

DRAFT MINUTES

**STATE OF NORTH CAROLINA
COUNTY OF HENDERSON**

**BOARD OF COMMISSIONERS
OCTOBER 5, 2009**

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 Bill Moyer, Vice-Chairman Charlie Messer, Commissioner Larry Young, Commissioner Chuck McGrady, Commissioner Mark Williams, County Manager Steve Wyatt, Attorney Russ Burrell and Clerk to the Board Teresa L. Wilson.

Also present were: Associate County Attorney Sarah Zambon, PIO Christy DeStefano, Finance Director J. Carey McLelland, County Engineer Marcus Jones, Planning Director Anthony Starr, Research/Budget Analyst Amy Brantley, Planner Parker Sloan, Captain Greg Cochran, Assistant County Engineer Natalie Berry, and officer David Pearce (security).

Absent was: Assistant County Manager Selena Coffey

CALL TO ORDER/WELCOME

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

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Victoria Cambron of the Henderson County 4-H Leaders in Training.

INVOCATION

Commissioner Mark Williams gave the invocation.

AWARD

Chairman Moyer called Planning Director Anthony Starr to the podium to explain the award his department recently received.

Anthony Starr had attended the State Conference for the North Carolina Chapter of the American Planning Association. At the award ceremony, Henderson County was awarded the 2009 Marvin Collins Award for outstanding planning in recognition of the Land Development Code (LDC) adopted two years ago. This award is given each year to local governments in North Carolina in recognition of planning or implementation of plans in several categories. He noted that the LDC was a very intensive process involving a lot of public input as well as key stake holders. It is a reflection upon the Board of Commissioners' leadership as well as the efforts of the Planning Board and his staff and he congratulated them. Henderson County was the only county in the state to receive the award this year. Mr. Starr presented the award to the Board of Commissioners.

INFORMAL PUBLIC COMMENTS

1. Theron Maybin – Mr. Maybin spoke on the importance of Henderson County maintaining control of the wells in the Green River Township. He stated that years ago we would not have thought that water would be a precious commodity that it is today and he recommended fully that the County Commissioners consider buying these wells for the county and especially for the Green River Township. He feels that seemingly they are forgotten many times except for whenever the bills come but hopefully by the county having these wells in their possession it will supply water to the Green River Township because presently city water does not come into their area. This would also be a

DATE APPROVED _____

good backup source of water for Hendersonville as a water tank could be placed on top of Blue Ridge which would help their supply.

2. Bryan Mellish – Mr. Mellish spoke in regards to comments written into the Times News about Etowah and Horseshoe wanting to incorporate from Etowah – Horseshoe and going out to Laurel Park, Highway 191, Mills River, and Transylvania County. The article said that they have had some talk and Mr. Mellish questioned the Board if this was something the Board would go ahead with or there would be meetings the public could attend, or by the time the Board received the information it would be a cut and dry situation.

Chairman Moyer explained that the Board does not get into back and forth conversation during public comment but asked Planning Director Anthony Starr to step aside and speak with Mr. Mellish explaining the status.

3. Mark Stierwalt – Mr. Stierwalt is the Vice-President of the Green River Community Association (GRCA). He stated that he has nothing against Saluda and that they have been attending the association meetings, sharing their plans, asking for GRCA's opinion, and trying to educate GRCA. He feels that water is a resource and it is currently in their community. To sell the system is not in the best interest of the members of the Green River Community or Henderson County. He suggested that either Henderson County or Hendersonville Water Authority purchase the wells and keep them within the county. There does not seem to be a deadline. He knows that AQUA was approached by Saluda but this decision should not have to be made immediately; there is time for more research in order to make an educated decision.
4. Debra Stephens - "I want to talk to the Board about the responsibility record of stewardship that Saluda has. As of October 1998 Saluda has sufficiently neglected the infrastructure of their sewer system and it was crumbling (information from the North Carolina Rural Economic Development). A treatment plant was built in the 80's but due to insufficient oversight the contractor failed to operate and maintain the plant properly. North Carolina sited that Saluda had only five (5) clean water violations in 1997. During one (1) five (5) year period Saluda's waste water treatment plant violated the discharge permit over three thousand eight hundred (3,800) times which is an average of seven hundred and sixty (760) times per year. After the Canoe Association lawsuit Saluda complied with the discharge permit for the first full month in over a decade. Also, although Saluda acquired the Lake Summit water lines at no cost, Saluda has failed to address issues of undersized pipes, low water pressure, or other upgrades to the infrastructure. During the years of Saluda's ownership, in spite of substantial water rate increases, in one case I have heard of three (3) times the rate to the Lake Summit water customers and creating doubt to Mr. Morgan's expressed intent to improve fire protection in an area where there are a number of summer camps. In addition to that, since 1925 in a period of 84 years, there have been nine (9) droughts in North Carolina, averaging one to seven years in length for a total of 33 of those 84 years being drought years, which is 39% of the time. We need this water. We have radon concentration records in North Carolina ground water. Right now they are among the highest observed in the United States. In 1993 a study was done of 277 private wells within the North Carolina mountain region and indicated a 67% have high levels of radon concentration. What we need based upon these preliminary findings is a proactive government in developing public systems for Henderson County to eliminate the health threat to their citizens and those health threats are carcinogens linked to bone, kidney, and lung cancers among many others. About half of Western North Carolina citizens rely on public and private ground water wells for their principal drinking water while only public systems are tested and therefore treated. The private wells are not."
5. Debra Stierwalt – Ms. Stierwalt supports previous comments. She recommends a delay for the thought of Aqua purchasing the wells down in Tuxedo. In Tuxedo there is a lot of iron in some of the personal wells and some of the wells of the commercial wells have been condemned due to heavy metals. Personal wells do not have any restrictions on them like the commercial wells do. Since the

line has gone as far as Cobblestone, she feels it may be good to proactively think about Hendersonville City providing water to Tuxedo with Henderson County helping to run some of those lines down there. Aqua has been good with meeting with the residents of Green River Township. She lives on Lake Summit and has the City of Saluda water and she was one of the citizens that the rate was significantly increased. She thinks the time has come that the southern end of the County received lines from Henderson County.

6. Charles Blackwell - Mr. Blackwell feels it is important that the Water Task Force for Henderson County, the general public, and all its residents all basically be aware of what is going on in Henderson County. Right now the City of Saluda owns the waterlines around Lake Summit and Lake Summit waterlines were a gift to Saluda; they did not pay one dime for them. The transfer of the waterlines located within Henderson County to Saluda within Polk County appears to be a possible violation of N.C. Gen. Stat. 153A-15 which requires the approval of the county in which the property is located in order for the transfer to be legal. This statute was ratified in 1997, well before the transfer of the Lake Summit waterlines to the City of Saluda. The Statute also includes Henderson County and Polk County and therefore all the city officials of Saluda have the responsibility to be aware of this requirement. In addition to the apparent violation it should be noted that during the years that Saluda has owned these lines they have charged adsorbent rates for the water and made little or no improvements to the line whatsoever. The water originates in Hendersonville and is own Henderson County lines and makes a direct pass by Lake Summit waterlines prior to the delivery to the City of Saluda. It should also be noted that the City of Saluda has indicated their intent to improve the waterlines to the customers and has not done so for these years. The Task Force for Henderson County and the Board of Commissioners has ample reason to be suspect of any and all representations during the City of Saluda's and Tuxedo well purchases. He feels the City and County Water Task Forces should join forces and acquire the purchase of these wells and expand them for the benefit of southern Henderson County before another County involvement has resulted in less than good results again. Southern Henderson County needs to keep its water and do so without price gouging.
7. Larry Rostetter – Mr. Rostetter is a member of GRCA, the Community which has a variety of views on this topic. He thinks the Community would like to see the Tuxedo Water System in strong hands that have an interest in the Community. The current owners do not seem to fit that description because they are prepared to sell the system. The representatives from Saluda have taken the time to meet with Green River residents and exchange views and ideas with them. They have spoken of potential benefits to the Green River area that would arise from their acquisition of the AQUA System. These include more fire hydrants and access to the system for Green River Fire Department. An interconnection between the Lake Summit and the Tuxedo system would provide a backup for Tuxedo customers that doesn't exist today. They hope to see the good ideas incorporated into any partnership agreement between Saluda and Henderson County. There are some principals that they believe should be incorporated to any agreement. Long term protection for the existing customers, provision for certain limited extensions to the customer base in Tuxedo, provision for the participation in revenues earned from the sale of water beyond the approximate 600 customers in the Saluda area. Specifically current Tuxedo customers should be supported indefinitely and should be granted most favored customer pricing indefinitely, water taps that were active should be reactivated if possible, a growth in the number of taps of up to about 5% a year should be accommodated for properties in the immediate area of the existing system, fees charged for establishing connections and activating connections should be consistent with those charged to Saluda's own customers in Saluda. In the event of a public facility in the township such as a library, community center or park is established then they would like to see that this facility has the right to hook into this system as well. While they have heard both from Polk County in another discussion recently and from Saluda in this current discussion that they no intention of selling water outside of their own territory, in the event that they do certainly any agreement between the parties should take in to account the possibility of this where future decisions makers step up and the revenue sharing should be on the order of about

10% on the gross revenues of water sold. GRCA requests that the Commissioners take all these factors into account and incorporate them into any agreement that would be made.

DISCUSSION/ADJUSTMENT OF AGENDA

Chairman Moyer requested the addition of Discussion item F – A Resolution requesting the North Carolina Assembly excludes the Appalachian Development Highway System Funding from the NCDOT Equity Formula.

Commissioner McGrady made the motion to approve the agenda with the addition of Discussion item F. All voted in favor and the motion carried.

CONSENT AGENDA

Commissioner McGrady made the motion to approve the Consent Agenda as presented. All voted in favor and the motion carried.

CONSENT AGENDA consisted of the following:

Minutes

Draft minutes were presented for board review and approval of the following meetings(s):

- September 8, 2009 – Regularly Scheduled Meeting
- September 16, 2009 – Regularly Scheduled Meeting

Tax Collector's Report

Deputy Tax Collector Carol McCraw had presented the Tax Collector's Report to the Commissioners dated September 25, 2009 for information only. No action was required.

Tax Releases

A list of 152 tax release requests was presented for the Board of Commissioners review and approval.

Suggested Motion:

I move the Board approves the Tax Release Report as presented.

Tax Refund

A list of 14 refund requests was presented for the Board of Commissioners review and approval.

Suggested Motion:

I move the Board approves the Tax Refund Report as presented.

Financial Report/Cash Balance Report – August 2009

Included for the Board's review and approval are the August 2009 County Financial Report and Cash Balance Report.

The following are explanations for departments with higher budget to actual percentages for the month of August:

- Dues/Non-Profit Contributions – first quarter FY2010 non-profit contributions
- Tax Collector – postage expense incurred to mail out current year tax bills in July
- Fire Marshal – worker's compensation premium/fire district(s) contracts
- Rescue Squad – first quarter FY2010 non-profit contribution
- HOME Program – payments to Housing Assistance Corp. for Homebuyer's Assistance Program to be reimbursed from the City of Asheville
- Non-Departmental – first quarter FY2010 property and liability insurance premium and was allocated out to all departments in August

The YTD deficit of \$4,739 in the Travel & Tourism Fund is the result of lower occupancy tax collections due to the current economy and extensive advertising costs incurred and paid in the month of August.

The YTD deficit of \$2,995 in the Edneyville Park Project is expense related to the new community center that has been requested and will be reimbursed from the State PARTF Grant.

The YTD deficit reported for the Former Health Department Renovations Project is the monthly expense/professional services provided by David H. Berry and Associated, LLC. These expenditures are being covered by a General Fund transfer and will be reimbursed from future FY2010 financing proceeds.

The YTD deficits reported in the Public School System Repair Projects and the North High/Apple Valley HVAC Water Pipe Repair Project will be reimbursed from future FY2010 financing proceeds.

Suggested Motion:

I move that the Board of Commissioners approves the County's August 2009 Financial Report and Cash Balance Report as presented.

Henderson County Public Schools Financial Reports – August 2009

Provided were the Henderson County Public Schools August 2009 Financial Reports for the Board's information.

Staff requested that the Board consider approving the School System's August 2009 Financial Reports as presented.

Suggested Motion:

I move that the Board of Commissioners approves the August 2009 Henderson County Public Schools Financial Reports as presented.

Resolution – Traffic Equipment Grant

The Henderson County Sheriff's Office requests that the Henderson County Board of Commissioners approves the grant contract resolution included in the agenda which will provide traffic enforcement equipment 100% funding on an equipment grant awarded to Sheriff Davis for being a Law Enforcement Liaison in Region 10 of the Governor's Safety Program.

The Board is requested to approve the grant contract resolution and authorize Sheriff Rick Davis to receive 100% of the \$1,534 equipment grant.

Suggested Motion:

I move the Board approves the grant contract resolution and authorizes Sheriff Rick Davis to proceed with the approved equipment grant.

Resolution – Traffic Safety Grant

The Henderson County Sheriff's Office requests that the Henderson County Board of Commissioners approves the grant contract resolution provided which will provide continued funding for an existing law enforcement position. This is a continuation of the previously approved traffic grant provided by the North Carolina Governor's Highway Safety Program.

