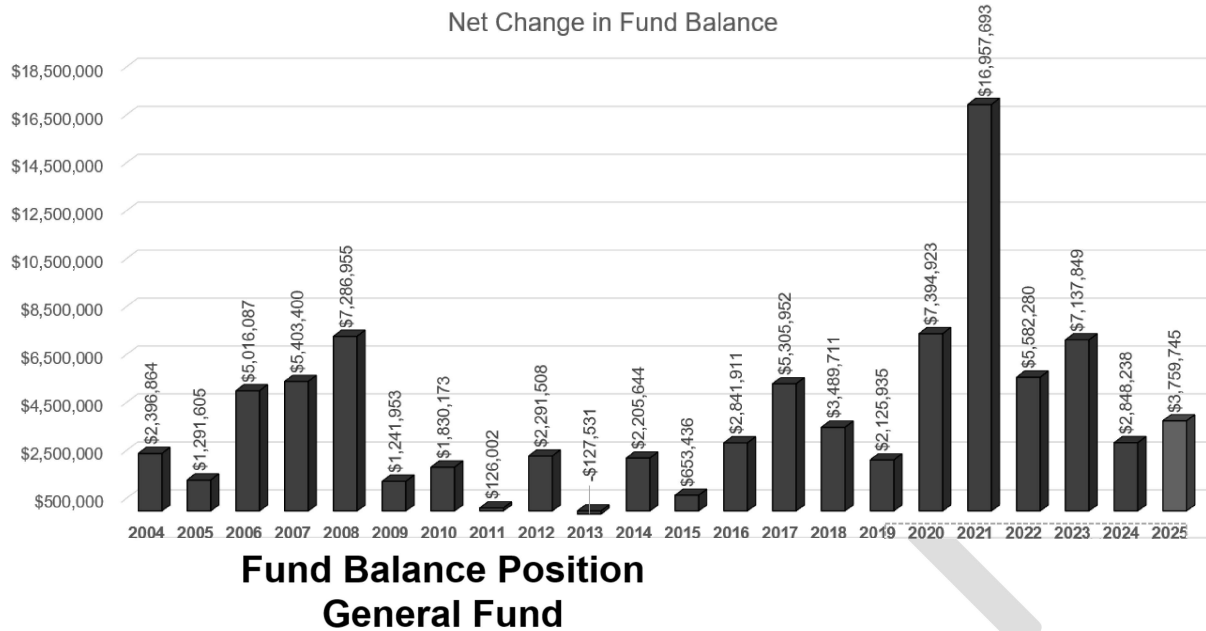


Fund Balance History



Unassigned Fund Balance \$ 42,193,732

BOC Policy Level \$ 24,480,300
(12% of actual FY 25 expenditures)

Amount over BOC Policy \$ 17,713,432
(as of July 1, 2025)

Clear Creek Sewer System Funding Options

Chairman Lapsley noted that several developments have occurred since the Board's last meeting. At that meeting, the Board discussed the loss of \$12.7 million in funds that had been reallocated to the Etowah Sewer System.

Vice-Chair Edney briefed the Board and the public on a recent meeting he and Commissioner McCall held with Senator Tim Moffitt and Representative Jennifer Balkcom. It was confirmed that the funds were committed as ARPA funds and must be spent by December 31, 2026. He emphasized that the process has been transparent and open, and expressed confidence that the County will work through the situation and ultimately be better positioned. Chairman Lapsley also noted that DEQ's interpretation had been received the previous night.

John Mitchell said today's discussion would begin with a presentation from County Engineer Marcus Jones outlining options for how the Board may wish to proceed. In preparing these options, staff has been in communication with the contractor, the project engineer, the General Assembly, and DWI.

Approved:

Mr. Mitchell stated that timing remains the key issue. He noted that the Board must decide how to proceed with the bids currently in hand and that, after today's discussion and review of options, the Board will need to act before the bids expire at the end of December.

Marcus Jones then presented the following to the Board.

