381	7.4
Pitt County, North Carolina	172,438	6.85%	24	\$42,011	6.3
Polk County, North Carolina	20,352	0.31%	13.4	\$47,534	5.2
Randolph County, North Carolina	142,276	1.60%	18	\$41,782	6.3
Richmond County, North Carolina	46,317	-0.34%	23.8	\$34,060	8.7
Robeson County, North Carolina	134,913	2.43%	32	\$30,581	9.2
Rockingham County, North Carolina	92,602	-0.77%	18.8	\$38,946	7.3
Rowan County, North Carolina	138,246	1.00%	19.1	\$41,925	6.7
Rutherford County, North Carolina	67,181	0.38%	21	\$36,863	8.4
Sampson County, North Carolina	63,842	1.61%	24.7	\$35,731	6.2
Scotland County, North Carolina	36,034	-0.80%	31.2	\$30,834	11.7
Stanly County, North Carolina	60,553	0.74%	16.6	\$42,010	5.9