The Board is requested to approve the grant contract resolution and authorizes Sheriff Rick Davis to enter into a contact with the North Carolina Governor's Highway Safety Program to execute the grant.

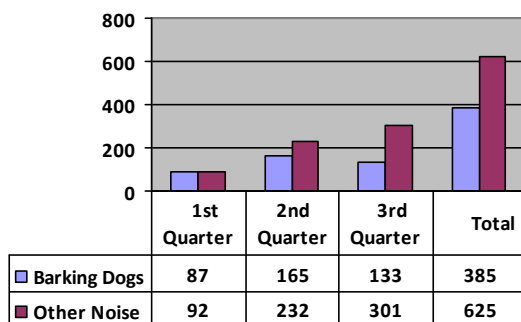
Suggested Motion:

I move the Board approves the grant contract resolution and authorizes Sheriff Rick Davis to proceed with the approved traffic grant.

Noise Ordinance Update

Lieutenant Ben McKay had presented the following information providing the Board with an update on the status of the Noise Ordinance.

2009 Noise Ordinance Calls for Service



Surplus Vehicles

A resolution was provided for the Board's consideration declaring the list provided of vehicles no longer used by the County as surplus property. The resolution also authorizes staff to advertise the surplus vehicles for sale by electronic public auction at www.govdeals.com after the required advertisement of the sale. A copy of the resolution and list are hereto attached and incorporated as a part of the minutes.

Suggested Motion:

I move that the Board approves the resolution and list provided declaring the list of vehicles as surplus and authorizes staff to sell the surplus vehicles by electronic public auction utilizing GovDeals auction services after the required advertisement.

Register of Deeds – Request to use ROD Restricted Funds for Automation, Enhancement and Document Preservation

The General Assembly enacted legislation in 2002 that requires counties to place 10 percent of certain revenues generated by the Register of Deeds Office into a fund to pay for automation enhancements and document preservation. This fund which is a portion of the County's Restricted General Fund Balance has in excess of \$324,000 currently.

A budget amendment was provided for the Board's consideration to use the Register of Deeds Restricted General Fund Balance for additional funds necessary to fund hardware and software upgrades being implemented by the Information Technology Department in FY2010. The budget amendment appropriates \$20,330 requested from the restricted general fund balance for this purpose. Only the Board of Commissioners may authorize the use and release of these restricted funds.

Suggested Motion:

I move that the Board of Commissioners approves the provided budget amendment to use Register of Deeds Restricted General Fund Balance for the purposes requested.

Offer to purchase tax-foreclosed property – Dove Haven Lane

At your May 4 meeting, this Board gave preliminary acceptance to the offer of Ken White and Heidi N. White to purchase a parcel of real estate which was subject to a tax foreclosure by the County.

The property is described as lot on Dove Haven Lane off Mountain Road, 0.46 acres, deed book 629, page 751, PIN 96-50777079, with a tax value of \$25,000.00. It is believed that this lot was originally foreclosed by the County in or before 1983.

Pursuant to your policy, adopted 29 June 2005, these offers were subject to upset bids after publication of notice in *The Times-News*. Notice was published in *The Times-News* on 1 June 2009, 7 June 2009, 11 June 2009, 25 June 2009, 6 July 2009, 18 July 2009, 30 July 2009, 11 August 2009, 25 August 2009 and 9 September 2009, as upset bids progressively raised the bids for this property from the initially accepted bid of Three Hundred Dollars (\$300.00) to Seven Thousand Five Hundred Dollars (\$7,500.00), as shown on the attached table. The final bidder was Ken White and Heidi N. White.

This item is for final approval of the \$7,500.00 offer, as the time for upset bid after the 9 September 2009 publication has expired. The Board has the option to accept this offer, or to reject all offers.

County staff will be present and prepared if requested to give further information on this matter.

Suggested Motion:

I move that the Board give final acceptance to the offer of Ken White and Heidi N. White to purchase the parcel described in this agenda item, and authorize the Chairman and staff to close this transaction, upon receipt of the purchase price.

Dove Haven Lane Foreclosure Sale

Date of Bid	Amount of Bid	Date of Publication
11-5-08	\$300	6-1-09
6-1-09	\$450	N/A – Higher bid rec'd 6-4-09
6-4-09	\$600	6-7-09
6-8-09	\$1,001	6-11-09
6-15-09	\$1,500	N/A – Higher bid rec'd 6-15-09
6-17-09	\$2,000	6-25-09
6-30-09	\$2,500	7-06-09
7-13-09	\$3,500	7-18-09
7-24-09	\$4,000	7-30-09
8-05-09	\$6,000	8-11-09
8-20-09	\$6,500	8-25-09
9-01-09	\$7,500	9-09-09

Henderson County Hospital Corporation – permission to market excess to needs real estate

Henderson County Hospital Corporation seeks your permission to market certain property it considers excess to its needs, located at and near the intersection of U.S. 25 North and Stoney Mountain Road. The Henderson County Assessor's Office has valued the indicated property at \$2,409,200.

Suggested Motion:

I move that the Board authorizes staff and representatives of Henderson County Hospital Corporation to market the real estate owned by the county and located near the intersection of U.S. Highway 25 North and Stoney Mountain Road, subject to North Carolina's laws on sale of real estate by counties, and subject to further approval of this Board.

Woodfield Inn on-premises alcohol permit

North Carolina Alcoholic Beverage Control Law allows local governments to comment upon the application by a private facility for on-premises consumption of alcoholic beverage sale permits. The purpose of the comment is to allow the Alcohol Beverage Control Commission to "be satisfied the applicant is a suitable person and that the location is a suitable place".

A copy of the application filed on behalf of the Woodfield Inn by Hasan Mansouri was provided to the Board.

Comment by the Board is not required. If the Board does wish to comment upon this, it should be done as a group.

County Staff will be present and prepared if requested to give further information on this matter.

Suggested Motion:

I move that the Board adopts the following as its commentary on this application: Henderson County's Board of Commissioners does not desire to make any comment as to the suitability of these applicants nor as to the location of the prospective permit site. This lack of comment should not be interpreted in a negative manner.

Non-Profit Performance Agreements

Subsequent to the approval of the FY 2009-2010 Budget, staff has distributed the funding agreements to the non-profit agencies receiving County allocations. Staff will be including signed funding agreements on the Board's consent agenda as we receive them from the agencies.

Community Development Council \$1,000

Suggested Motion:

I move the Board authorizes the Chairman to execute the funding agreement provided and in doing so, authorizes the release of the first of the aforementioned agencies' quarterly allotments.

Bond Counsel Services RFP

Staff mailed out and requested proposals for bond counsel services for the upcoming financings planned for the current fiscal year. The firms that submitted proposals all specialize in public finance and have done the majority of this type of financing work in the state approved by the Local Government Commission. A summary of the fee proposals received for the bond and installment contract financings contemplated was provided. The Parker Poe and Hunton & Williams fees proposed are very close.

Due to its extensive public finance work in North Carolina, excellent qualifications, the number of county clients being served and favorable references, staff recommends that the Board accepts the proposal from Parker Poe to serve as bond counsel for the County. Mr. Donald Ubell, Partner, is and has been a leader in North Carolina Public Finance for a number of years and is highly regarded across the state. A copy of the Parker Poe proposal was provided in the agenda for Board information.

Bond Counsel RFPs Fees Proposed

Womble Hunton & McGuire

<u>Type of Financing</u>	<u>Parker Poe</u>	<u>Carlyle</u>	<u>Williams</u>	<u>Woods</u>
Qualified Zone Academy Bonds (QZABs)	\$12,500	\$15,000	\$12,000	\$25,000
Qualified School Construction Bonds (QSCBs)	\$12,000	\$15,000	\$15,000	\$35,000
Bank Installment Contract Financing (G.S. 160A-20)	\$15,000	\$15,000	\$10,000	\$20,000

Suggested Motion:

I move the Board accepts the proposal from Parker Poe Adams & Bernstein LLP to serve as bond counsel for Henderson County.

Resolution proclaiming October 2009 as Community Planning Month

Each year the American Planning Association along with local governments across the United States recognize October as National Community Planning Month. In recognition of the service provided by the various volunteers that serve as citizen planners on the Planning Board and the various community planning committees, a resolution was provided and is hereby attached to this set of minutes.

This resolution will recognize the importance of planning and the benefits to our quality of life and the County.

Suggested Motion:

I move that the Board adopts the resolution provided proclaiming October 2009 as Community Planning Month.

NOMINATION**Notification of Vacancies**

1. Equalization and Review, Henderson County Board of – 1 vac.
2. Nursing/Adult Care Home Community Advisory Committee – 1 vac.

Nominations

- Cemetery Advisory Committee – 1 vac.

Commissioner McGrady nominated John Boyd for reappointment for position #5. *Chairman Moyer made the motion to accept the reappointment by acclamation. All voted in favor and the motion carried.*

- CJPP (Criminal Justice Partnership Program) – 2 vac.

There were no nominations at this time so this item was rolled to the next meeting.

- Community Child Protection Team (CCPT) – 6 vac.

Commissioner McGrady nominated for reappointment Phyllis Bentley for position #1, Dr. Alice Arrowood for position #2, Patricia Jones for position #3 and Paula DeLorenzo for position #4. *Chairman Moyer made the motion to accept the reappointments by acclamation. All voted in favor and the motion carried.*

Commissioner McGrady noted a recommendation by the committee to nominate Diana Sierra for position #5. *Chairman Moyer made the motion to accept the appointment of Diana Sierra to position #5 by acclamation. All voted in favor and the motion carried.*

Commissioner McGrady noted a recommendation by the Sheriff's Department to nominate Detective Corporal Scott Justus for position #6 as a designee. *Chairman Moyer made the motion to accept the*

appointment of Scott Justus to position #6 by acclamation. All voted in favor and the motion carried.

- Downtown Hendersonville, Inc. – 2 vac.

There were no nominations at this time so this item was rolled to the next meeting.

- Historic Resources Commission – 1 vac.

There were no nominations at this time so this item was rolled to the next meeting.

- Hospital Corporation Board of Directors – 4 vac.

Chairman Moyer nominated for reappointment Larry Freeman for position #3, William Lapsley for position #5 and Jeff Miller for position #7. *Commissioner McGrady made the motion to accept the reappointments by acclamation. All voted in favor and the motion carried.*

Commissioner Young nominated Fielding Lucas for position #6. Chairman Moyer nominated Peggy Judkins for position #6.

Commissioner McGrady made the motion that the Board suspend the rules and vote during this meeting. All voted in favor and the motion carried.

The Board was polled by the Clerk with the following votes:

Chuck McGrady	Mark Williams	Bill Moyer	Charlie Messer	Larry Young
Peggy Judkins	Fielding Lucas	Peggy Judkins	Peggy Judkins	Fielding Lucas

Peggy Judkins was appointed to position #6 with the majority of votes.

- Jury Commission – 1 vac.

There were no nominations at this time so this item was rolled to the next meeting.

- Juvenile Crime Prevention Council – 10 vac.

There were no nominations at this time so this item was rolled to the next meeting.

- Senior Volunteer Services Advisory Council – 1 vac.

There were no nominations at this time so this item was rolled to the next meeting.

- Western Highlands Local Management Entity – 1 vac.

Chairman Moyer nominated Steve Wyatt for position #1. *Chairman Moyer made the motion to accept the appointment of Steve Wyatt by acclamation. All voted in favor and the motion carried.*

SHOP AND DINE – HENDERSON COUNTY UPDATE

Bob Williford, President of the Henderson County Chamber of Commerce, presented to the Board an update on the Winter 2009/Spring 2010 Shop & Dine Henderson County Campaign. The Chamber, as well as other groups are partnering together as they did in 2008 for the Winter 2009/Spring 2010 Campaign. The Chamber is requesting \$15,000 in continued funding for the Winter 2009/Spring 2010 Campaign.

The Planning Committee consists of Becky Polonsky of the Fletcher Area Business Association, Lisa Schaak of the Blue Ridge Mall, Karen Shirlin of Downtown Hendersonville, Inc., a representative from Highland Square Shopping Center, David Voorhees of the Flat Rock Merchants Association, Bob Williford from The Chamber, Chris Wright from the Laurel Park Village Shopping Center, Jim Kastetter

from the Seventh Avenue Group, Mitsy Jones from the Chamber, Christina DeStefano from Henderson County, and a representative from the Merchants & Business Association.

The two focus points of the campaign are educating the public on the benefits of shopping in Henderson County while retaining tax revenues and job creation, and educating the public on the goods and services offered in Henderson County.

Last year's budget was \$23,500 with \$23,427.58 spent on advertising valued at approximately \$50,000.00. Remaining funds in the budget are \$72.42.

Chairman Moyer stated that a number of recent studies reflect with respect to the numbers of jobs we've lost in the country that industry and business will be very slow coming back and it will be left up to small businesses to turn things around. He noted that the campaign has been very successful and far exceeded what he expected and therefore felt the campaign should be continued.

It was the consensus of the Board to continue the campaign.

Chairman Moyer made the motion that the Board authorizes \$15,000 toward the Shop & Dine Henderson County Campaign. All voted in favor and the motion carried.