General Points

Clear Creek Sewer System	• Reimbursement of approximate \$1M spent of APRA funds (\$11.7 million moved to Etowah)
Options without \$12.7 M ARPA Funds	• Easements have been purchased for all options
	• Justice Academy funds (\$750,000) available for current scope only

November 19, 2025

Options without \$12.7M ARPA Funds

1. Borrow \$12.7M to replace Federal American Rescue Plan Act allocation from State
2. Reduce Scope: Henderson Creek Pump Station and Gravity Line
3. Change Scope: Edneyville Elementary School Pump Station
4. Delay Project until Grant Funding is Approved
5. Customer Rates

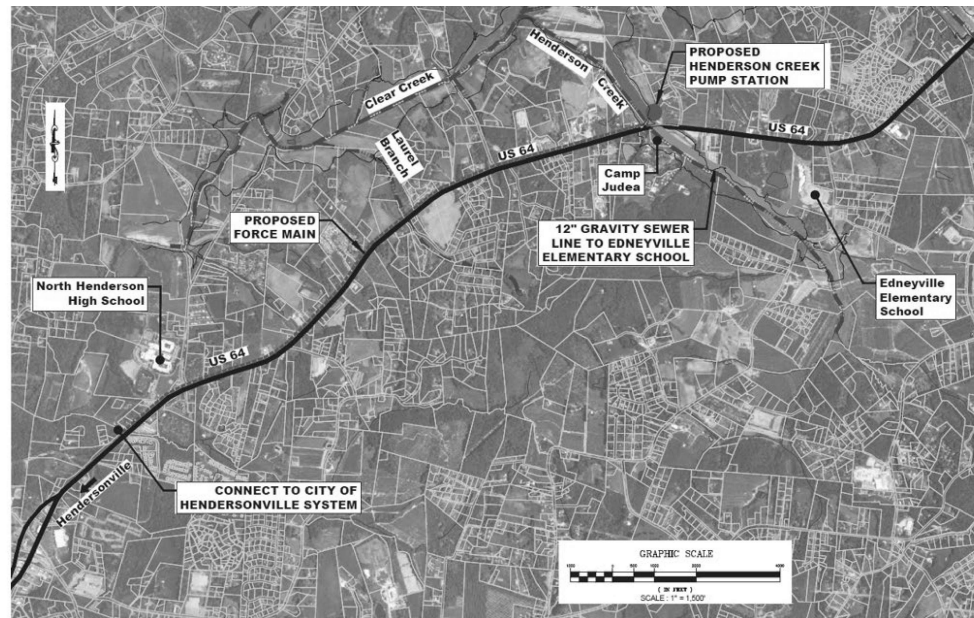
Mr. Mitchell stated that, based on the information received from DWI, additional discussion was needed to determine whether any ARPA funds may be used for one of the reduced-scope project options. He noted that this was explicit in the letter received from Shadi Eskaf, the Director of the Division of Water Infrastructure within the NC Department of Environmental Quality, the previous evening.

Option 1: Borrow \$12.7M

- General fund will need to participate significantly or fully with debt service
- Rates for system with Debt Service will not be feasible for customers and limit or prohibit system growth
- Possible for long term repayment from Clear Creek enterprise fund to general fund: 20-50 years out
- Bid are good until January 2, 2026, with 30-day extension
- Best option for cost / customers served

Approved:

Option 2: **Henderson** **Creek Pump** **Station and** **Gravity Line**



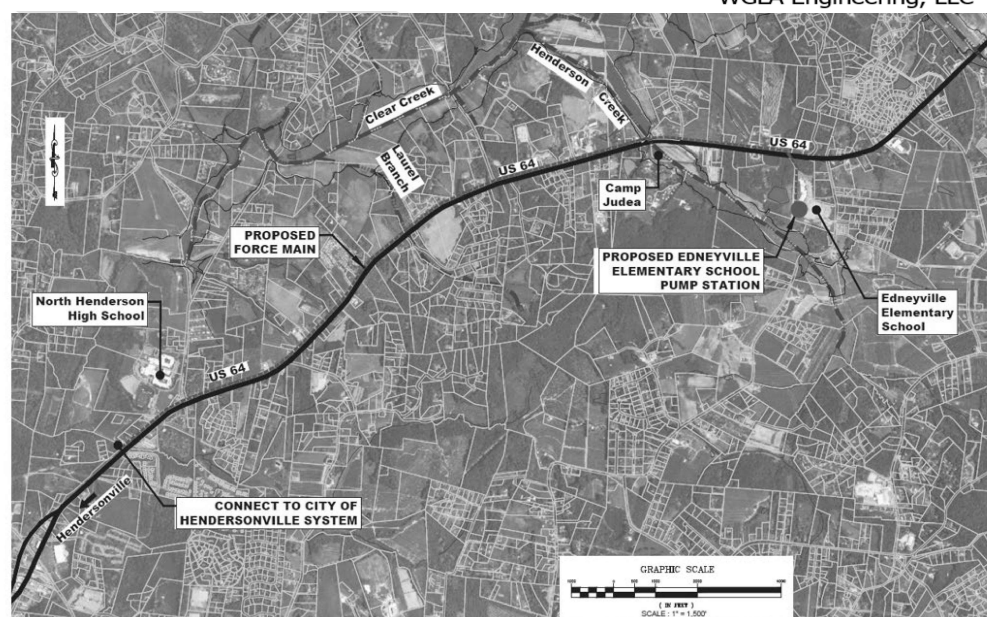
WGLA Engineering, LLC

Option 2: Henderson Creek Pump Station and Gravity Line

- Budget Estimate: \$6,650,000
- Rebid required
- Serves school, Camp Judea, all parcels between the two, and possible gravity mains along US64
- Could accommodate flow from Lewis Creek pump station in the future
- Permits previously secured should support this project

WGLA Engineering, LLC

Option 3: **Edneyville** **Elementary** **School** **Pump** **Station**



WGLA Engineering, LLC

Approved:

Option 3: Edneyville Elementary School Pump Station

- Budget Estimate: \$4,435,000 (\$5,500,000 if 2nd PS needed)
- Updated design, new or modified permitting, and a rebid will need to be needed
- Serves school only

WGLA Engineering, LLC

Option 4: Delay Project until Grant Funding is Approved

- Rebid likely needed
- Cost will increase due to escalation
- Permits are good for a year and then extensions or new permitting will be needed

Financing Options

OPTION 1 - Borrow \$12.7M reallocated to Etowah Sewer System project <i>No changes to current scope</i>					
Financing Term	Amount Financed	All in Cost	Annual Debt Service	Total Debt Service	Tax Rate Cent Increase
30 Years	13,017,500	5.00%	846,807	25,404,212	0.34
20 Years	13,017,500	5.00%	1,044,558	20,891,158	0.42
10 years	13,017,500	5.00%	1,685,826	16,858,258	0.67
OPTION 2 - Borrow \$6,650,000 + \$985,000 spent <i>Reduced Scope - Henderson Creek Pump Station and Gravity Line</i>					
Financing Term	Amount Financed	All in Cost	Annual Debt Service	Total Debt Service	Tax Rate Cent Increase
30 Years	7,825,875	5.00%	509,084	15,272,532	0.20
20 Years	7,825,875	5.00%	627,968	12,559,369	0.25
10 years	7,825,875	5.00%	1,013,487	10,134,866	0.41
Option 3 - Borrow \$4,435,000 + 985,000 spent <i>Change Scope - Edneyville Elementary School Pump Station</i>					
Financing Term	Amount Financed	All in Cost	Annual Debt Service	Total Debt Service	Tax Rate Cent Increase
30 Years	5,570,875	5.00%	362,393	10,871,802	0.15
20 Years	5,570,875	5.00%	447,021	8,940,428	0.18
10 years	5,570,875	5.00%	721,454	7,214,538	0.29

Approved:

Customer Rates

- Current rate analysis was studied with Blacksmith Run and a separate treatment plant: \$56 / month three years ago
- A new rate analysis will be needed after contract award
- New analysis will include bulk rate negotiations with the City of Hendersonville

Board Discussion

Vice-Chair Edney reported that while Senator Moffitt did not make a firm commitment, he indicated he believed he could secure funding for the Clear Creek Sewer Project. Edney added that the County subsidizes many services for individuals—such as EMS, building inspections, health and environmental health inspections, DSS, Parks and Recreation, and veterans services—because they serve a broader community need. Although he does not view the Clear Creek Project as falling into that category, he believes the project should still move forward as planned.