Chairman Moyer requested the County Manager look at the budget to determine where the funds can be taken from.

PARDEE HOSPITAL BUDGET FOR OCTOBER 2009

Chairman Moyer stated that the agreement with the hospital is they are required to present their budget to the Board of Commissioners each year.

Alan House and Kris Hose, from Margaret R. Pardee Memorial Hospital (Henderson County Hospital Corporation) made a presentation to the Board of Commissioners on their 2009/2010 annual budget. The budget was officially presented to the Henderson County Board of Commissioners and approved by the Henderson County Hospital Corporation Board on August 26, 2009.

This is the earliest budget submission in four years.

The Western North Carolina Region was 1 of 10 communities invited to go to Washington, DC to participate in a number of discussions on how we might focus on healthcare reform in areas that have done an effective job in terms of managing cost and quality.

Pardee Hospital has the lowest cost in the Country and Region.

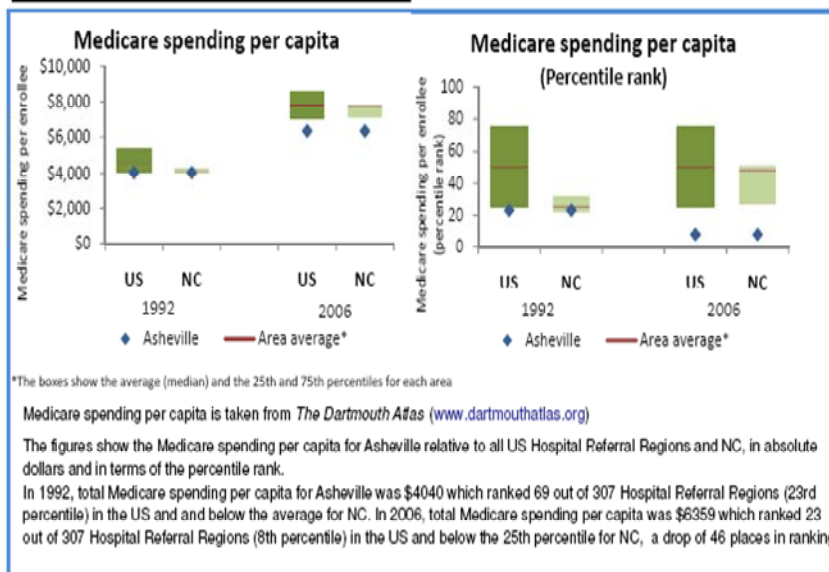
"Commonalities" of the Ten Low-Cost High Quality Regions

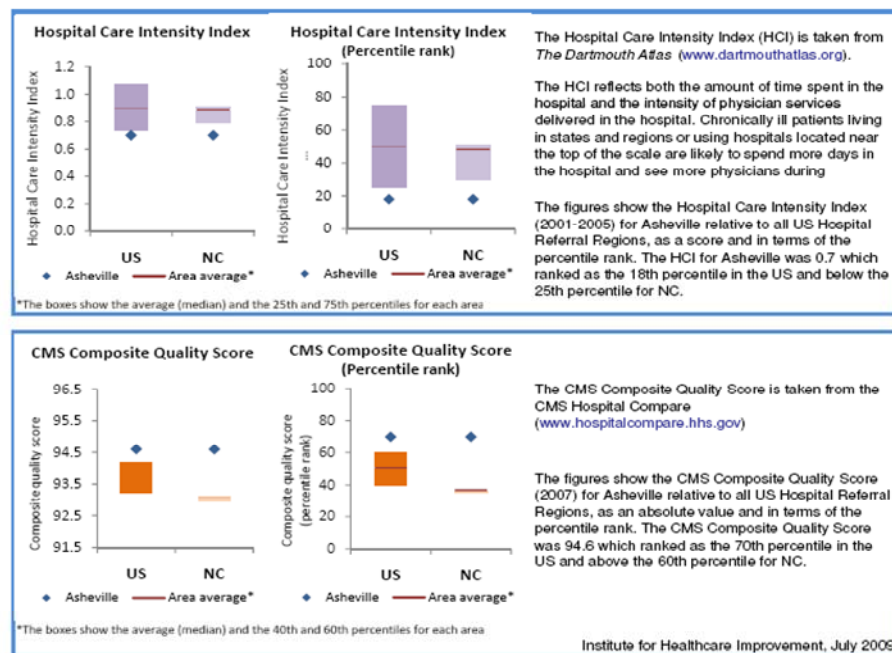
- Culture of medical excellence established early on by founding physicians;
- High percentage and ratio of primary care physicians to population and compared to specialists
- Care Patterns that focus on prevention, disease management, outpatient care and lower-intensity/cost settings for end-of-life care
- Predominance of integrated healthcare delivery care systems
- Systems tend to cover a significant geographic region

**“How Do They Do That? Low-Cost, High-Quality Health Care in America”
Hospital Referral Region (HRR) Participant Data and Selection Methodology**

HRR	State	HCI*	Cost Rank (#1 is lowest spending in U.S. out of 306 HRRs)		Δ Rank (Cost)**	2006 Price- adjusted Medicare Spend per Enrollee	CMS Hospital Compare Composite quality score	Ratio of Primary Care FTE / Specialist FTE (National Average 1.06)†	Pop. Of Nominal City ‡	Pop. Growth 2000- 2007
			1992	2006						
Asheville	NC	0.70	70	24	46	\$ 8,086	94.6	1.56	73, 875	7.2%
Cedar Rapids	IA	0.71	35	12	23	\$7,657	96.0	0.87	126,396	4.7%
Everett	WA	0.57	154	65	89	\$7,331	94.5	1.51	101,800	7.4%
La Crosse	WI	0.51	8	4	4	\$6,473	97.0	2.18	50, 719	-2.1%
Portland	ME	0.73	110	54	56	\$7,819	94.4	1.24	62,825	-2.2%
Richmond	VA	1.00	126	39	87	\$8,275	95.6	0.98	202,002	2.1%
Sacramento	CA	0.71	199	100	99	\$7,598	95.1	1.21	460,242	13.1%
Sayre	PA	0.80	99	27	72	\$7,624	93.8	1.61	5,481	-5.7%
Tallahassee	FL	0.79	201	95	106	\$8,764	91.4	1.27	168,979	12.1%
Temple	TX	0.69	54	76	-22	\$8,594	94.5	1.60	58,330	7%

Asheville Hospital Referral Region, NC





Findings from review the Ten Low-Cost High-Quality Regions

- Long-standing, nationally ranked hospitals
- 74 Acute Care Hospitals within the ten regions
- The majority of the markets have at least “outlier” hospital with high costs and utilization
- Healthcare tends to be the predominate “industry” in most of the communities
- Many are areas with an urban hubs surrounded by rural areas
- All communities are old established commerce centers

What is ANDI?

Acronym for Advocacy Needs Data Initiative

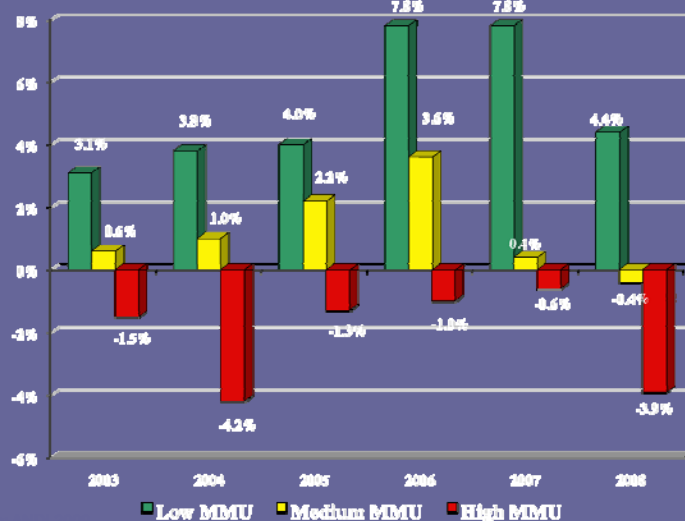
Result of NCHA’S Policy Development Committee recognizing the need to have current data to support and strengthen advocacy efforts to policymakers & legislators.

Secure, password-protected, web-based advocacy tool designed to collect hospital-level data.

Trend and benchmark reporting tool with on-demand reports following survey completion; available for free to members

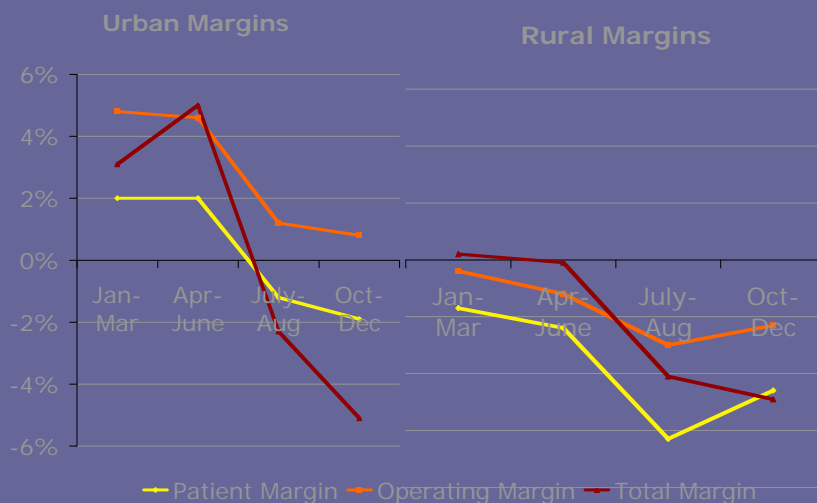
Medicare, Medicaid, Uninsured Impact

High MMU means lower operating margins



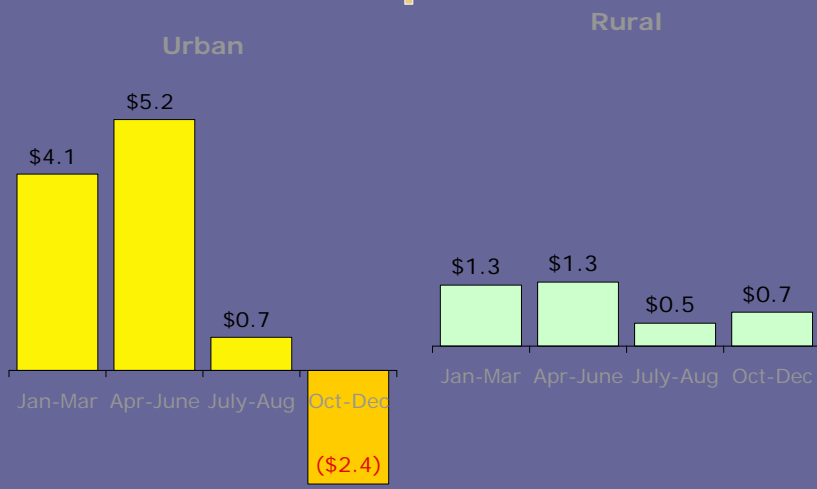
Medicare does not cover the cost of the hospitals in the state. Eighty-five percent (85%) of the hospitals in this state lost money on Medicare volume in 2008. Medicaid is worse at ninety-five percent (95%) of the hospitals in this state lost money on Medicaid volume in 2008.

2008 Margins Affected



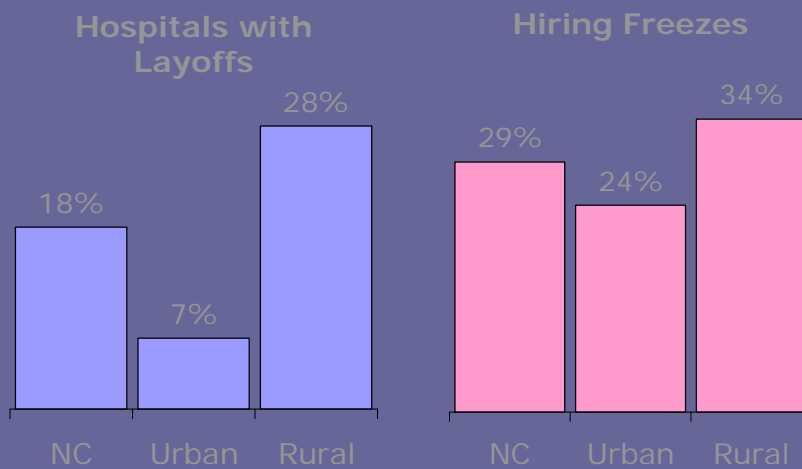
Source: NCHA's Quarterly ANDI Surveys

Cash Flow Drops



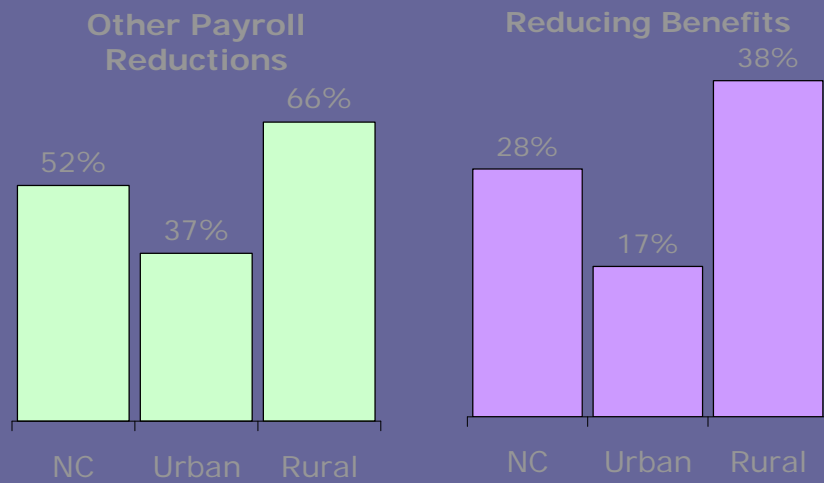
Source: NCHA's Quarterly ANDI Surveys

Hospitals Cut Staff



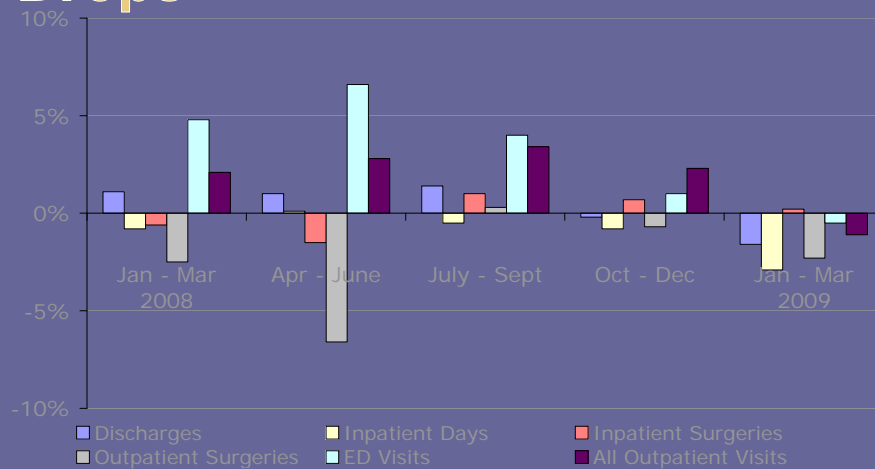
Source: NCHA's 2009 Recession Impact on LaborANDI Survey

Hospitals Implement New Policies



Source: NCHA's 2009 Recession Impact on Labor ANDI Survey

Volume Growth Slows, then Drops

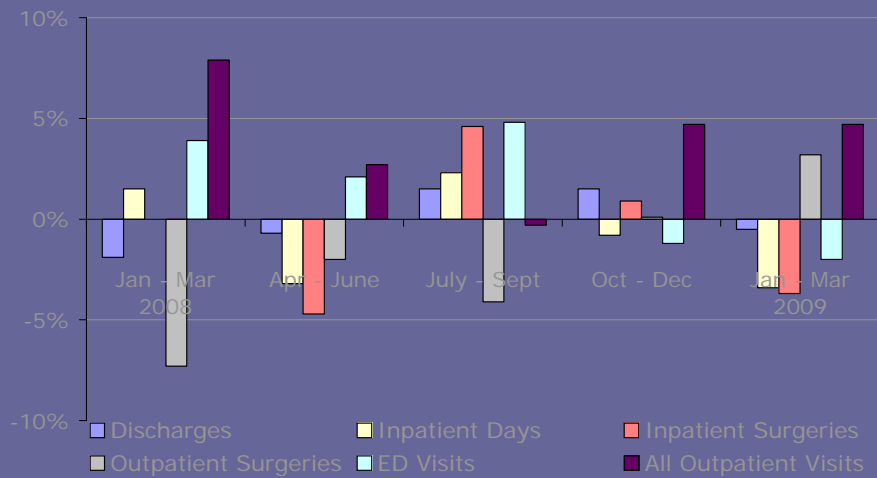


Note: Rates are annual rates, computed based on the same period, one year ago.

For example, Jan-Mar 2009 rates represent changes since Jan-Mar 2008.

Source: NCHA's Quarterly ANDI Surveys

District 1 – Trends in Volume

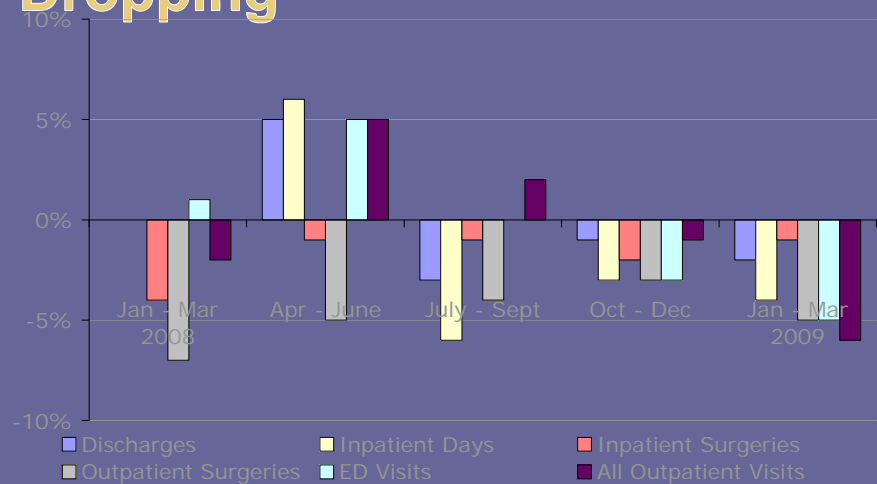


Note: Rates are annual rates, computed based on the same period, one year ago.

For example, Jan-Mar 2009 rates represent changes since Jan-Mar 2008.

Source: NCHA's Quarterly ANDI Surveys

NC Commercial Volume Dropping

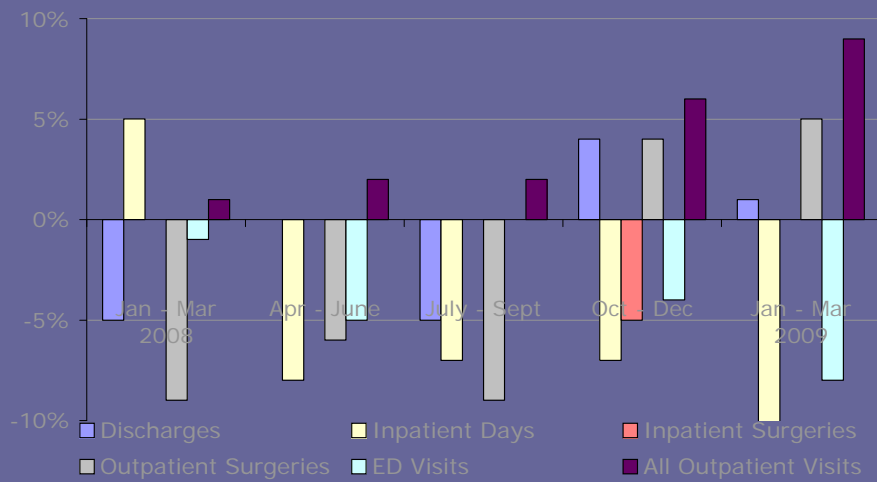


Note: Rates are annual rates, computed based on the same period, one year ago.

For example, Jan-Mar 2009 rates represent changes since Jan-Mar 2008.

Source: NCHA's Quarterly ANDI Surveys

District 1 – Commercial Volume



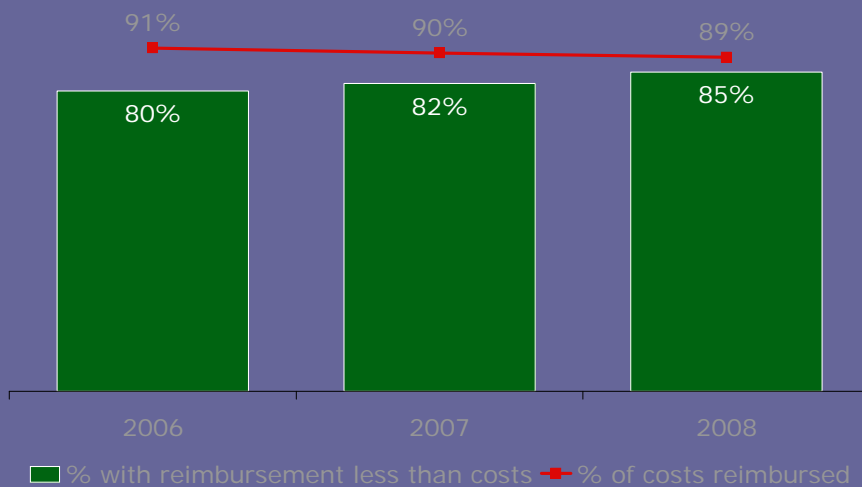
Note: Rates are annual rates, computed based on the same period, one year ago.

For example, Jan-Mar 2009 rates represent changes since Jan-Mar 2008.

Source: NCHA's Quarterly ANDI Surveys

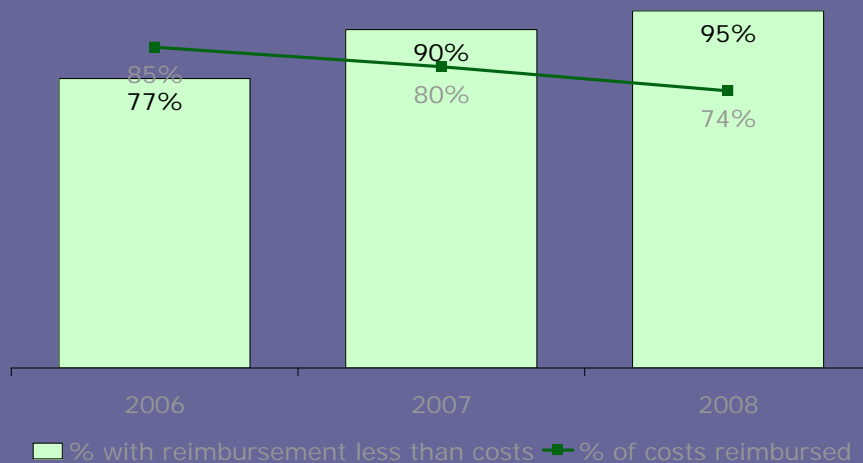
Medicare Pays Below Costs

Medicare Losses



Medicaid Pays Below Costs

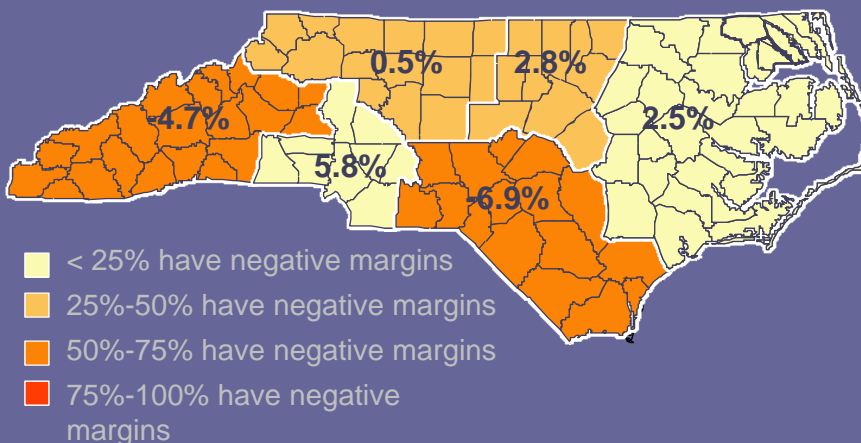
Medicaid Losses



Source: NCHA's ANDI Fiscal Year Surveys

2008 Margins Look Bad and...

The average FY08 NC operating margin is 0.1%



Source: NCHA's 2008 Sales Tax Rebate and 2008 Fiscal Year ANDI Surveys

KEY STATISTIC PROJECTIONS

Admissions	3.6%
Surgeries	10.8% (additional new surgeons)
ED Visits	0.3%

PAYMENTS - Medicare / Medicaid / "Healthcare Reform"

Medicare payment increase: 2.51%
 Medicaid payment Decrease (3.25%)
 “MRI” (Medicaid Reimbursement Initiative) Medicaid Decrease (15.00%)
 Other healthcare reform: ?



Pardee Hospital
 Full Time Equivalents



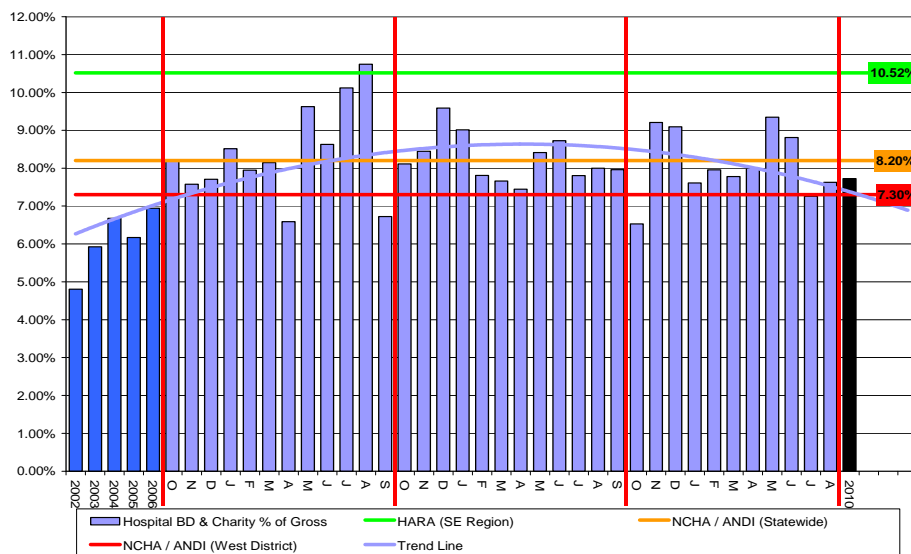
Full Time Equivalents (FTEs):

Added in 2009 (physician related)	<u>23.1</u>	}	41.0 (2009)
2009 effect on 2010:	17.9		
New in 2010 (physician related)	<u>11.3</u>		11.3 (2010)
Total “additional” 2010	<u>29.2</u>		

People



Pardee Hospital
 Uncompensated Care



Uncompensated care associated with bad debt loss is \$24,000,000 and charity is \$4,000,000 for a total of \$29,000,000 in uncompensated care that the hospital deals with yearly.



Pardee Hospital



The Consolidated Budget Numbers

	Actual <u>2008</u>	Projected <u>2009</u>	Budgeted <u>2010</u>
Total Oper Revenue	\$127,134	\$125,859	\$137,551
Total Oper Expense	<u>126,925</u>	<u>120,627</u>	<u>133,255</u>
Operating Margin	\$209 0.2%	5,232 4.2%	4,296 3.1%
Non-Operating	<u>5,865</u>	<u>915</u>	<u>1,350</u>
Bottom Line	\$6,074	\$6,147	\$5,646

Amounts In Thousands Except Percentages



Pardee Hospital



The Consolidated Budget Numbers

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Amounts In Thousands Except Percentages



Pardee Hospital

The Consolidated Budget Numbers



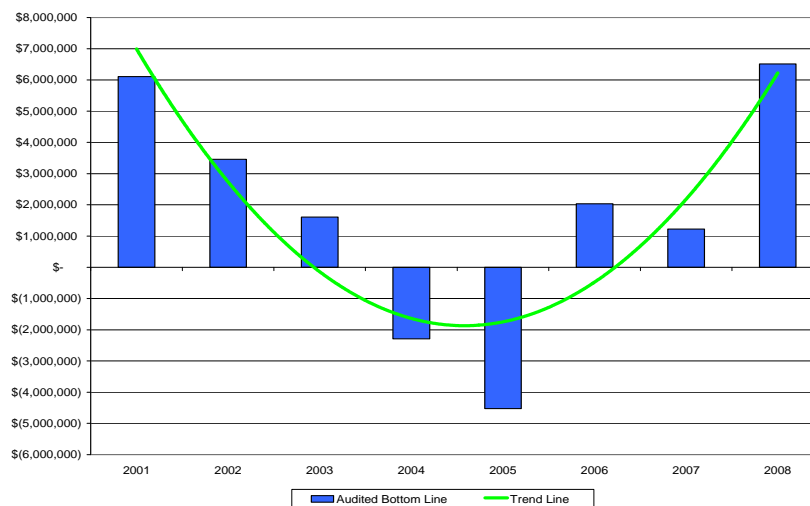
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Amounts In Thousands Except Percentages



Pardee Hospital

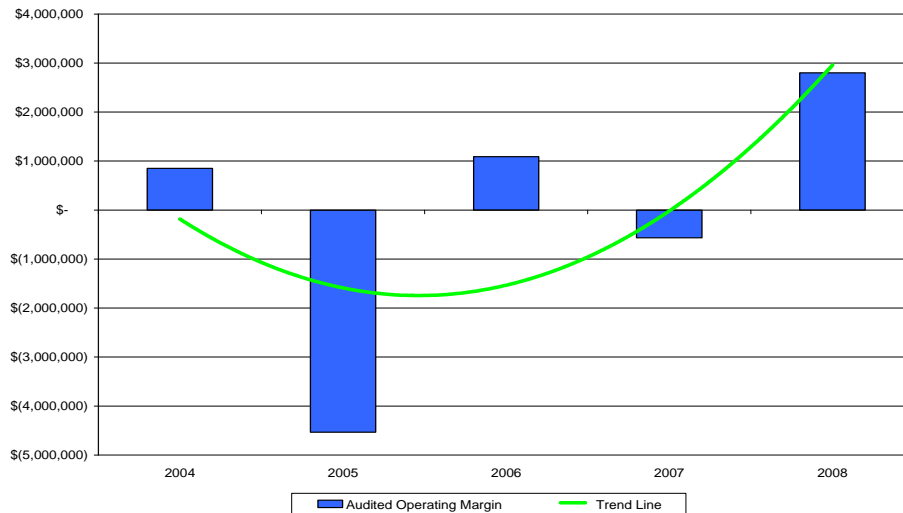
Audited Bottom Lines





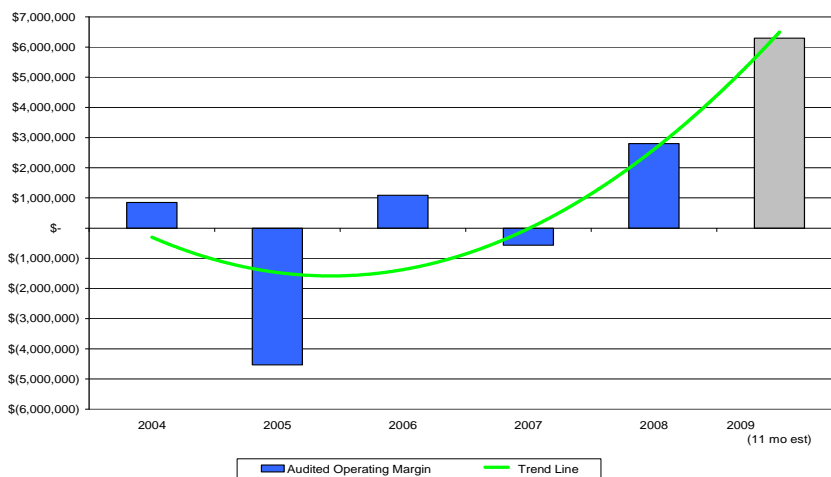
Pardee Hospital

Audited Operating Income



Pardee Hospital

Audited With 11 Months Estimate 2009



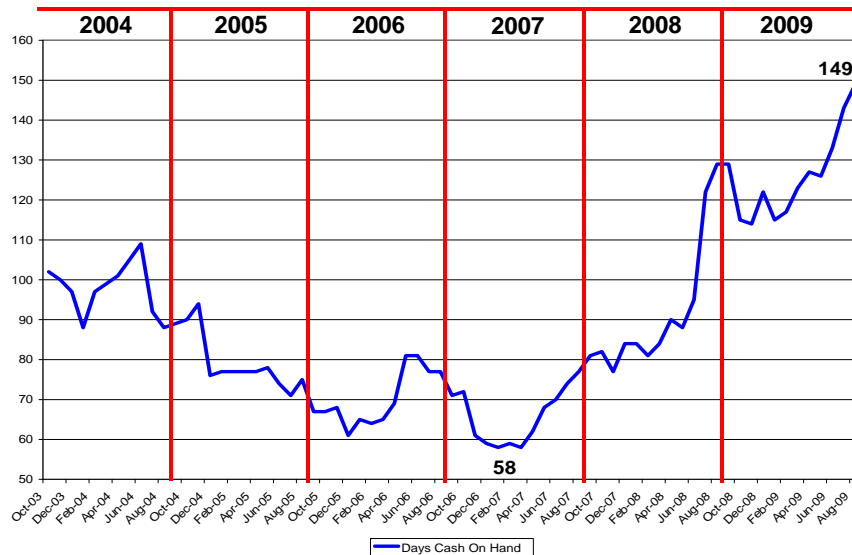
ROUTINE CAPITAL BUDGET:	2010	\$ 9,730,000	2009	\$10,994,000
	2008	\$ 9,500,000	2007	\$ 8,933,000
	2006	\$ 8,319,000		



Pardee Hospital



Days Cash On Hand: V For Victory



Chairman Moyer felt it was obvious that the numbers have improved in all aspects in very challenging times. The trend is moving in the right direction while providing top quality services to the citizens of Henderson County.

County Manager Steve Wyatt noted no tax dollars or sales tax dollars go into the revenues of the hospital.

CITY OF SALUDA WATER ISSUES

Pursuant to discussions at the September 8, 2009 Board of Commissioners' meeting representatives from the City of Saluda were invited to present to the Board of Commissioners their needs with respect to future water supply needs for the City.

City of Saluda Commissioner John Morgan stated that he is responsible for sewer and water utilities in the town. Present also was Ernie William, City Administrator and Director of Public Works. He presented Saluda's plan to purchase the Tuxedo Water System in hope of correcting some inaccuracies presented during informal public comment. "Hendersonville is currently the primary provider of water in Henderson County. They depend on the Mills River which has its source in Transylvania County. Hendersonville's emergency back-up system will be the French Broad River in the future. Hendersonville supplies water to Saluda and Lake Summit. Lake Summit is wholly within Henderson County. Recent drought highlighted Saluda's dependence on Hendersonville as it's only water source, and I might add Lake Summit also because Lake Summit and Saluda are tied together as far as a water system. Saluda took the initiative to seek out an alternate water source. We currently have no control over the cost of water. We pay what Hendersonville charges us and then we add our cost in operating the system and that's how we come up with what we charge our customers. The solution we decided upon in order to solve some of our issues with water in the supply was to purchase an underutilized private system that could provide additional water capacity to augment the water already provided by Hendersonville, and that system would be the Tuxedo Water System. There is a factor involved with the current arrangement in Saluda and Lake Summit getting their water supply from Hendersonville and that factor is

an inter-basin transfer. For those in the audience that don't know what I mean by that, that's a transfer of water across the continental divide. One million gallons a day is the limit which can rise to two million gallons a day and additional amounts can be obtained but you've got to get permission from the TVA in order to do that and that would be a negotiating process. There are two places that cross the continental divide in Henderson County as far as this situation is concerned. One's approximately a line just north of US Highway 25 and south of that line Saluda is the only public water utility in that area. East of Edneyville School on Highway 64 is the other area. This area as was pointed out earlier has reliability problems with wells there and increasing problems with pollution and some of the wells aren't even usable because when they are drilled the ground water doesn't come to a high enough standard to be drinking water. The Hungry River district is also characterized by low capacity wells and pollution problems. It's important to point out at this point that there's no other reliable water source east of the continental divide, in other words out Highway 64. The only possible source that they could get right now, that they are aware of, is for Hendersonville to run waterlines out that direction. And that, if they did that would be transferring water over the continental divide. In respects to Saluda, Saluda is currently has a presence in two areas in Henderson County. One is within the Saluda City limits and the other is land that is owned in association with the Lake Summit Water System. We currently have 550 customers on the Saluda Water System. It has come into comment on our building a waterline and I want to discuss that next. We are building a waterline and we are doing that as a partnership with Tryon and Columbus. That waterline's original purpose was to be an emergency back-up for Tryon and Columbus with water supplied by Hendersonville. Eventually we expect that to be the emergency back-up for Saluda and the water to come from Columbus and Tryon, and that's all the waterline is intended for. The waterline is being built with State encouragement to tie water systems together, and this is something the State is pushing throughout the entire state. Two thirds of the cost of that waterline is being paid for by grant money and the rest is being picked up by the cities. You notice I didn't mention Polk County, Polk County is not involved in the waterline. Lake Summit is entirely within Henderson County, the water system is. They currently have 100 water customers and that amounts to 15 – 20% of Saluda's customer base. Responsibility for this water system was assumed by Saluda in the 1990's. Hendersonville passed, at that time, on the opportunity to pick up the system even though it was free. Henderson County didn't get involved at that time either. Saluda stepped up to the plate and took on the responsibility of the system. Saluda has made improvements to the system over the last ten years and incorporated it into the Saluda Water System. Saluda plans to retain control over the Lake Summit Water System in the future. For the Tuxedo Well System, I want to make it clear that this is our idea to go out and find an alternative water source. AQUA did not come to us and offer the system up for sale. In fact I met with a lot of resistance in trying to purchase this system. It took me eight months of negotiation with them. I made numerous trips to Raleigh, sat down in conference with them a number of times, and to tell you the truth, just before I got the signed agreement form from them I was not sure that I was going to be able to get them to put their name on the dotted line. AQUA made it clear that they're in the business of buying, not selling water systems. I had to convince them that this water system had no future for them as far as profit went. We saw it as a chance to develop a water source south of the continental divide to use that made good since. The contract that we have to purchase water...purchase the system includes the wells and a tank site locations and that's why we're actually coming to you technically because of law...I'll address the rest later because we need you as a partner also...North Carolina General Statute 153A-15 requires Saluda to obtain permission to purchase property in Henderson County since we are not technically majority a part of Henderson County. Saluda notified Henderson County as soon as we had an agreement with AQUA. We were initially told that you were working on your budget adoption and that you would get back to us so we have delayed this process of being able to discuss this. I think our signed document was back in May or early June. The City of Hendersonville has been approached and they already have signed a resolution stating that they will not offer objections to our proposed transfer of ownership to us for the Tuxedo Well System. Hendersonville does not want the Tuxedo Water System. Benefits if Saluda purchases the Tuxedo Water System: The Tuxedo System would provide dependable water service for a total of 720 customers; 170 in Henderson County and that's at the current figures, or

nearly 24% of our total customers. Saluda already has expertise on staff to manage this system and perform billing. The Tuxedo Water System would provide relief for the demand on the Hendersonville Water System. There is a quota on the inter-basin transfer and if we produce water out of that system would ease the use of that quota and you could use it elsewhere in the County. We've added improvements to this system over the years and we plan to improve the Tuxedo Water System. They have a 100,000 gallon tank on site and we are going to renovate that. Benefits for the Green River Fire Department, for instance we'll provide tie end mains to...we want to go back to 176 from the water system and we want to go west to Camp Greystone and I'll tell you about our request at the end here...and that provides a fire hydrant service opportunity that does not exist right now. There would be a positive impact on fire protection due to this and positive impact on insurance rates. The Green River Fire Department, by the way the Chief would have liked to have been here tonight but he is working, could finally install a stand pipe in their firehouse and they're currently filling their pumpers up at a neighboring firehouse. According to DENR (The Department of Energy and Natural Resources) a well system such as Tuxedo is the best option for a water source in our area down there. Saluda has been a good steward of the Lake Summit water system...and I'll address that in a few minutes...and we've had it for over ten years and provided the residents with very good service. What we are requesting from Henderson County is we would like an inter-agency agreement specifically giving Henderson County authority to approve or deny any waterlines run in Henderson County or we would like a partnership with Henderson County. We are asking you up front for initial approval to connect the Tuxedo Water System to the Lake Summit and Saluda Systems and we are asking you up front as an addition to provide service to Camp Greystone which has come to us already and requested service and that would give them improved fire protection as well as a back-up to their well. Now, if the purchase is disallowed, and I've heard that discussion, I want you to understand that we negotiated this system with AQUA and I convinced them that had not use for this system. As their CEO put it to me, they're in the business of buying systems not selling them and they might decide to retain ownership. It's come to light with everything that's been in the press lately that water is a big issue around here and AQUA has a presence in the area over at Bright's Creek. They are aware of what's going on in the area and I would not be surprised that if we voided this contract that they would decide to keep the water system themselves. One of the possibilities for them is to go down to the Blue Ridge Cooperative, which is part of the Cliff's I believe, and Cooperative has approached both Hendersonville and Saluda about the possibility of supplying water. What AQUA could do is team up Blue Ridge and cut both Henderson County and Saluda out of the picture and we would never see any use out of that well system. No matter what the scenario we would lose control if AQUA opted to keep the system and by that I mean both Henderson County and Saluda losing control. We lose a chance to develop an additional water source south of the continental divide. I want you to be aware that during the last drought period Hendersonville had to exercise a contract to buy water from Asheville. The well system, if it had been online, would have lessened the requirement for that. It would not have eliminated it but the burden of Saluda and Tuxedo on the Hendersonville Water System wouldn't have been there. So to address a different scenario, what if Henderson County bought the Tuxedo Water System? If you could close a deal, you're currently not in the water business where we are, Henderson County doesn't currently have the staff to run the system so you would have to staff up for it and take on responsibility that goes with running the system. You would have a customer base of 70 customers which loses the advantage of scale or the economics of scale and Saluda would retain its current relationship with Hendersonville because we can't afford to cut that off. The City of Saluda believes that the residents of Southern Henderson County as well as Saluda residents would benefit from Saluda's proposal to purchase the Tuxedo Water System. We feel strongly that we need to partnership with Henderson County to bring this resource from private control to public control. We are asking Henderson County to work with us to develop a relationship that is acceptable to both sides. We know of no other plan that is likely to emerge to take advantage of this opportunity. Finally, Saluda requested the Henderson County Board of Commissioners give serious consideration to approving Saluda's purchase of the Tuxedo Water System in Henderson County and establishing a relationship with Saluda to provide dependable water service to all our citizens. With that I'm happy to answer questions."

Chairman Moyer requested that Saluda Commissioner Morgan elaborate on the terminology “partnership” and work together.

Commissioner Morgan responded “we at bare minimum...we want Henderson County to have the say where the waterlines run. I don’t want to be responsible for making those decisions. In my situation in Saluda I’ve got the expertise to run the system but I don’t pretend to want to do any of your planning in this County and I want you to be talking to the people that are requesting water and telling them yes or no that we are not running waterlines in that area or we are running lines in that area. That is the bare minimum that I am looking for in a partnership. I will go as far in a partnership as you want to go, I want Henderson County to feel like they’ve got control when we’re running waterlines in this County and we’re operating a system that services this County also...that you have a say in what’s going on and that’s important to us too. We are very community oriented, we have been proud of the way we have run the Summit Water System and we intend to do the same thing with Tuxedo and we’d like a good working relationship with Henderson County. I’m sensitive to the fact that you’ve had issues in the past which I want go into but we’re all aware of those. We don’t want those kinds of issues. We want to be partners with you and we want a good working relationship with you. If you want to come in on a financial basis, that is fine with us too. What we are looking at is trying to make this a public system, not a private system, and use it to our mutual benefit.”

Chairman Moyer asked if the agreement would permit shared ownership...more than one party.

Commissioner Morgan responded “I’m pretty sure that we have no issues with that in Saluda. I have to take specifics back to my Board to get final approval because that’s the way we work but absolutely.

Commissioner Williams felt we already had control in terms of running the lines.

Commissioner Morgan responded yes and no. “Any lines that are run across private property it doesn’t work that way. The State highway system...you can use the right of way and I believe that’s available to AQUA also. If Blue Ridge decided to run lines down the state system and got permission to do it, suddenly neither one of us any control over what happens there. That is a possibility and I don’t see how we could intervene there.”

Chairman Moyer stated that the agreement the County has, with respect to running lines in the County, is only with the City of Hendersonville. Saluda or someone else could run lines and we would not have any ability to say anything about it.

Commissioner Morgan stated “we are offering upfront to give you as much say as you feel you need to make this work for you. That said, if we left it in private hands none of else have any say on what happens to it and I think we could probably come to an understanding on how we could work this to our mutual benefit.”

Commissioner Williams questioned why Mr. Morgan felt it so important that Saluda be the one that has ownership of this well system as opposed to transferring the contract and allowing Henderson County to consider the purchase.

Commissioner Morgan responded “first of all there’s the problem of transferring the contract; that’s a legal problem that Mr. Burrell would have to weigh in on, but once it’s voided I don’t know that they have to write another contract. That would be one issue right up front. The second one, Saluda right now has a limited customer base. We are looking at joining the entire customer base and operating with economies of scale. We have the expertise to do this and we see that as being the reason why we would

want to operate the system but we don't want to be bad neighbors in the whole thing too...that's why we want you guys to have control on what goes on in this County and basically what I told you about the waterline is none of this water is going off of the mountain. It won't get out of the township of Saluda, period. Any water that goes off the mountain will come from Hendersonville."

Chairman Moyer questioned if Mr. Morgan was talking about a type of agreement where we might partner and Henderson County basically would have control of the water, and taking the next step would have an operating agreement to run everything.

Commissioner Morgan responded "absolutely, in fact I encourage it."

Commissioner Williams questioned if there was a willingness to look at Henderson County having full ownership of the system and working out a contractual agreement with Polk County as far as usage.

Commissioner McGrady questioned which system Commissioner Williams was discussing.

Commissioner Williams felt it was obvious that Saluda owns the lines and not the well system. He thought there should be consideration of the sale of the waterlines around the lake.

Commissioner Morgan responded "as you shrink our customer base it's not in my best interest and I can't take that back to my Board and sale that...so what I'm trying to do is expand our customer base. You guys aren't in the water business right now and what I'm trying to do is establish a relationship where we take care of the technical side of the water business and you take care of what you need to as far as the needs of your County when it comes to planning and zoning. I don't see it working the other way around. We could give it some more thought but I don't see that as being that practical a solution. We went out specifically looking for an alternative source. It would have to be a pretty good agreement for us to give up what we see as our requirement to take care of our customers also...both Summit and Saluda."

Commissioner Messer asked when the last time was that the wells were tested from DENR or anyone from the State.

Commissioner Morgan believed the test went back to 1989.

Commissioner Messer asked when the next test would be available.

Commissioner Morgan responded that they haven't tested because they are a small entity and this is a big expense for them. They want to make sure they have at least a mutual understanding that we are going to move in this direction rather than a veto before they make an investment. If the indication is made that Henderson County is interested in moving forward with a partnership and it looks good that an agreement can be made he will get the wells tested. There is no reason in his mind or anybody's to believe that the wells are any less than they were back in 1989 because the well system has not been over used. AQUA was limited to what they could do with it. He felt a drawdown would run around \$10,000.00 or less.

Saluda City Administrator Ernie Williams stated the drawdown test could be done within a week's time.

Chairman Moyer felt if a partnership could be agreed upon where Henderson County basically has control over the water and Saluda would have the responsibility to operate it pursuant to an agreement, it might be the best of both worlds. For Henderson County to try to operate a water system with sixty customers would be a real struggle. It was noted that the time was 7:15 p.m. and the Board would need to break to change video tapes and return for the public hearings. The Saluda Water Issues would be continued after the public hearings.

BREAK

A break was taken in order to change video tapes.

PUBLIC HEARING - REZONING APPLICATION #R-2009-01

Commissioner McGrady made the motion that the Board go into public hearing in respect to rezoning application #R-2009-01. All voted in favor and the motion carried.

Planner Parker Sloan stated rezoning Application #R-2009-01 is a staff initiated request for the County to rezone approximately 4.23 acres of land, located near the intersection of Rutledge Dr. and Erkwood Dr, from the City of Hendersonville's relinquished ETJ to a Residential One (R1) zoning district. The Subject Area is composed of three (3) parcels. The subject area owner is Mud Creek Baptist Church, INC. This is not a rezoning application by Mud Creek Baptist Church.

The subject area was relinquished from the City of Hendersonville's ETJ on October 6, 2005. The Village of Flat Rock accepted a portion of this relinquished ETJ into their jurisdiction however specifically left these parcels out. The County was not notified that these parcels were being relinquished back to the County and a recent application by Mud Creek Baptist Church identified the discrepancy in the surrounding zoning area. Staff is initiating the rezoning application to rectify the issue of the property not being zoned.

The Subject Area located along Rutledge Drive and Erkwood Drive contains a cemetery and Mud Creek Baptist Church facilities. The surrounding properties are primarily religious institution uses associated with Mud Creek Baptist Church. The remaining uses within close proximity to the Subject Area are residential. The Subject Area is adjacent to County R1 zoning to the East, the West is zoned R40 by the Village of Flat Rock. To the North is zoned City of Hendersonville R20. The CCP Future Land Use Map identifies the Subject Area as being located in the Urban Services Area.

The Henderson County Planning Board considered rezoning application #R-2009-01 at its regularly scheduled meeting on August 20, 2009. During that meeting, the Planning Board voted unanimously to send forward a favorable recommendation on rezoning application #R-2009-01 to rezone the Subject Area to R1 (Residential One).

Staff supports the rezoning of the property to an R1 Zoning district based on the recommendations of the CCP and the adjacent residential zoning.

Before taking action on the application, the Board of Commissioners must hold a public hearing. In accordance with §200A-314(C) and §200A-337(B) of the Henderson County Land Development Code and State Law, notices of the October 5, 2009, public hearing regarding rezoning application #R-2009-01 were published in the Hendersonville Times-News on September 16, 2009 and September 23, 2009. The Planning Department sent notices of the hearing via first class mail to the owners of properties adjacent to the Subject Area and the Applicants and posted signs advertising the hearing on the Subject Area on September 18, 2009. A certification to this effect was included in the agenda.

Planning Staff recommends that the Board of Commissioners approve the application to rezone the Subject Area to a Residential One (R1) zoning district.

Public Input

Ed Shane – Mr. Shane lives at Dunroy on Rutledge. He feels there is a problem because every time they turn around another parcel of land is being taken by Mud Creek Baptist Church which gives the other parcel owners very little access in or out. Four people, including him, looked at the data on the website and could only see two parcels. They are confused and need a simple explanation as to what Mud Creek

is doing. The traffic in that area is bad.

Chairman Moyer attempted to explain saying right now the parcels are not zoned, which means there are no restrictions on the property at all. This public hearing has nothing to do with ownership however Mud Creek does own the bulk of the land. Because there are no regulations at this time and the church could do anything they wanted to do, or if sold the new owner could do anything they wanted on the land. The County is saying this is a piece of land that is not zoned that should be protected for everyone's benefit. Staff is requesting reasonable restrictions on how the land can be used. The church is not asking for this, the County is asking for this to protect the people around it.

The Board received a copy of a letter from another citizen in regards to the rezoning.

Commissioner McGrady made the motion that the Board go out of public hearing. All voted in favor and the motion carried.

Commissioner McGrady made the motion that the Board recommends approval of rezoning application #R-2009-01 to rezone the Subject Area to a Residential One (R1) zoning district based on the recommendations of the Henderson County 2020 Comprehensive Plan. All voted in favor and the motion carried.

PUBLIC HEARING - REZONING APPLICATION #R-2009-02

Commissioner McGrady made the motion that the Board go into public hearing in respect to rezoning application #R-2009-02. All voted in favor and the motion carried.

Planner Park Sloan stated rezoning Application #R-2009-02, which was submitted on August 10, 2009 requests the County rezone 8.26 acres of an existing 67 acre tract. Staff has modified the application to expand the subject area to include a total of 23 acres located on McMurray Rd in order to avoid split zoning on a single tract. The applicant requests a rezoning from a Residential Two Rural (R2R) to Industrial (I) zoning district. The subject area is owned by William McKay Trust and Mr. James Diaz is the applicant's agent.

The CCP Future Land Use Map identifies the Subject Area as being located in the Industrial Area and Urban Services Areas. Staff support the rezoning of the property to Industrial Zoning district based on the recommendations of the CCP and the adjacent industrial zoning across the street.

The Henderson County Planning Board considered rezoning application #R-2009-02 at its regularly scheduled meeting on August 20, 2009. During that meeting, the Planning Board voted unanimously to send forward a favorable recommendation on rezoning application #R-2009-02 to rezone the Subject Area from a Residential Two Rural (R2R) to Industrial (I) zoning district.

Before taking action on the application, the Board of Commissioners must hold a public hearing. In accordance with §200A-314(C) and §200A-337(B) of the Henderson County Land Development Code and State Law, notices of the October 5, 2009, public hearing regarding rezoning application #R-2009-02 were published in the Hendersonville Times-News on September 16, 2009 and September 23, 2009. The Planning Department sent notices of the hearing via first class mail to the owners of properties adjacent to the Subject Area and the Applicants and posted signs advertising the hearing on the Subject Area on September 18, 2009. A certification to this effect was included in the agenda.

Planning Staff recommends that the Board of Commissioners approve the application to rezone the Subject Area from a Residential Two Rural (R2R) zoning district to an Industrial (I) zoning district.

Public Input

There was none.

Commissioner McGrady made the motion that the Board go out of public hearing. All voted in favor and the motion carried.

Commissioner Williams made the motion that the Board recommends approval of rezoning application #R-2009-02 to rezone the Subject Area from Residential Two Rural (R2R) zoning district to an Industrial (I) zoning district based on the recommendations of the Henderson County 2020 Comprehensive Plan. All voted in favor and the motion carried.

CITY OF SALUDA WATER ISSUES CONTINUED

Commissioner McGrady stated two things concerned him about the proposal if the Board was to just come forward and approve it. It is not really clear to him what the Board would be approving. We don't know how much water is there as it has not been tested in a while. We don't know what the cost would be to build out the water system in some way, the cost of engineering to bring it online. Saluda has one hundred plus customers on both sides of the lake currently being served and the other system serves approximately seventy customers which do not even have metered service, they are getting a bill for unlimited water. Before we move forward with any approval he would like to know how much water is being approved and the cost of bringing the system online in terms of engineering.

Chairman Moyer was not interested in Henderson County spending any money to test the water or doing a due diligence on the quality of the system unless we knew we could have the kind of partnership agreement that he felt was essential.

Commissioner Young felt it was feasible to look at a partnership but we need to know the specifics before we spend any money.

Chairman Moyer suggested working on negotiations and details with respect to the terms of a partnership with the City of Saluda. Henderson County would like some control over the water source and may be willing to buy into it, an agreement allowing Saluda to basically manage the operations of the system, and preservation of the water for Henderson County while working with Saluda to solve their needs. This information would be brought back before the Board and at some point a public hearing will need to be held. Chairman Moyer asked Mr. Morgan in moving forward with negotiations if there was anything involved with other negotiations that would make it not possible to work out a partnership with Henderson County.

Commissioner Morgan responded "absolutely not. I wanted to check and make sure I wasn't overlooking something but no...like I pointed out on the waterline in our agreement amongst the cities in the county we want to retain our independence of each one of us running our water system and the original proposal was for a water district and we would lose representation and some control on that water district. The tocks broke down early on when Tryon walked out of the...basically quit the negotiations. We became the owner entity that was still left with Polk County and if you look at our location compared to where Polk County's pick up is going to be you can see there's issues for us trying to get water from down in the county back up to the top of the hill with us footing the entire bill for the extra cost. That is why we came looking for the Tuxedo system and that's why I had pursued it so aggressively because that's the way I see us in the future having a out for us. It is the only way I see it for Lake Summit having an out because our cost in the city and outside of the city are horrendous compared to Hendersonville for instance. I can't get out from under that as long as I'm just passing on cost and not running my own water system. As far as what the wells will put out water wise it is a condition in our contract to start with. The contract says it has to put out three hundred gallons on that one well. There is no reason to think it won't. If it

doesn't, the deal is off and all we've done is waste time; your time and my time but we can go ahead and get it tested if that's what you require. I can get my engineer to give us a cost estimate on running waterlines both out to Greystone and tying in the Lake Summit area, and running them back to 176. I anticipate with what we're purposing here there will be stimulus money or grant money out there available to us too because this is the sort of thing that would qualify for that sort of money. The problem that AQUA has had up to this point is that AQUA is private; they don't get that kind of money. They are willing to run the system down to where it barely functions and not put any money into it and that's what is happening as we speak. I'd like to jump in there and resurrect and restore some of it and get it usable to the benefit of all of us...that is why I'd like to see a partnership with the County, whatever it takes to bring you on board and make you happy. There are some issues I have with Commissioner William's idea about the County owning it. We've gone through the effort to run this down and I'm not sure how we could work a good agreement that way but I'd have to give it some thought and we could talk about it. If that is the only hang up I don't know why the County would have to own the system where we couldn't. If we came into a joint partnership where you put in half the money or whatever then we could talk about it 50% ownership each and we take care of the operational side and you guys take care of...there are a lot of possibilities here and what I didn't want to do is shut off the opportunity before AQUA tries to void the contract because this is normally a rubberstamp type thing and I didn't approach it that way and I didn't think it was going to be because I knew of the Asheville situation before. I had no idea that the Lake Adger situation was going to come up. I started negotiating this eight months before that came on board. I want to emphasize as long as I brought that up and probably shouldn't have...we have nothing to do with that initiative, this is totally separate from that and I want to make sure that is on the record."

Chairman Moyer noted that the ownership issue could be debated however the control issue, at least in his standpoint, is by far the bigger issue.

Commissioner Morgan does not have any idea of the timeframe on an open ended contract. He believes unless you actually say no this is going to be a continuing process. He doesn't want AQUA to move with their lawyers to try to void the contract because we haven't acted on it and tied it up for so long with them. Mr. Morgan requested that the Lake Summit Homeowners Association be allowed to speak tonight.

Chairman Moyer explained that the time for them to speak would be at the public hearing along with others. Chairman Moyer feels that the Commission wants control of the water source so that it can't go to Tryon, South Carolina, etc. and be used for the interest of Saluda and southern Henderson County only. With respect to operating he feels that Henderson County can clearly have an operating agreement that gives Saluda what they need. The issue that the Board is split on is how much ownership and financial involvement Henderson County will have.

Further discussion followed in regards to timeframes and negotiations and how to move forward.

County Manager Steve Wyatt suggested that he and staff meet with all Commissioners individually in order to develop some points of agreement and priorities in the next week or two and then present the information to the Board for critique. At the point the Board feels they have a consensus on their position then we can enter into possible negotiations with the other party.

STORMWATER PROGRAM DELEGATED PROGRAM

This agenda item is to facilitate Board discussions on the County's Stormwater efforts in accordance with the County's Strategic Plan and receive direction on proceeding with development of a Countywide Delegated Stormwater Program. These efforts focus primarily on the Stormwater Master Plan and the possibility of Henderson County developing a Stormwater Management Ordinance (Program).

McGill and Associates has completed the Henderson County Stormwater Master Plan which was provided to the Board under separate cover. The plan was funded by a mini-grant through the Clean Water Management Trust Fund. J. P. Johns, PE from McGill and Associates and staff presented the attached presentation. No action is needed by the Board; staff will develop the highest priority project into a grant application with the Clean Water Management Trust Fund. This application will be brought to the Board for approval.

Regarding a potential Stormwater Management Ordinance, this would be similar to the County's Erosion and Sediment Control Ordinance in that the resulting program would be delegated from the State. The State is currently administering the program in Henderson County and collecting all the associated revenues.

The Henderson County Stormwater Master Plan

- December 2008, Clean Water Management Trust Fund (CWMTF) approved Stormwater Mini-Grant for Henderson County
- \$70,000 Project
 - \$50,000 from CWMTF
 - \$20,000 match from Henderson County
- Grant used to create Henderson County Stormwater Master
- Stormwater Advisory Team Created for Project

Marcus Jones, P.E.
County Engineer

Anthony Starr
County Planning Director

Shaun Moore
Henderson County Soil and Water
Conservation District

Natalie Berry, P.E.
Assistant County Engineer

McGill Associates
WGLA

Diane Silver
NC Cooperative Extension Service
Mud Creek Watershed Coordinator



The Henderson County Stormwater Master Plan addresses the following stormwater items:

- Implementation of NPDES consistent stormwater outfall inventory and illicit discharge detection of existing stormwater conditions for Henderson County facilities.
- Collection and assessment of existing critical stream channel conditions for erosion potential, water quality degradation, and capacity for specific problem areas as identified by Henderson County.
- GIS compatible geodatabase and mapping of collected stormwater features.
- Development of solutions for stormwater quantity and quality issues.
- Creation of a Capital Improvements Plan (CIP) to manage current and future stormwater needs for Henderson County.

As directed by the Advisory Team, an assessment of the existing stream channel conditions for Devils Fork, Gash Creek, Mill Pond Creek, Reedypatch Creek, and Upper Mud Creek reaches was conducted.

Each stream was evaluated for stream quality assessment variables:

- Physical Stream Failures
- Stream Stability
- Habitat Features
- Presence of Biological Organisms

Each reach was evaluated for bank erosion hazard index (BEHI) variables:

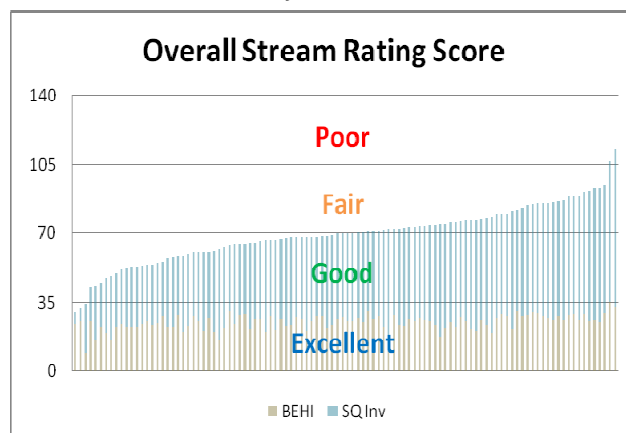
- Bank Height
- Maximum Bankfull Height
- Rooting Depth of Bank Vegetation
- Root Density
- Slope Steepness
- Surface Protection

Each reach was evaluated for erosion potential and bank stability variables:

- Percent vegetated cover of the stream bank
- Level of bank material erodibility
- Bank Slope and Bank Height (feet)
- Rooting Depth of bank vegetation
- Root Density
- Presence of active erosion

Stream Channel Assessment

Total 106 stream reaches surveyed for the five critical streams evaluated



Capital Improvement Projects

<i>Capital Improvement Project</i>	<i>Estimated Cost</i>
Mill Pond Creek Reach MPO17 (Adjacent to Landfill)	\$444,500 to \$594,600
Devils Fork Reach DVF2A	\$989,600
Reedypatch Creek Reach RPT5	\$701,400
Devils Fork Reach DVF10	\$865,000
Mill Pond Creek Reach MPO8	\$2,516,200
Devils Fork Reach DVF15	\$300,300
Gash Creek Reach GSH9	\$694,400
Upper Mud Creek MUC16, 17	\$1,646,500



Priority Stream Reach: MPO17

- Propose approximately 1,125 feet of stream restoration along **Mill Pond Creek** adjacent to County Landfill.
- Recommend a stormwater wetland and off-channel storage basin be implemented along the upper section of the reach (from the dirt road crossing to approximately 300 feet upstream).
- Spot stream bank stabilization and enhancement is recommended from the point downstream of the dirt road to Stoney Mountain Road.
- Additionally, the existing pipe culvert at the dirt road crossing should be removed and replaced with a single-span bottomless culvert structure.



Sediment in Mill Pond Creek

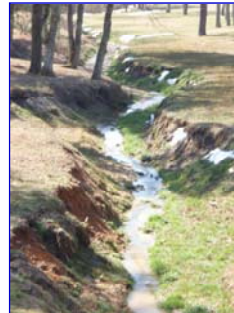


Long Pool in Mill Pond Creek



Priority Stream Reach: DVF2A

- This project proposes approximately 750 feet of stream restoration along **Devils Fork**.
- The upstream section is an ideal location for a full stream restoration including the removal of a 30-inch DIP located in the center of this reach.
- Restoration is recommended from Old Dana Road downstream to the point where the stream is surrounded by vegetation.
- From this point downstream to Dana Road, spot stabilization measures are recommended to secure the banks in locations where erosion is excessive.
- Replacement of the Dana Road and Old Dana Road culverts with open bottom single-span culverts is also recommended.



Erosion along Devils Fork



Priority Stream Reach: RPT5

- This project proposes approximately 750 feet of stream restoration along **Reedypatch Creek**.
- It is recommended that this reach undergo complete stream restoration.
- In addition, in order to significantly reduce the degradation of the stream caused by livestock, the installation of a single cattle crossing is recommended. This would isolate the cattle's contact with the stream to one location.
- It is recommended that the vehicle crossing be replaced as well.

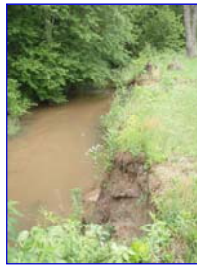


Severe Bank Erosion along Reedypatch Creek



Priority Stream Reach: DVF10

- Propose approximately 2,050 feet of stream restoration along **Devils Fork**.
- For the section adjacent to the residence, a full stream restoration is recommended.
- Upstream from the residence to the end of the reach, sediment removal, stream stabilization, and buffer enhancement are recommended.



Severe Erosion on Devils Fork Bank



Priority Stream Reach: MPO8

- Proposes approximately 2,920 feet of stream restoration along **Mill Pond Creek**.
- Recommend that the entire length of the reach undergo a full stream restoration.
- Additionally, the three culverts on the reach are recommended to be replaced with single-span bottomless culverts, which facilitate the establishment of biological activity and diversity in the stream.



Erosion on Mill Pond Creek Bank



Rugby Middle School Culvert



Priority Stream Reach: DVF15

- This project proposes approximately 750 feet of stream restoration along **Devils Fork**.
- It is recommended that the upstream portion of this reach undergo complete stream restoration.
- Downstream to the confluence with the branches on either side of the reach, stream stabilization and buffer establishment and enhancement are recommended.
- In addition, in order to significantly reduce the degradation of the stream caused by livestock, the installation of a single cattle crossing is recommended. This would isolate the cattle's contact with the stream to one location.



Trampled Bank along Devils Fork



Priority Stream Reach: GSH9

- Propose approximately 720 feet of stream restoration along **Gash Creek**.
- Recommend the upstream half of the reach undergo complete stream restoration.
- The downstream half of the reach has a more established intermittent vegetative buffer; stream stabilization and buffer enhancement are recommended for this section.
- Additionally, both culverts on the reach (Misty Mountain Drive and Nicholson Lane) are recommended to be replaced with single-span bottomless culverts.



Bank Erosion along Gash Creek



Priority Stream Reach: MUC16, 17

- Propose approximately 3,655 feet of stream restoration along **Upper Mud Creek**.
- Recommend downstream portion of the reach undergo complete stream restoration.
- For the upstream portion of the reach, stream stabilization and riparian buffer establishment and enhancement is recommended.



Severe Bank Erosion on Mud Creek



CONCLUSIONS

- Successfully Complete CWMTF requirements for project
- Obtained Inventory of County Facilities
- Identified Critical Stream Reaches in Henderson County
- Identified Capital Improvement Projects for Stream Reaches
- Recommend Implementing Restoration of Mill Pond Creek as the First Capital Improvement Project

The Clean Water Management Trust Fund final requirement of the program is to give them a copy of the Stormwater Master Plan.

Chairman Moyer made the motion that the Board accepts the Stormwater Master Plan as presented and authorizes its filing with the Clean Water Management Trust Fund. All voted in favor and the motion carried.

Commissioner Williams questioned funding, certainty of funding, and the timeframe.

Mr. Johns responded that the \$8-9 million is on the high side. A 10- 20% contingency is added. Some of the projects may vary from 50% of that cost to 75% of that cost. There are several different funding sources available; the Clean Water Management Trust Fund, 319 grants from the state, grants by the Core of Engineers, and grants from FEMA.

County Manager Steve Wyatt stated that we would attempt to identify all outside funding sources, realizing that this is not something that has been budgeted by the Commissioners and bring them back to the Board.

This study will be made available to the public via the Henderson County website and via a stormwater layer to the GIS information.

BREAK

A five minute break was taken in order to change video tapes.

STORMWATER MASTER PLAN CONTINUED

Henderson County Engineer Marcus Jones provided the following information:

Why do we need to manage stormwater and polluted runoff?

- Increases Localized Flooding
- #1 Cause of Water Pollution in NC
- Increases Cost for Water Treatment
- Harms Wildlife

Henderson County Strategic Plan – Strategy 4.2: Protect Water Quality

Objectives: Identify and incorporate Storm Water Management standards and requirements into County land development ordinances. Begin development and enforcement of Storm Water Management standards within County land development ordinances.

On July 1, 2007 as per NCGA Session Law 2006-246, the Water Quality Section of NCDENR began managing stormwater in Henderson County.

- Managed out of Raleigh
- Permit Fee is \$505.00
- Requires Stormwater Improvements on Development and some Re-Development

NC Clean Water Management Trust Fund in June 2008 awarded an “out of Cycle Grant” to Henderson County for a Stormwater Master Plan:

- Model Stormwater in County
- Identify Projects to Help Control Existing Flooding and Water Quality Problems (CIP)

Stormwater Management Delegated Program

- “Do nothing Option” with NCDENR continuing to manage the State SWM Program
- Develop a Delegated County Program similar to the County’s delegated Erosion Control Program.

Delegated Program Budget

- Combine SWM with Erosion Control
- Water Quality Enterprise Fund
 - Revenues from permit fees offset expenses with retained earnings (self-supporting)
 - Retained earnings possible to fund Stormwater Capital Improvements to resolve existing flooding problems (Local match for CWMTF)
- Currently, State program is funded by permit fees (fees currently paid to NCDENR)

Estimated Annual Revenue from State Permits (Updated to reflect downturn in development)

- From State program, permit rate is approximately 6 permits per year.
- State permit fee is \$505.00
- Estimated annual revenue (6 permits x \$505.00) = \$3,030

Estimated Annual Revenue from Municipal Permits

- From Municipal programs, permit rate is approximately 1 permit per year
- Annual permits estimated at 1 permit
- Permit fees are typically part of overall Development Fee (assume State fee)
- Estimated annual revenue (1 permit x \$505.00) = \$505.00

Estimated Annual Revenue

- State estimated annual revenue: \$3,030
- Municipal estimated annual revenue: \$505
- Total estimated revenue: \$3,535

Estimated annual expenses added to Erosion Control’s current budget

- At the estimated rate of permits, the Stormwater Program can be managed with existing staff.
 - The Stormwater Permits can be reviewed in conjunction with Erosion Control requiring less time than separate reviews.
 - No significant additional expenses
- ✓ Should the amount of permits increase, one additional staff will be needed. The corresponding increase in revenue will cover this expense
 - ✓ Should the Program become a financial burden, the County can discontinue the Delegated Program and State / Municipalities will assume jurisdiction again.

Delegated Program: Additional Considerations

- A County Program will not be a new regulation or expense. The state is currently regulating Stormwater and the permit fees (and possible job) are sent to Raleigh.
- Develop program to fit specific needs of County (not part of Statewide program)
- Efficient Regulation = Better Regulation for Applicants and Environment
 - One stop for Erosion Control & SWM
 - Quicker response: Local vs. Raleigh
 - Efficiency develops cooperation not confrontation
- Henderson County has a lot to gain by a Delegated Program and very little to lose.

Staff Recommendation

- Direct Planning and Engineering Departments to contact municipalities regarding a Countywide Stormwater program
- Develop a Stormwater Ordinance for a Delegated Program with Participating Municipalities
- Bring to Board of Commissioners and Councils for approval
- Submit Ordinance for State approval

Chairman Moyer felt this made a compelling case for moving forward when you look at the benefits and the possibility of producing revenue. As long as staff feels that Natalie Berry will be able to handle the program, we should move forward with the recommendation.

Chairman Moyer made the motion to move ahead with the recommendation by staff for a delegated program. All voted in favor and the motion carried.

Commissioner McGrady noted that moving ahead with this recommendation does not reflect that the Board is moving forward with the earlier presentation by Mr. Johns.

Chairman Moyer stated the plan would initially be the same as state regulations. The ordinance must come back before the Board.

N.C. EDUCATION LOTTERY FUNDS

Finance Director Carey McLelland stated at a previous meeting staff was requested to research if prior authority was given to the Chairman to sign and submit an application to drawdown ADM and Lottery Funds. At the June 1, 2009 meeting, a motion was approved authorizing the Chairman to sign and make application to drawdown ADM Funds, but it does not speak specifically to Lottery Funds. It is recommended that the Board consider approving a motion to authorize the Chairman to sign and make application when Lottery Funds become available for drawdown.

Commissioner McGrady made the motion that the Board authorizes the Chairman to sign and make application when Lottery Funds become available for drawdown. All voted in favor and the motion carried.

At the September 8th Board of Commissioners meeting, staff presented a N.C. Lottery Fund Application in the amount of \$351,372 for schools debt service which was approved by the Board. Staff was instructed at the meeting to contact the State to determine if these funds were a part of the February 2009 lottery funds that were withheld by the Governor and report back to the Board.

Staff contacted the N.C. Department of Public Instruction (DPI) and was told that the \$351,372 credited to Counties in August 2009 was the normal distribution of lottery funds for that month. However, DPI also stated that the February 2009 lottery fund of \$434,579 for the County that was withheld by the Governor was also available in September for drawdown even though the amount had not shown up on reports yet. Staff revised the September 8th application to include this additional amount for a total of \$785,951 to be drawn down and submitted to DPI.

The Board is to discuss and determine whether to report the February 2009 lottery funds of \$434,579 drawn down in previous Fiscal Year 2009 as an increase in General Fund Balance or to let these funds remain as revenue in the current fiscal year.

Chairman Moyer made the motion that the February 2009 lottery funds be rolled into the current year budget. All voted in favor and the motion carried.

RESOLUTION – REQUESTING THE NORTH CAROLINA GENERAL ASSEMBLY TO EXCLUDE THE APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM FUNDING FROM THE NCDOT EQUITY FORMULA

This item was an add-on.

As a follow-up to recent discussion and action by both the French Broad River MPO and the Land-of-Sky RPO, it is requested that the resolution provided concerning Appalachian Development Highway System funds be adopted by the Henderson County Board of Commissioners. The resolution is attached hereto and incorporated as part of the minutes.

Commissioner McGrady explained the resolution provided was passed by the French Broad River MPO and three other MPO's within recent weeks as well as a number of other Western North Carolina Counties. Basically, monies are flowing from the Fed's for the Appalachian Development Highway System to the State; when the State gets the money it is being put into a formula which spreads the money across the State (i.e. monies that were expected by the Federal Government to go to the Appalachian Development Highway System, completely in the western part of the State) are being completely spread out across the State by use of the equity formula. There could be one of two fixes to this: Congress could come in and say they are not allowing the State to do this or the General Assembly could come in and say these Federal monies coming down to the State will not go through the equity formula but rather will flow directly to the area that they were intended.

Commissioner McGrady made the motion that the Board adopts the resolution provided requesting the North Carolina General Assembly to exclude the Appalachian Development Highway System Funding from the NCDOT Equity Formula. All voted in favor and the motion carried.

County Attorney's Report

There was nothing further at this time.

County Manager's Report

Steve Wyatt provided a brief update in regards to Mental Health. At the last meeting essentially \$5.3 million of services was cut out of the Western Highlands budget because of State budget actions. That

amount represents a little over 20% of what we call single stream state funds which is basically a block of State money that the LME have some flexibility with as opposed to specific program funding. The good news is that by working together \$633,000 has been recouped for developmental therapy for children in the eight County Region. This will provide assistance and services to a lot of autistic or developmentally disabled children. The funding for the Pardee detoxification center will continue under this scenario up until June 30, 2010. The budget situation from the State for Mental Health continues to deteriorate. The agencies that are providing the non-profits and private agencies that are providing this service are struggling. The largest provider for the northern counties of Madison, Mitchell and Yancey (Alpha Omega) have basically announced they are shutting their doors effective the end of this month leaving at least two of those counties with bare minimum mental health services. We are negotiating with another agency to move in.

IMPORTANT DATES

Schedule Workshop on 2009 Solid Waste Feasibility Study Operational Issues

Chairman Moyer made the motion to schedule a special called meeting for a workshop on the 2009 Solid Waste Feasibility Study Operational Issues for Tuesday, October 13, 2009 at 7:00 p.m. All voted in favor and the motion carried.

CANE CREEK WATER & SEWER DISTRICT – There was no business

CLOSED SESSION

Commissioner McGrady made the motion for the Board to go into closed session as allowed pursuant to NCGS 143-318.11 for the following reason(s):

1. (a)(4), to discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body.
2. (a)(6)To consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge, or grievance by or against an individual public officer or employee.

All voted in favor and the motion carried.

ADJOURN

There being no further business Commissioner McGrady made the motion to adjourn. All voted in favor and the motion carried.

Attest:

Teresa L. Wilson, Clerk to the Board

William L. Moyer, Chairman