Commissioner Franklin asked why a wastewater package plant was not pursued as an option. County Engineer Marcus Jones responded that the decision was based on cost and permitting challenges. He noted that the State prefers to reduce—not expand—the number of package plants, and that both capital and operating costs for such a facility would be significantly higher. Will Buie added that a package-type wastewater treatment plant was explored; however, it was not possible to secure all required components within the ARPA funding timeline.

Commissioner Egolf stated that it is difficult for the Board to make a decision without knowing the amount of funding that will ultimately be available. He noted that during his time on the School Board, there was extensive discussion beginning in 2017 about Edneyville Elementary and the need for a sewer solution, including public meetings and community outreach. Egolf emphasized that any solution must include Edneyville and stated he is opposed to increasing discharge into Henderson Creek. He added that Option 3 does not adequately address the problem.

Mr. Mitchell stated that the key decision before the Board was whether to proceed with the bids currently in hand, which apply only to Options 1 and 2. He noted that Option 2 aligns with the scope included in the October bid. For Option 1, he does not believe any ARPA funds could be used due to the project's timeline.

There was discussion regarding borrowing funds for the project, the timeline associated with securing financing, and the availability of grants, including whether those grants would be reimbursable.

Approved:

Commissioner Egolf questioned whether the Edneyville community supports the growth that sewer infrastructure would bring and stated that he does not support borrowing funds for the project.

Chairman Lapsley stated that the Board has some time before a final decision must be made. He said the County needs to direct the consultant/engineer to ask the contractor for an extension of the current bids. He noted that the next meeting falls within the 60-day bid timeframe. The Board agreed to wait to make a decision.

NOMINATIONS AND APPOINTMENTS

1. Fletcher Planning and Zoning Board of Adjustment – 1 vac

There were no nominations, and this item was carried to the next meeting.

2. Henderson County Zoning Board of Adjustment – 2 vacs.

Chairman Lapsley made the motion to nominate Carlos Ruiz for reappointment to Seat #4 and Mark Casoria for reappointment to Seat #7. All voted in favor, and the motion carried.

3. Hendersonville City Zoning Board of Adjustment – 2 vacs.

There were no nominations, and this item was carried to the next meeting.

4. Hendersonville Planning Board – 1 vac.

Vice-Chair Edney made the motion to nominate Lauren Rippy for reappointment to Seat #1. All voted in favor, and the motion carried.

5. Home and Community Care Block Grant Committee – 1 vac.

Chairman Lapsley made the motion to nominate Erica Sutton for reappointment to Seat #1. All voted in favor, and the motion carried.

6. Metropolitan Sewerage District of Buncombe County (MSD) – 1 vac.

Commissioner Franklin made the motion to nominate Jim Player for reappointment to Seat #2. All voted in favor, and the motion carried.

7. Nursing/Adult Care Home Community Advisory Committee – 16 vacs.

Commissioner Franklin made the motion to nominate Charlotte Hooker for reappointment to Seat #1, Bob Tomasulo for reappointment to Seat #18, and Ron Howard for reappointment to Seat #21. All voted in favor, and the motion carried.

COMMISSIONER UPDATES

Commissioners Egolf, Franklin, and Edney had no comments.

Chairman Lapsley commented on the recent positive response regarding FEMA funds. Some invoices have now been obligated, but the County still has not received any money in its bank account. He referenced an October 30 letter from the attorney for the debris contractor, to whom the County owes \$30 million, reminding the County of its obligation to pay. The balance of those invoices continues to accrue interest the longer they go unpaid.

Approved: